

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-41703

**CALIBERCOS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**47-2426901**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**8901 E. Mountain View Rd. Ste. 150 Scottsdale, AZ**

**85258**

(Address of Principal Executive Offices)

(Zip Code)

**(480) 295-7600**

(Registrant's telephone number, including area code)

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

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Class A common stock, \$0.001 par value per share	CWD	Nasdaq Capital Market

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☒

Emerging growth company

☒

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the Class A Common Stock on The Nasdaq Capital Market on June 30, 2024, was approximately \$9.2 million.

There were 23,312,373 shares of common stock, comprised of 15,895,959 shares of Class A Common Stock and 7,416,414 shares of Class B Common Stock of CaliberCos Inc. as of March 27, 2025.

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## Table of Contents

	<b>Page</b>
<a href="#"><u>Forward-Looking Statements</u></a>	<a href="#"><u>2</u></a>
<b>PART I</b>	
<a href="#"><u>Item 1. Business</u></a>	<a href="#"><u>4</u></a>
<a href="#"><u>Item 1A. Risk Factors</u></a>	<a href="#"><u>10</u></a>
<a href="#"><u>Item 1B. Unresolved Staff Comments</u></a>	<a href="#"><u>29</u></a>
<a href="#"><u>Item 1C. Cybersecurity</u></a>	<a href="#"><u>29</u></a>
<a href="#"><u>Item 2. Properties</u></a>	<a href="#"><u>31</u></a>
<a href="#"><u>Item 3. Legal Proceedings</u></a>	<a href="#"><u>31</u></a>
<a href="#"><u>Item 4. Mine Safety Disclosures</u></a>	<a href="#"><u>31</u></a>
<b>PART II</b>	
<a href="#"><u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a>	<a href="#"><u>32</u></a>
<a href="#"><u>Item 6. Reserved</u></a>	<a href="#"><u>32</u></a>
<a href="#"><u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>	<a href="#"><u>33</u></a>
<a href="#"><u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u></a>	<a href="#"><u>52</u></a>
<a href="#"><u>Item 8. Financial Statements and Supplementary Data</u></a>	<a href="#"><u>53</u></a>
<a href="#"><u>Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures</u></a>	<a href="#"><u>53</u></a>
<a href="#"><u>Item 9A. Controls and Procedures</u></a>	<a href="#"><u>53</u></a>
<a href="#"><u>Item 9B. Other Information</u></a>	<a href="#"><u>54</u></a>
<a href="#"><u>Item 9C. Disclosure Regarding Foreign Jurisdiction That Prevent Inspections</u></a>	<a href="#"><u>54</u></a>
<b>PART III</b>	
<a href="#"><u>Item 10. Directors, Executive Officers and Corporate Governance</u></a>	<a href="#"><u>55</u></a>
<a href="#"><u>Item 11. Executive Compensation</u></a>	<a href="#"><u>61</u></a>
<a href="#"><u>Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters</u></a>	<a href="#"><u>66</u></a>
<a href="#"><u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u></a>	<a href="#"><u>68</u></a>
<a href="#"><u>Item 14. Principal Accounting Fees and Services</u></a>	<a href="#"><u>72</u></a>
<b>PART IV</b>	
<a href="#"><u>Item 15. Exhibits, Financial Statement Schedules</u></a>	<a href="#"><u>74</u></a>
<a href="#"><u>Item 16. Form 10-K Summary</u></a>	<a href="#"><u>76</u></a>
<a href="#"><u>Signatures</u></a>	<a href="#"><u>77</u></a>
<a href="#"><u>Index to Consolidated Financial Statements</u></a>	<a href="#"><u>F-1</u></a>

## Forward-Looking Statements

*In this report, the term “Company” refers to CaliberCos Inc. and its wholly-owned subsidiaries. The “Consolidated Funds” refers to the Companies consolidated variable interest entities. The “Consolidated Company”, “Caliber”, “we”, “us”, and “our” refers to the Company and the Consolidated Funds collectively.*

This annual report on Form 10-K includes forward-looking statements within the meaning of the federal securities laws. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the operating results and financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, statements about:

- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- our estimates of the size of our market opportunities;
- our ability to effectively manage our growth;
- our ability to successfully enter new markets, manage our growth expansion and comply with any applicable laws and regulations;
- the effects of increased competition from our market competitors;
- significant disruption in, or breach in security of, our information technology systems and resultant interruptions in service and any related impact on our reputation;
- the attraction and retention of qualified employees and key personnel;
- the effectiveness of our internal controls;
- changes in laws and government regulation affecting our business;
- the impact of adverse economic conditions;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs and service our indebtedness; and
- outcomes of legal or administrative proceedings.

In addition, in this report, the words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “potential” and similar expressions, as they relate to our Company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Forward-looking statements speak only as of the date of this report. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

You should read this report and the documents that we reference in this report and have filed with the Securities and Exchange Commission (“SEC”) as exhibits to this report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

## PART I

### Item 1. Business

#### General

Over the past 16 years, Caliber has emerged as a leading real estate asset management firm, with more than \$2.9 billion in Managed Assets. Caliber's business is focused on a singular objective, to make money in all market conditions by managing and developing attractive multi-family residential, hospitality, and multi-tenant industrial assets. Caliber serves financial professionals, family office investors, and high net worth investors, through its real estate fund products focused on generating value growth, income, and tax advantages. Caliber competes in the broad market for alternative investments, a fast-growing segment of the global investment market.

For Multi-Family Residential & Multi-Tenant Industrial assets, Caliber is regionally focused on growth-oriented markets; namely Arizona, Colorado & Texas. For its Hospitality platform, Caliber is investing through the United States with a specific focus on markets that have experience population growth and job growth in the last 5 years.

Our competitive advantage is driven by several elements of the Caliber platform:

- 1.) The combination of an institutional-grade investment management platform combined with boutique, middle-market fund sizes and real estate projects.
- 2.) Our in-house shared services group, which offers Caliber greater control over our real estate and visibility to find future investment opportunities
- 3.) Our in-house fundraising infrastructure, allowing Caliber to serve a broad range of investors and institutions.

Caliber defines middle-market in two ways. The first, by the size of the investments, We typically pursue – projects between \$5.0 million and \$50.0 million per asset. The second, by the size of the investment funds. We offer, typically \$200.0 million for a multi-asset discretionary fund and \$5.0 million to \$20 million for a syndication. In addition, Caliber is building the Caliber Hospitality Trust (CHT), a middle-market hotel investment company utilizing the UPREIT strategy with expectations that CHT will become a listed company when its assets under management ("AUM") exceeds \$1.0 billion.

As an alternative asset manager, we offer a full suite of support services and employ a vertically integrated approach to investment management. Our asset management activities are complemented with transaction and advisory services including development and construction management, acquisition and disposition expertise, and fund formation, which we believe differentiate us from other asset management firms. We earn the following fees from providing these services under our asset management platform (the "Platform"):

#### *Asset Management Revenues*

- Organizational & Offering ("O&O") fees include fund set-up fees and are a one-time fee earned during the initial formation, administration, and set-up of fund products we distribute and manage. These fees are recognized at the point in time when the performance under the contract is complete.
- Fund management fees are generally based on 1.0% to 1.5% of the unreturned capital contributions in a particular fund and include reimbursement for costs incurred on behalf of the fund, including an allocation of certain overhead costs. These customer contracts require the Company to provide management services, representing a performance obligation that the Company satisfies over time. With respect to the Caliber Hospitality Trust (as defined in Note 3 – VIEs), the Company earns a fund management fee of 0.7% of the Caliber Hospitality Trust's enterprise value and is reimbursed for certain costs incurred on behalf of the Caliber Hospitality Trust.
- Financing fees are earned for services the Company performs in securing third-party financing on behalf of our private equity real estate funds. These fees are recognized at the point in time when the performance under the contract is complete, which is essentially upon closing of a loan. In addition, the Company earns fees for guaranteeing certain loans, representing a performance obligation that the Company satisfies over time.

- Real estate development revenues are generally based on two fee-based contracts, which are up to 6% on a combined basis. The first, a real estate development contract that provides for up to 4.0% of the total expected costs of the

development and is paid for services performed by Caliber Development, LLC as the principal developer of Caliber projects. These services may include obtaining new entitlements or zoning changes and managing and supervising third-party developers. The second, a construction management contract that provides for up to 4.0% of the total expected costs of the construction project for services provided managing general contractors with respect to the construction of the properties owned by the funds. Prior to the commencement of construction, development fee revenue is recognized at a point in time as the related performance obligations are satisfied and the customer obtains control of the promised service, including negotiation, due diligence, entitlements, planning, and design activities. During the construction period, construction management fee revenue is recognized over time as the performance obligations are satisfied.

- Brokerage fees are earned at a point in time at fixed rates for services performed related to acquisitions, dispositions, leasing, and financing transactions.

### ***Performance Allocations***

- Performance allocations are an arrangement in which we are entitled to an allocation of investment returns, generated within the investment funds which we manage, based on a contractual formula. We typically receive 15.0% to 35.0% of all cash distributions from (i) the operating cash flow of each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of preferred capital contributions; and (ii) the cash flow resulting from the sale or refinance of any real estate assets held by each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of initial preferred capital contributions. Our funds' preferred returns range from 6.0% to 12.0%, typically 6.0% for common equity or 10.0% to 12.0% for preferred equity, which does not participate in profits. Performance allocations are related to services which have been provided and are recognized when it is determined that they are no longer probable of significant reversal, which is generally satisfied when an underlying fund investment is realized or sold.

We have \$2.9 billion in Managed Assets, which is comprised of AUM and Assets Under Development ("AUD"). We have a number of development, redevelopment, construction, and entitlement projects that are underway or are in the planning stages, which we define as AUD. This category includes projects to be built on undeveloped land and projects to be built and constructed on undeveloped lands, which are not yet owned by our funds but are under contract to purchase. Completing these development activities may ultimately result in income-producing assets, assets we may sell to third parties, or both. If we complete all AUD at December 31, 2024, up through sale, we estimate the Company could earn \$89.0 million in performance allocations. As of December 31, 2024, we are actively developing 1,796 multifamily units, 697 single family units, 3.7 million square feet of commercial and industrial, and 3.5 million square feet of office and retail. If all of these projects are brought to completion, the total cost capitalized to these projects, which represents total current estimated costs to complete the development and construction of such projects by us or a third party, is \$2.1 billion, which we expect would be funded through a combination of undeployed fund cash, third-party equity, project sales, tax credit financing and similar incentives, and secured debt financing.

We are under no obligation to complete these projects and may dispose of any such assets at any time. There can be no assurance that AUD will ultimately be developed or constructed because of the nature of the cost of the approval and development process and market demand for a particular use. In addition, the mix of residential and commercial assets under development may change prior to final development. The development of these assets will require significant additional financing or other sources of funding, which may not be available. Similarly, there can be no assurance that performance allocations associated with our Managed Assets will be realized because our total costs to complete a project could change. In addition, the price we might obtain upon selling the investment at some point in the future could be different than our projections.

### **Investment Process and Risk Management**

We maintain a rigorous investment process across all our funds. Each fund has investment policies and procedures that generally contain investment parameters and requirements, such as limitations relating to the types of assets, industries or geographic regions in which the fund will invest. An investment committee reviews and evaluates investment opportunities in a framework that includes a qualitative and quantitative assessment of the key opportunities and risks of investments.

Our investment professionals are responsible for the full life cycle of an investment, from evaluation, through execution, to exit. Investment professionals generally submit investment opportunities for review and approval by our investment committee. The investment committee is comprised of executives and senior leaders of the Company. When evaluating investment opportunities, the

investment committee may consider, without limitation and depending on the nature of the investment and its strategy, the quality of the asset in which the fund proposes to invest, likely exit strategies, factors that could reduce the value of the asset at exit, and a range of economic and interest rate environments, macroeconomic trends in the relevant geographic region



or industry and the quality of the asset's business operations. Our investment committee also incorporates, to the extent appropriate, environmental, social and governance ("ESG") factors into the investment decision-making process.

Existing investments are reviewed and monitored on a regular basis by investment and asset management professionals. In addition, our investment professionals and asset managers work directly with our portfolio companies' directors, executives and managers to drive operational efficiencies and growth.

### **Capital Invested In and Alongside Our Investment Funds**

To further align our interests with those of investors in our investment funds, we have invested our own capital and that of certain of our personnel in the investment funds that we sponsor and manage. Minimum general partner capital commitments to our investment funds are determined separately with respect to each of our investment funds and, generally, are less than 5% of the limited partner commitments of any particular fund. We determine whether to make general partner capital commitments to our funds in excess of the minimum required commitments based on, among other things, our anticipated liquidity, working capital and other capital needs.

As of December 31, 2024, Caliber has \$28.6 million invested alongside our Fund Investors in the form of equity positions, short term loans, and receivables. This represents 5.8% of Managed Capital of \$492.5 million.

Investors in many of our funds also receive the opportunity to make additional "co-investments" with the investment funds. Our employees, as well as Caliber itself, also have the opportunity to make investments, in or alongside our funds and other vehicles we manage, in some instances without being subject to management fees, carried interest or incentive fees. In certain cases, limited partner investors may pay additional management fees or carried interest in connection with such co-investments.

### **Competition**

The real estate asset management industry is intensely competitive. We compete primarily on a regional, industry and asset class basis.

We face competition both in the pursuit of fund investors and investment opportunities. Generally, our competition varies across business lines, geographies, and financial markets. We compete for outside investors based on a variety of factors, including investment performance, investor perception of investment managers' drive, focus and alignment of interest, quality of service provided to and duration of relationship with investors, business reputation, and the level of fees and expenses charged for services.

We compete for investment opportunities based on a variety of factors, including breadth of market coverage and relationships, access to capital, transaction execution skills, the range of products and services offered, innovation, and price.

We compete with real estate funds, specialized funds, hedge fund sponsors, financial institutions, private equity funds, corporate buyers, and other parties. Many of these competitors are substantially larger and have considerably greater financial, technical, and marketing resources than are available to us. Many of these competitors have similar investment objectives to ours, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment that may provide them with a competitive advantage in bidding for an investment.

The alternative investment industry is highly competitive. Many of our competitors have greater financial resources and a broader market presence than we do. We compete with respect to:

- Competitive fee structures on our asset management services; and
- Diversification of our revenue stream across the deal continuum, including asset management revenues which include brokerage fees on buying and selling assets, construction management fees on repositioning assets, fund set up fees for the initial formation, administration, and set-up of fund products we distribute and manage.



## Strategy and Competitive Strengths

We manage and administer investment vehicles that allow investors to diversify their holdings into asset classes that would not be readily accessible to them otherwise. We typically distribute cash to fund investors where there is either: (i) sufficient distributable cash derived from the income of our investments (rents, etc.) or (ii) a capital event, such as a sale of an asset or a cash-out refinance. Caliber's approach is to offer investors, and their wealth managers, products managed by a team aligned with their success. We believe our competitive strengths include:

- ***Extensive relationship and sourcing network.*** We leverage our relationships in order to source deals for our funds. In addition, our management has extensive relationships with major industry participants in each of the markets in which we currently operate. Their local presence and reputation in these markets enables them to cultivate key relationships with major holders of property inventory, in particular, financial institutions, throughout the real estate community.
- ***Targeted market opportunities.*** We primarily focus on business and investment-friendly markets that have a long-term trend of population growth and income improvement, in particular focus on Alaska, Arizona, Colorado, Kansas, Texas, and Virginia. We generally avoid engaging in direct competition in over-regulated and saturated markets.
- ***Structuring expertise and speed of execution.*** We believe we have developed a reputation of being able to quickly execute, as well as originate and creatively structure acquisitions, dispositions and financing transactions. We have experience in a variety of investment strategies, including direct property investments, joint ventures, participating loans and investments in performing and non-performing mortgages with the objective of long-term ownership.
- ***Vertically integrated platform for operational enhancement.*** We believe in a hands-on approach to real estate investing and possess local expertise in brokerage, development management, and investment sales, which we believe enable us to invest successfully in select submarkets. Our goal is to optimize the use of in-house services for high margin, low volume tasks while using third-party services for high volume, low margin tasks.
- ***Focus on the middle market.*** We believe our focus on middle market opportunities offers our investors significant alternatives to active, equity investing. This focus has allowed us to offer a diversified range of alternative investment opportunities, particularly for accredited investors.
- ***Risk protection and investment discipline.*** We underwrite our investments based upon an examination of investment economics and an understanding of market dynamics and risk management strategies. We conduct an in-depth sensitivity analysis on each of our fund investments. This analysis applies various economic scenarios that include, where appropriate, changes to rental rates, absorption periods, operating expenses, interest rates, exit values and holding periods.

## Our Growth Strategy

We aim to continue building wealth for our investors by expanding our business with the following strategies:

- ***Organic growth with our existing high net worth investor base.*** We estimate that we currently service less than 1.0% of the current high net worth investor base in the United States. Using our established direct sales method, we intend to attract additional high net worth individuals to expand our number of customers and our assets under management.
- ***Expansion into additional distribution channels.*** We intend to expand Caliber's recent, early success in accessing institutional channels by further expanding our fundraising activities directed to registered investment advisers (RIA), broker-dealers, family offices, and boutique institutions.
- ***New funds and platforms.*** We intend to grow our assets under management ("AUM") by expanding the number of available funds and platforms. We will look for complementary products and vehicles that utilize our existing vertically integrated infrastructure to allow us to continue to capture attractive risk-adjusted returns. These areas of investment could include private debt, venture capital and private equity. We expect these new funds and platforms will attract new investors, in addition to leveraging our existing investor base.
- ***UPREIT Strategies.*** We intend to utilize the UPREIT structure, starting with CHT, to grow our AUM through tax-efficient asset acquisitions which can be completed primarily in shares in the UPREIT we manage instead of traditional cash debt and

equity. We expect to leverage the operating infrastructure of Caliber as an external advisor to the UPREIT entity(s) we manage to avoid duplicating costs of running additional public companies.

- **Accretive acquisitions.** We plan to evaluate potential accretive acquisition opportunities to further grow our business. These acquisitions could include opportunities to expand our distribution capabilities, product offerings or geographic reach.

## **Human Capital Management**

Caliber is committed to operating according to our core principles:

- Authenticity & Transparency
- Vision & Agility
- Compassion & Service

Our employees are integral to Caliber's culture and our primary real estate objective, to produce and manage real estate investments that Caliber insiders own and invest in. Our employees adhere to Caliber's core principles leading to our continued success as an organization. Our professionals have decades of institutional experience in commercial, real estate, capital markets, alternative investments, and mergers and acquisitions. We give our employees the opportunities to develop their skills and encourage them to collaborate to achieve success.

As of December 31, 2024, we had 81 employees. None of our employees are currently covered by a collective bargaining agreement.

### *Talent Acquisition, Development and Retention*

We face intense competition for qualified personnel. We believe the talent of our employees, in association with our rigorous investment process, has supported our growth and investment performance over the past decade. We are focused on hiring, training, and developing the skills and careers of our people. We provide opportunities for growth and development for our employees and support their personal and professional goals in an effort to retain the most talented individuals.

The opportunities we provide in conjunction with our reputation is what we believe makes us an attractive employer. We seek to retain and incentivize the performance of our employees through our compensation structure. We enter into non-competition and non-solicitation agreements with certain employees.

We believe Caliber offers a differentiated platform for employees to join our business as one of the only boutique, publicly listed real estate asset managers in the United States.

### *Compensation and Benefits*

Our compensation strategy is designed to attract qualified talent, retain team members, and stay competitive within the talent market. Caliber continually evaluates our compensation structure to ensure it aligns with the market and continues to be an attractive component of joining our team. Compensation includes incentives for individual performance as well as overall success in meeting the Company's goals. We believe these additional incentives encourage team members to perform at a high level.

We provide our team members with competitive health and retirement offerings, as well as a variety of quality-of-life benefits, including flexible time-off, an employee assistance program at no cost to the employee, a Company match for retirement plan contribution, tuition reimbursement, and overall support for well-being and family planning resources.

## **Regulatory and Compliance Matters**

Our businesses, as well as the financial services industry generally, are subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations or exchanges in the jurisdictions in which we operate relating to, among other things, anti-money laundering laws, and privacy laws with respect to client information, and some of our funds invest in businesses that operate in highly regulated industries. Each of the regulatory bodies with jurisdiction over us oversee many aspects of financial services, including the authority to grant, and in specific circumstances to revoke, permissions to engage in particular activities. Any failure to comply with these rules and regulations could expose us to liability and/or reputational damage. The SEC and various self-regulatory organizations, state securities regulators, and international securities regulators have in recent years

increased their regulatory activities, including regulation, examination, and enforcement in respect of asset management firms. Additional legislation, increasing regulatory oversight of fundraising activities, changes in

rules promulgated by self-regulatory organizations or exchanges or changes in the interpretation or enforcement of existing laws and rules may directly affect our mode of operation and profitability.

We intend to continue to conduct our operations so that neither we nor any subsidiaries we own nor ones we may establish will be required to register as an investment company under the Investment Company Act of 1940, as amended (“Investment Company Act”). The loss of our exclusion from regulation pursuant to the Investment Company Act could require us to restructure our operations, sell certain of our assets, or abstain from the purchase of certain assets, which could have an adverse effect on our financial condition and results of operations. If we were deemed an “investment company” under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as conducted and could have a material adverse effect on our business.

#### **Website and Available Information**

We file annual, quarterly and current reports; proxy and information statements and other information with the SEC. We also make our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all related amendments, available free of charge through our website at [www.caliberco.com](http://www.caliberco.com) as soon as reasonably practical after they have been filed with the SEC. We also provide to anyone, without charge, copies of the documents upon written request. Requests should be directed to the attention of the Corporate Secretary at our address on the cover page of this Form 10-K.

We are an electronic filer. The SEC maintains an internet website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers, such as us, that file electronically with the SEC.

## Item 1A. Risk Factors

*Investing in our Class A common stock involves a high degree of risk and investors should carefully consider the following risk factors, as well as the other information in this Annual Report on Form 10-K, in evaluating the Company and our business. If any of the following risks actually occurs, our business, results of operations and financial condition could be materially adversely affected. In this case, the trading price of our Class A common stock would likely decline, and investors might lose part or all their investment in our Class A common stock.*

### Risks Related to Our Business

***Our business depends in large part on our ability to raise capital for our funds from investors. If we were unable to raise such capital, we may be unable to grow our asset management revenues. The inability to deploy such capital into investments, may materially reduce our revenues and cash flows and adversely affect our financial condition.***

We depend on the capital markets to grow our assets under management, (“AUM”) and we depend on third-party equity and debt financings to acquire properties for our funds. We intend to continue to raise a significant amount of equity and debt to acquire various alternative investments for our funds in the ordinary course of our business. Our debt financing depends on a combination of seller financing, the assumption of existing loans, government agencies, and financial institutions. We depend on equity financing from equity partners, which may include public or private companies, pension funds, family offices, financial institutions, endowments, high net worth individuals, and money managers. Our access to capital funding for our funds is uncertain. Our inability to raise additional capital for our funds on terms reasonably acceptable to us could jeopardize the future growth of our business.

Our ability to raise capital from investors in our funds depends on several factors, including many that are outside our control. Investors may downsize their investment allocations to alternative asset managers, including private funds and hedge funds, to rebalance a disproportionate weighting of their overall investment portfolio among asset classes. Poor performance of our funds could also make it more difficult for us to raise new capital. Our investors and potential investors continually assess our funds’ performance independently and relative to market benchmarks and our competitors, and our ability to raise capital for existing and future funds depends on our funds’ performance. The financial markets are affected by many factors, such as U.S. and foreign economic conditions and general trends in business and finance that are beyond our control, which could be adversely affected by changes in the equity or debt marketplaces, unanticipated changes in currency exchange rates, interest rates, inflation rates, the yield curve, financial crises, changes in regulation, war, terrorism, natural disasters and other factors that are difficult to predict. The markets continue to be affected by inflation in the United States, global health pandemics, the imposition of sanctions and the escalation of hostilities between Russia and Ukraine and the Israel-Hamas conflict. In the event that the U.S. or international financial markets suffer a severe or prolonged downturn or increased volatility, our funds’ investments may lose value and investors may choose to withdraw assets from our funds and use the assets to pay expenses or transfer them to investments that they perceive to be more secure, such as bank deposits and Treasury securities. If economic and market conditions deteriorate, we may be unable to raise sufficient capital to support the investment activities of future funds. If we are unable to successfully raise capital, our revenues and cash flows would be reduced, and our financial condition would be adversely affected.

***Changes in prevailing interest rates may reduce our profitability, and we may not be able to adequately anticipate and respond to changes in market interest rates.***

The majority of our funds’ assets are monetary in nature and subject to risk from changes in interest rates. Our earnings and cash flows depend to a great extent upon the difference between the interest our funds pay on loans and borrowings and the value of fixed-rate debt investments made by our funds. Depending on the terms and maturities of our assets and liabilities, a significant change in interest rates could have a material adverse effect on our profitability. In addition, rising interest rates, coupled with periods of significant equity and credit market volatility may potentially make it more difficult for us to find attractive opportunities for our funds to exit and realize value from their existing investments.



Interest rates remained at relatively low levels on a historical basis and the U.S. Federal Reserve maintained the federal funds target range at 0.0% to 0.25% for much of 2020 and 2021. The Federal Reserve raised interest rates by an aggregate of 525 basis points from January 1, 2022 through September 18, 2024. Subsequently, the Federal Reserve decreased the federal funds rate by 50 basis points in September 2024, by 25 basis points in November 2024 and by 25 basis points in December 2024, resulting in a target rate range of 4.25% to 4.50% at December 31, 2024. Additionally, the current geopolitical environment in Europe provides yet another layer of uncertainty around the actions that the Federal Reserve might take. Market interest rates are affected by many factors outside of our control, including governmental monetary policies, domestic and international economic conditions, inflation, deflation, recession, changes in unemployment, the money supply, international disorder and instability in domestic and foreign financial markets. Rising interest rates create downward pressure on the price of real estate, increase the cost and reduce the availability of debt financing for the transactions our funds pursue and decrease the value of fixed-rate debt investments made by our funds, each of which may have an adverse impact on our business.

Increased costs of borrowing could also cause us to reconsider the purchase of certain real estate assets, the terms of any such purchase or the mix of debt and equity we employ in connection with such purchase. Such issues are expected to be more prevalent in a continued rising interest rate environment. A higher interest rate environment may lead to a significant contraction or weakening in the market for debt financing or have other adverse changes relating to the terms of debt financing (such as, for example, higher equity requirements and/or more restrictive covenants), particularly in the area of acquisition financings for private equity and real estate transactions, which could have a material adverse impact on our business. In a rising interest rate environment, the financing of acquisitions or the operations of our funds' portfolio companies with debt may also become less attractive due to the cost of capital or limitations on the deductibility of corporate interest expense. If our funds are unable to obtain committed debt financing for potential acquisitions, can only obtain debt financing at an increased interest rate or on unfavorable terms, or the ability to deduct corporate interest expense is substantially limited, our funds may face increased competition from strategic buyers of assets who may have an overall lower cost of capital or the ability to benefit from a higher amount of cost savings following an acquisition, or may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, each of which could lead to a decrease in our revenues.

In addition, if our funds are unable to obtain committed debt financing for potential acquisitions or can only obtain debt financing at an increased interest rate or on unfavorable terms, this would require us to employ a higher mix of equity to acquire real estate assets. The cost of equity in a rising interest rate environment may also become more expensive, and we may be required to offer a higher rate of return on equity in order to finance such assets. This in turn would adversely affect our profitability from such assets. While to date our funds' borrowing costs have not substantially increased, as rates continue to increase, our ability to use leverage as a financing tool or to pass along any increased costs of borrowing or financing will become more difficult, all of which could have an adverse effect on our profitability.

***Inflation can have an adverse impact on our business and on our customers.***

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. The annual inflation rate in the United States increased to 9.1% in June 2022, the highest rate since November 1981, but decreased to 2.9% in December 2024. As a result, from January 1, 2022 through September 18, 2024, the Federal Reserve increased the federal funds rate by 525 basis points. Subsequently, the Federal Reserve decreased the federal funds rate by 50 basis points in September 2024, by 25 basis points in November 2024 and by 25 basis points in December 2024, resulting in a target rate range of 4.25% to 4.50% at December 31, 2024. For project execution, inflation has increased the cost of nearly all building materials and labor types, increasing the cost of construction and renovation of our funds' assets. Furthermore, third parties we do business with, such as developers and contractors, are also affected by inflation and the rising costs of goods and services used in their businesses. A significant and continued increase in interest rates and inflation would be expected to have a negative impact on their ability to do business with us, which would affect our profitability.

***Changes in trade policies and tariffs imposed by the United States government and the governments of other nations may have a material adverse effect on our business and results of operations.***

Effective March 4, 2025, the U.S. administration imposed a 20% tariff on all imports from China, a 25% tariff on all imports from Mexico, and a 25% tariff on most imports from Canada, with a 10% tariff on energy imports. At this time, the overall impact on our business related to these tariffs remains uncertain and depends on multiple factors, including the duration and potential expansion of current tariffs, future changes to tariff rates, scope, or enforcement, retaliatory measures by impacted trade partners, inflationary effects and broader macroeconomic responses, and the effectiveness of our responses in managing these challenges. We cannot predict if, and

to what extent, there will be changes to international trade agreements or the resulting impact of any such changes on our business operations. We are closely monitoring this evolving situation and evaluating our responses. However, there can be no assurance that we will be able to fully mitigate the impact of such tariffs or trade restrictions.

***Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations.***

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. (“Silvergate Capital”), and then on May 1, 2023, First Republic Bank, were each swept into receivership. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC indicated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder. Although we are not a borrower or party to any such instruments with SVB, Signature Bank, First Republic Bank or any other financial institution currently in receivership, if any of our lenders or counterparties to any such instruments were to be placed into receivership, we may be unable to access such funds. In addition, if any of our customers, suppliers or other parties with whom we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties’ ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. In this regard, counterparties to SVB, Signature Bank or First Republic Bank credit agreements and arrangements, and third parties such as beneficiaries of letters of credit (among others), may experience direct impacts from the closures of SVB, Signature Bank and First Republic Bank and uncertainty remains over liquidity concerns in the broader financial services industry. Similar impacts have occurred in the past, such as during the 2008-2010 financial crisis. We hold no deposits or securities with SVB, Signature Bank, First Republic Bank or Silvergate Capital.

***A decline in the pace of growth or size of investment made by our funds may adversely affect our revenues.***

Revenues we derive from our asset management and related services are driven in part by the pace at which our funds make investments and the size of those investments. A decline in the pace or the size of such investments may reduce our revenues. The pace of our investments could decline due to, among other factors, the market environment for private equity transactions, which has at times been characterized by relatively high prices, and such market changes make the deployment of capital more difficult. In addition, many other factors could cause a decline in the pace of investment, including the inability of our investment professionals to identify attractive investment opportunities, competition for such opportunities among other potential acquirers, decreased availability of capital on attractive terms, and our failure to consummate identified investment opportunities because of business, regulatory or legal complexities or uncertainty and adverse developments in the U.S. or global economy or financial markets. In addition, if our funds are unable to deploy capital at a pace that is sufficient to offset the pace of realizations, our fee revenues could decrease.

***Our revenue, earnings, net income, and cash flows can all vary materially, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our Class A common stock to decline.***

We have in the past and may in the future experience fluctuations in our results, including our revenue and net income, from quarter to quarter due to a number of other factors, including timing of realizations, changes in the amount of distributions or interest paid in respect of investments, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. Achieving steady growth in net income and cash flow on a quarterly basis may be difficult, which could in turn lead to large adverse movements or general increased volatility in the price of our Class A common stock. We also do not provide any guidance regarding our expected quarterly and annual operating results. The lack of near term guidance may affect the expectations of public market analysts and could cause increased volatility in our Class A common stock price.

We have incurred operating losses and negative operating cash flows for the year ended December 31, 2024, and may incur operating losses and negative cash flows in future periods. In response to these conditions, and the absence of sufficient cash to satisfy the debt obligations referenced below under the risk factor “We have an amount of total liabilities which may be considered significant for a company of our size which could adversely affect our financial condition and our ability to react to changes in our business”, management plans to i) negotiate extensions of such loans or refinance such debt, ii) obtain new financing, iii) reduce operating costs, iv) collect receivables and return investments from our Consolidated Funds, and/or v) increase capital raise through continued expansion of fundraising channels.

Our revenue, net income, and cash flows can all vary materially due to performance allocations (income earned with respect to our carried interest is recorded as performance allocations) in any fiscal period. Performance allocations depend on our funds’ performance and opportunities for realizing gains, which may be limited. Our cash flow may fluctuate significantly due to the fact that we receive performance allocations from our carry funds only when portfolio companies make distributions in excess of preferred return hurdles, or when investments are realized and achieve a minimum preferred return. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment, to manage the performance of the investment, and then to realize the cash value (or other proceeds) of an investment through a sale, public offering, recapitalization or other exit. Even if an investment proves to be profitable, it may be several years before any profits can be realized in cash (or other proceeds). We cannot predict with certainty exactly when, or if, any performance allocations will or may occur.

In addition, upon the realization of a profitable investment by any of our funds and prior to our receiving any performance allocations in respect of that investment, 100% of the net proceeds from such realization must generally be paid to the investors in that fund until they have achieved a certain return on all realized investments by that fund. A particular realization event may have a significant impact on our results for that particular quarter that may not be replicated in subsequent quarters. We recognize revenue on investments in our investment funds based on our allocable share of realized gains (or losses) reported by such investment funds, and a decline in gains, or an increase in losses, would adversely affect our revenue and possibly cash flow, which could further increase the volatility of our quarterly results. Because our carry funds have preferred return thresholds to investors that need to be met prior to our receiving any performance allocations, substantial declines in the carrying value of the investment portfolios of a fund can significantly delay or eliminate any performance allocations paid to us in respect of that fund since the value of the assets in the fund would need to recover to their aggregate cost basis plus the preferred return over time before we would be entitled to receive any performance allocations from that fund.

The timing and receipt of performance allocations also varies with the life cycle of our funds. During periods in which a relatively large portion of our assets under management are attributable to funds and investments in their “optimized” period, our funds would make larger distributions than in the fundraising or investment periods that precede the optimized period. During periods in which a significant portion of our assets under management is attributable to funds that are not in their optimized periods, we may receive substantially lower performance allocations.

***We could lose part or all of our investments, which could have a material adverse effect on our financial condition and results of operations.***

There is an inherent risk that we could lose all or part of our investment in certain assets. Our investments are generally illiquid, which may affect our ability to change our asset mix in response to changes in economic and other conditions. The value of our investments can also be diminished by:

- civil unrest, acts of war and terrorism and acts of God, including earthquakes, hurricanes, and other natural disasters (which may result in uninsured or underinsured losses);
- the impact of present or future legislation (including environmental regulation, changes in laws concerning foreign ownership of property, changes in tax rates, changes in zoning laws and laws requiring upgrades to accommodate disabled persons) and the cost of compliance with these types of legislation; and
- liabilities relating to claims, to the extent insurance is not available or is inadequate.

***We have an amount of total liabilities which may be considered significant for a company of our size which could adversely affect our financial condition and our ability to react to changes in our business.***

The Company had individual corporate notes aggregating \$32.8 million at December 31, 2024, for which the maturity dates of the majority of these notes are within the 12-month period subsequent to when the financial statements for the year ended December 31, 2024 were issued. We currently do not have sufficient cash on hand to satisfy such obligations.

We believe this is an amount of total liabilities which may be considered significant for a company of our size and current revenue base. Our substantial total liabilities could have important consequences to us. For example, it could:

- require us to dedicate a substantial portion of our cash flows from operations to make payments on our debt, which would reduce the availability of our cash flows from operations to fund working capital, capital expenditures or other general corporate purposes;
- increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations;
- place us at a competitive disadvantage to our competitors with proportionately less debt for their size;
- limit our ability to refinance our existing debt or borrow additional funds in the future;
- limit our flexibility in planning for, or reacting to, changing conditions in our business; and
- limit our ability to react to competitive pressures or make it difficult for us to carry out capital spending that is necessary or important to our growth strategy.

Any of the foregoing impacts of our substantial total liabilities could have a material adverse effect on our business, financial condition and results of operations.

***We may not be able to generate sufficient cash to service all of our debt or refinance our obligations and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.***

We require cash to (a) provide capital to facilitate the growth of our existing businesses, (b) co-investment into our funds, if any, (c) service our debt and (d) pay operating expenses and other obligations as they arise. There is no guarantee that in the future we will generate enough working capital to support our business. Our ability to repay our total liabilities, including our ability to make scheduled payments on our debt or to refinance our obligations under our debt agreements, will depend on our financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to the financial and business risk factors we face as described in this section, many of which may be beyond our control. If the global economy and conditions in the financing markets worsen, our fund investment performance could suffer, resulting in, for example, the payment of less or no performance allocations to us. This could materially and adversely affect the amount of cash we have on hand.

If our cash flows and capital resources are insufficient to repay our total liabilities, including the ability to fund our debt service obligations, we may be forced to reduce or delay capital expenditures or planned growth objectives, seek to obtain additional equity capital or restructure our debt. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditures or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue additional equity or debt securities or obtain credit facilities. If we issue additional equity securities to raise funds, whether to existing investors or others, the ownership percentage of our existing stockholders would be reduced. New investors may demand rights, preferences, or privileges senior to those of existing holders of common stock. We may also be limited as to the amount of funds we can raise pursuant to SEC rules and the continued listing requirements of Nasdaq. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

In the future, our cash flows and capital resources may not be sufficient for payments of interest on and principal of our debt, and such alternative measures may not be successful and may not permit us to meet scheduled debt service obligations. In addition, the recent worldwide credit crisis could make it more difficult for us to repay our total liabilities, including the ability to refinance our debt on favorable terms, or at all. In the absence of positive operating results and/or sufficient cash resources, we may be required to dispose of material assets to repay our total liabilities, including the ability to meet our debt service obligations. We may not be able to consummate those sales, or, if we do, we will not control the timing of the sales or whether the proceeds that we realize will be adequate to repay our total liabilities, including the ability to meet debt service obligations when due.

***The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our Class A common stock.***

An investment in our Class A common stock is not an investment in any of our funds. You should not conclude that positive performance of our funds will necessarily result in positive returns on an investment in our Class A common stock. The historical performance of our funds is relevant to us primarily insofar as it is indicative of asset management revenues and performance allocations we have earned in the past and may earn in the future and our reputation and ability to raise new funds.

In addition, the historical returns of our funds may not be indicative of any future returns of these or from any future funds we may raise due to several factors including:

- market conditions during previous periods may have been more favorable for generating positive performance than the market conditions we may experience in the future; and
- our funds' returns may have previously benefited from investment opportunities and general market conditions that may not recur, and we may not be able to achieve the same returns or profitable investment opportunities or deploy capital as quickly.

***We may be subject to litigation risks and may face liabilities and damage to our professional reputation as a result of investment decisions on behalf of investors in our funds.***

We make investment decisions on behalf of investors in our funds that could result in substantial losses. This may subject us to the risk of legal liabilities or actions alleging negligent misconduct, breach of fiduciary duty, or breach of contract. Further, we may be subject to third-party litigation arising from allegations that we improperly exercised control or influence over portfolio investments.

These and other legal liabilities could have a material adverse effect on our businesses, financial condition, our results of operations, or cause reputational harm to us, which could harm our businesses. We depend, to a large extent, on our business relationships and our reputation for integrity and professional services to attract and retain investors and to pursue investment opportunities for our funds. As a result, allegations of improper conduct by private litigants or regulators, whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities, or the investment industry in general, whether or not valid, may harm our reputation, which may be damaging to our businesses.

***Actions of any joint venture partners that we may have could reduce the returns on joint venture investments.***

At times we enter joint ventures or partnerships to acquire and develop properties. Such investments may involve risks not otherwise present with other methods of investment, including:

- that our co-venturer, or partner in an investment could become insolvent or bankrupt;
- that such co-venturer, or partner may at any time have economic or business interests or goals that are or that become inconsistent with our business interests or goals;
- that such co-venturer, or partner may be in a position to take action contrary to our instructions, requests or our policies or objectives; or
- that disputes between us and our co-venturer, or partner, may result in litigation or arbitration that would increase expenses.

Any of the above might subject a property to liabilities in excess of those contemplated and thus reduce our returns on that investment.

***Our reliance on third parties to operate and to develop certain of our properties may harm our business.***

In some instances, we rely on third-party property managers and hotel operators to manage our properties. These third parties are directly responsible for the day-to-day operation of our properties with limited supervision by us, and they often have potentially significant decision-making authority with respect to those properties. These third parties may fail to manage our properties effectively or in accordance with their agreements with us, may be negligent in their performance and may engage in criminal or fraudulent activity. If any of these events occur, we could incur losses or face liabilities from the loss or injury to our property or to persons at our properties. In addition, disputes may arise between us and these third-party managers and operators, and we may incur significant expenses to resolve those disputes or terminate the relevant agreement with these third parties and locate and engage competent and cost-effective service providers to operate and manage the relevant properties.

In addition, we are also parties to hotel management agreements. If any of these events occur, our relationships with any franchisors may be damaged, we may be in breach of our franchise agreement, and we could incur liabilities resulting from loss or injury to our property or to persons at our properties. From time to time, disputes may arise between us and our third-party managers regarding their performance or compliance with the terms of the hotel management agreements, which in turn could adversely affect us. If we are unable to resolve such disputes through discussions and negotiations, we may choose to terminate our management agreement, litigate the dispute or submit the matter to third-party dispute resolution, the expense of which may be material and the outcome of which may harm our business, operating results or prospects.

***Changes in relevant tax laws, regulations, treaties, or an adverse interpretation of these items by tax authorities could adversely impact our effective tax rate and tax liability.***

Our effective tax rate and tax liability is based on the application of current income tax laws, regulations and treaties. These laws, regulations and treaties are complex, and the manner which they apply to us and our funds is sometimes open to interpretation. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. Although management believes its application of current laws, regulations and treaties to be correct and sustainable upon examination by the tax authorities, the tax authorities could challenge our interpretation resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate. In particular, changes in legislation or regulation relating to opportunity zones could adversely affect our ability to form new opportunity zone funds or to acquire assets for our existing opportunity zone funds, thereby diminishing our ability to generate revenue from those activities.

***Conflicts of interest exist between our Company and related parties.***

Conflicts of interest exist and may arise in the future as a result of the relationships between our Company and its affiliates and divisions and our officers, directors and owners, on the one hand, and our funds and its investors, on the other hand. We earn fees from our funds, including our carried interest which value is a direct result from the performance of our funds. There may be instances where the interests of our funds and the investors in such funds diverge from those of our Company which could result in conflicts of interest. In resolving these conflicts, our board of directors and executive officers have a fiduciary duty to our stockholders. In addition, as we operate as a fund manager through a wholly owned subsidiary, our Company has a fiduciary duty to investors in the funds we manage. Unless the resolution of a conflict is specifically provided for in the operating agreements of such funds, our board of directors may consider a wide range of factors they determine to be in good faith when resolving a conflict. An independent third party is not required to evaluate the resolution. As a result of the foregoing, there may be instances where any such conflicts are resolved in a manner which favors the interests of our funds and their investors over our stockholders.



***Risk management activities may adversely affect the return on our funds' investments.***

When managing our exposure to market risks, we may (on our own behalf or on behalf of our funds) from time to time use forward contracts, options, swaps, caps, collars and floors, or pursue other strategies or use other forms of derivative instruments to limit our exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. The success of any hedging or other derivative transactions generally will depend on our ability to correctly predict market changes, the degree of correlation between price movements of a derivative instrument, the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while we may enter into a transaction in order to reduce our exposure to market risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases.

While such hedging arrangements may reduce certain risks, such arrangements themselves may entail certain other risks. These arrangements may require the posting of cash collateral at a time when a fund has insufficient cash or illiquid assets such that the posting of the cash is either impossible or requires the sale of assets at prices that do not reflect their underlying value. Moreover, these hedging arrangements may generate significant transaction costs, including potential tax costs, that reduce the returns generated by a fund. Finally, the Commodity Futures Trading Commission (the "CFTC") may in the future require certain foreign exchange products to be subject to mandatory clearing, which could increase the cost of entering into currency hedges.

***Our real estate funds are subject to the risks inherent in the ownership, development, and operation of real estate.***

Investments in our real estate funds will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets, including the deterioration of real estate fundamentals. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic conditions, changes in supply of and demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy and room rates for hotel properties, operating income, the financial resources of tenants, changes in building, environmental, zoning and other laws, casualty or condemnation losses, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, climate change related risks (including climate-related transition risks and acute and chronic physical risks), changes in government regulations (such as rent control), changes in real property tax rates, changes in income tax rates, changes in interest rates, the reduced availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, changes to the taxation of business entities and the deductibility of corporate interest expense, negative developments in the economy that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, acts of god, terrorist attacks, war and other factors that are beyond our control. In addition, if our real estate funds acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of our fund, such as weather, labor conditions, or material shortages), and the availability of both construction and permanent financing with favorable terms. In addition, our real estate funds may also make investments in residential real estate projects and/or otherwise participate in financing opportunities relating to residential real estate assets or portfolios thereof from time to time, which may be more susceptible to adverse changes in prevailing economic and/or market conditions and present additional risks relative to the ownership and operation of commercial real estate assets.



***Investments by our investment funds may rank junior to investments made by others.***

In most cases, the companies in which our investment funds invest will have indebtedness or equity securities or may be permitted to incur indebtedness or to issue equity securities that rank senior to our investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of our investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to our investment would typically be entitled to receive payment in full before distributions could be made in respect of our investment. After repaying senior security holders, the company may not have any remaining assets to use for repaying amounts owed in respect of our investment. To the extent that any assets remain, holders of claims that rank equally with our investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets. Also, during periods of financial distress or following an insolvency, the ability of our investment funds to influence a company's affairs and to take actions to protect their investments may be substantially less than that of the senior creditors.

***Rapid growth of our businesses may be difficult to sustain and may place significant demands on our administrative, operational, and financial resources.***

Our assets under management have grown significantly in the past, and we are pursuing further growth in the near future, both organically and through acquisitions. Our rapid growth has placed, and planned growth, if successful, will continue to place, significant demands on our legal, accounting and operational infrastructure, and has increased expenses. The complexity of these demands, and the expense required to address them, is a function not simply of the amount by which our assets under management has grown, but of the growth in the variety and complexity of, as well as the differences in strategy between, our different funds. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the investment management market and legal, accounting, regulatory, and tax developments.

Our future growth will depend in part on our ability to maintain an operating platform and management system sufficient to address our growth and will require us to incur significant additional expenses and to commit additional senior management and operational resources.

***We depend on our founders, senior professionals, and other key personnel, and our ability to retain them and attract additional qualified personnel is critical to our success and our growth prospects.***

We depend on the diligence, skill, judgment, business contacts and personal reputations of our founders, senior professionals and other key personnel. Our future success will depend upon our ability to attract and retain senior professionals and other personnel. Our executives have built highly regarded reputations in the alternative investment industry. Our executives attract business opportunities and assist both in negotiations with lenders and potential joint venture partners and in the representation of large and institutional clients. If we lost their services, our relationships with lenders, joint ventures, and clients would diminish significantly.

In addition, some of our officers have strong regional reputations, and they aid in attracting business, identifying opportunities, and negotiating for us and on behalf of our clients. As we continue to grow, our success will largely depend on our ability to attract and retain qualified personnel in all areas of business. We may be unable to continue to hire and retain a sufficient number of qualified personnel to support or keep pace with our planned growth.

***We may expand into new investment strategies, geographic markets and businesses, each of which may result in additional risks and uncertainties in our businesses.***

We intend, if market conditions warrant, to grow our businesses by increasing assets under management in existing businesses and expanding into new investment strategies, geographic markets and businesses. We may pursue growth through acquisitions of critical business partners or other strategic initiatives, which may include entering into new lines of business.

Attempts to expand our businesses involve a number of special risks, including some or all of the following:

- the required investment of capital and other resources;
- the diversion of management's attention from our core businesses;
- the assumption of liabilities in any acquired business;
- the disruption of our ongoing businesses;
- entry into markets or lines of business in which we may have limited or no experience;
- increasing demands on our operational and management systems and controls;
- compliance with additional regulatory requirements;
- potential increase in investor concentration; and
- the broadening of our geographic footprint, increasing the risks associated with conducting operations in certain jurisdictions where we currently have no experience.

Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business does not generate sufficient revenues or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected. Our strategic initiatives may include joint ventures, in which case we will be subject to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or reputational damage relating to systems, controls and personnel that are not under our control. Because we have not yet identified these potential new investment strategies, geographic markets or lines of business, we cannot identify all of the specific risks we may face and the potential adverse consequences on us and their investment that may result from any attempted expansion.

***We may not be successful in competing with companies in the asset management industry and alternative investment industries, some of which may have substantially greater resources than we do.***

The asset management industry and alternative investment industries are intensely competitive. We compete primarily on a regional, industry, and asset class basis.

We face competition both in the pursuit of fund investors and investment opportunities. Generally, our competition varies across business lines, geographies, and financial markets. We compete for outside investors based on a variety of factors, including investment performance, investor perception of investment managers' drive, focus and alignment of interest, quality of service provided to and duration of relationship with investors, business reputation, and the level of fees and expenses charged for services.

We compete for investment opportunities based on a variety of factors, including breadth of market coverage and relationships, access to capital, transaction execution skills, the range of products and services offered, innovation, and price.

We compete with real estate funds, specialized funds, hedge fund sponsors, financial institutions, private equity funds, corporate buyers, and other parties. Many of these competitors are substantially larger and have considerably greater financial, technical, and marketing resources than are available to us. Many of these competitors have similar investment objectives to ours, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment that may provide them with a competitive advantage in bidding for an investment.

***If we are unable to maintain and protect our intellectual property, or if third parties assert that we infringe their intellectual property rights, our business could suffer.***

Our business depends, in part, on our ability to identify and protect proprietary information and other intellectual property such as our client lists and information and business methods. We rely on a combination of trade secrets, confidentiality policies, non-disclosure and other contractual arrangements and copyright and trademark laws to protect our intellectual property rights. However, we may not adequately protect these rights, and their disclosure to, or use by, third parties may harm our competitive position. Our inability to detect unauthorized use of, or to take appropriate or timely steps to enforce, our intellectual property rights may harm our business.

Also, third parties may claim that our business operations infringe on their intellectual property rights. These claims may harm our reputation, cost us money to defend, distract the attention of our management and prevent us from offering some services.

Confidential intellectual property is increasingly stored or carried on mobile devices, such as laptop computers, which increases the risk of inadvertent disclosure where the mobile devices are lost or stolen and the information has not been adequately safeguarded or encrypted. This also makes it easier for someone with access to our systems, or someone who gains unauthorized access, to steal information and use it to our disadvantage. Advances in technology, which permit increasingly large amounts of information to be stored on mobile devices or on third-party “cloud” servers, may exacerbate these risks.

***Security risks and attacks are common, increasing globally, and may result in significant liabilities.***

Our business and our internal corporate information technology systems have in the past been, and will in the future be, subject to cybersecurity-attacks, credential stuffing, account takeover attacks, denial or degradation of service attacks, phishing attacks, ransomware attacks, malicious software programs, supply chain attacks, and other cybersecurity security risks (collectively, “cybersecurity risks”). Further, we engage service providers to store and otherwise process some of our and our investor’s data, including sensitive and personal information, and these service providers are also targets of cybersecurity risks.

Cybersecurity risks have been increasing in frequency and sophistication globally and may be accompanied by demands for payment in exchange for resolution, restoration of functionality, or return of data. Sources of cybersecurity risks range from individuals to sophisticated organizations, including state-sponsored actors and organizations. These attackers use a wide variety of methods to exploit vulnerabilities and gain access to corporate assets, including networks, information, or credentials. The types and methods of cybersecurity risks are constantly evolving and becoming more complex, and we may not be able to detect, combat, or successfully defend against all cybersecurity risks. Attackers initiating cybersecurity risks may gain access to our corporate assets. Vulnerabilities in our infrastructure or the success of any cybersecurity attacker against us may not be discovered in a timely fashion or at all, and the impact may be exacerbated the longer they remain undetected. While we utilize security measures and architecture designed to protect the integrity of our business and corporate information technology environment, we remain subject to ongoing and evolving cybersecurity risks, and we anticipate that we will need to continue expending resources in an effort to protect against cybersecurity risks. There is a risk that we may not be able to deploy, allocate, or retain sufficient resources to keep pace with the persistent and evolving cybersecurity threat landscape.

Moreover, several of our employees work remotely, and many of our vendors and other third parties we engage utilize remote workers in various jurisdictions throughout the world, which may increase the risk of and susceptibility to cybersecurity risks. We cannot guarantee that remote work environments and electronic connections to our work environment and information technology systems have the same security profile as those deployed in our physical offices.

Further, our ability to monitor the data security of our vendors is limited, and bad actors may successfully circumvent our vendors’ security measures, resulting in the unauthorized access to, or misuse, disclosure, loss, or destruction of our Company and/or our investor’s data. Any actual or perceived failure by us or our vendors to prevent or defend against cybersecurity risks, actual or perceived vulnerabilities or unauthorized access to corporate data or systems may lead to claims against us and may result in significant data loss, significant costs and liabilities, and could reduce our revenue, harm our reputation, and compromise our competitive position.

***Our failure to sufficiently secure our business and services may result in unauthorized access to investor data, a negative impact on our investor attraction and retention, and significant liabilities.***

Our business systems and services involve the storage, transmission, and processing of our Company and investors’ sensitive and proprietary information. Our failure to sufficiently secure our business and services may result in unauthorized access to



investor data, a negative impact on our investor attraction and retention, and significant liabilities. Even if our security measures are appropriately engineered and implemented to secure our business and services against external risks, we may be subject to inadvertent disclosures because of inappropriate employee actions or system misconfigurations. Unauthorized use of or access to investor data could result in the loss and/or compromise of our or our investors' sensitive information, which could lead to litigation, regulatory investigations and claims, indemnity obligations, reputational harm, and other liabilities.

Our agreements with third parties, including investors, contain contractual commitments related to our information security practices and data privacy compliance. If we experience an incident that triggers a breach of these contractual commitments, we could be exposed to significant liability or cancellation of service under these agreements. The damages payable to the counterparty could be substantial and create loss of business. There can be no assurance that any limitation of liability provisions in our contracts will be enforceable or adequate or will otherwise protect us from these liabilities or damages with respect to any claim.

Many U.S. and foreign laws and regulations require companies to provide notice of data security breaches or incidents involving certain types of personal data. Security compromises experienced by competitors and others may lead to public disclosures, leading to widespread negative publicity. Such a security compromise in our industry, whether actual or perceived, could harm our reputation; erode investor confidence and negatively affect our ability to attract new investors; cause existing investors to divest, any or all of which could adversely affect our business and operating results. Even the perception of inadequate security may damage our reputation and negatively impact our ability to win new investors and retain existing investors.

Additionally, we could be required to expend significant capital and other resources to investigate and address any actual or suspected data security incident or breach. We cannot be sure that insurers will not deny coverage as to any claim, and some security breaches may be outside the scope of our coverage, including if they are considered force majeure events. Security breaches may result in increased costs for cybersecurity insurance and could have an adverse effect on our business, operating results, and financial condition.

***We depend on various cloud service providers operated by third parties, and any service outages, delays, or disruptions in these operations could harm our business and operating results.***

In our business we use various cloud service providers ("Cloud Providers") operated by third parties. As a result, we are vulnerable to service interruptions, delays, and outages attributable to their platforms. Our Cloud Providers may experience events such as natural disasters, fires, power loss, telecommunications failures, or similar events. The systems, infrastructure, and services of our Cloud Providers may also be subject to human or software errors, viruses, cybersecurity risks, fraud, spikes in usage, break-ins, sabotage, acts of vandalism, acts of terrorism, and other misconduct. The occurrence of any of the foregoing events could result in lengthy interruptions or delays in and may impact us via service outages and noncompliance with our contractual obligations or business requirements.

Further, we have experienced in the past, and may experience in the future, periodic interruptions, delays, and outages in service and availability with our Cloud Providers due to a variety of factors, including Internet connectivity failures, infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints.

***If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock may decline.***

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. In addition, in the future, we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404(a) of the Sarbanes-Oxley Act beginning with our annual report on Form 10-K for the fiscal year ending December 31, 2024. We are in the process of designing, implementing, and testing our internal control over financial reporting required to comply with this obligation, which is time consuming, costly, and complicated. In addition, our independent registered public accounting firm may be required to attest to the effectiveness of our internal control over financial reporting beginning with our annual report on Form 10-K following the date on which we are no longer an “emerging growth company,” which may be up to five full years following the date of our initial public offering. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is not effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting when required, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the Securities and Exchange Commission, or other regulatory authorities, which could require additional financial and management resources.

#### **Risks Related to Our Organizational Structure**

***The consolidation of investment funds or operating businesses of our portfolio companies could make it more difficult to understand the operating performance of the Company and could create operational risks for the Company.***

Under applicable generally accepted accounting principles in the United States of America (“U.S. GAAP”), we may be required to consolidate certain of our funds, limited liability companies, partnerships or operating businesses if we determine that these entities are variable interest entities (“VIEs”) and where we determine that the Company is the primary beneficiary of the VIE. The consolidation of such entities could make it difficult for an investor to differentiate the assets, liabilities, and results of operations of the Company apart from the assets, liabilities, and results of operations of the consolidated VIEs. The assets of the consolidated VIEs are not available to meet our liquidity requirements. As of December 31, 2024 and 2023, total assets of our consolidated VIEs reflected in our consolidated balance sheets were \$53.3 million and \$258.4 million, respectively, and as of December 31, 2024 and 2023, total liabilities of our consolidated VIEs reflected in our consolidated balance sheets were \$33.1 million and \$169.9 million, respectively.

***Our Bylaws have an exclusive forum for adjudication of disputes provision which limits the forum to the Delaware Court of Chancery for certain stockholder litigation matters actions against the Company, which may limit an investor’s ability to seek what they regard as a favorable judicial forum for disputes with the Company or its directors, officers, employees, or stockholders.***

Section 7.06(a) of Article VII of our Bylaws dictates that, unless we consent in writing to the selection of an alternative forum, the Delaware Court of Chancery (or, if the Delaware Court of Chancery does not have jurisdiction, the federal district court for the State of Delaware) is, to the fullest extent permitted by law, the sole and exclusive forum for certain actions including derivative action or proceeding brought on behalf of the Company; an action asserting a breach of fiduciary duty owed by an officer, director, employee or to the stockholders of the Company; any claim arising under Delaware corporate law, our amended and restated certificate of incorporation or our amended and restated bylaws; and any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of Section 7.06 of Article VII of our Bylaws.

However, Section 7.06(a) of Article VII of our Bylaws will not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934 (the “Exchange Act”) or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

Furthermore, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “Securities Act”), or the rules and regulations promulgated thereunder. We note, however, that Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. There is uncertainty as to whether a court would enforce this provision and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

A Delaware corporation is allowed to mandate in its corporate governance documents a chosen forum for the resolution of state law-based stockholder class actions, derivative suits and other intra-corporate disputes. With respect to such state law claims, the Company’s management believes limiting state law-based claims to Delaware will provide the most appropriate outcomes as the risk of another forum misapplying Delaware law is avoided, Delaware courts have a well-developed body of case law and limiting the forum will preclude costly and duplicative litigation and avoids the risk of inconsistent outcomes. Additionally, Delaware Chancery Courts can typically resolve disputes on an accelerated schedule when compared to other forums.

The choice of forum provisions contained in the Company’s Bylaws may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or any of its directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, the enforceability of similar choice of forum provisions in other issuers’ bylaws and certificates of incorporation has been challenged in legal proceedings, and it is possible that in connection with any applicable action brought against the Company, a court could find the choice of forum provisions contained in the Company’s Bylaws to be inapplicable or unenforceable in such action. As a result, the Company could incur additional costs associated with resolving such actions in other jurisdictions, which could harm the Company’s business, operating results and financial condition.

***If we were deemed to be an “investment company” under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as conducted and could have a material adverse effect on our businesses.***

An entity will generally be deemed to be an “investment company” for purposes of the Investment Company Act if:

- it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.
- Our exemptions from the registration requirements of an investment company under the Investment Company Act are threefold:
  - Our parent company does not meet the asset test component of the definition of “investment company” under the Investment Company Act as summarized above;
  - Our investment subsidiaries qualify under the exemption afforded by Section 3(c)(5)(C) of the Investment Company Act; and
  - Our intermediate subsidiaries qualify under the exemption afforded by Section 3(c)(6) of the Investment Company Act.

We are engaged primarily in the business of investing in and providing services for real estate and real estate-related assets and not primarily in the business of investing, reinvesting, or trading in securities. We hold ourselves out as a vertically integrated alternative asset management firm and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that we are required to register as an investment company for purposes of the Investment Company Act. Furthermore, we have no material assets other than interests in certain wholly owned subsidiaries (within the meaning of the Investment Company Act), which in turn will have either direct interests in real estate assets or limited liability company member or limited partner partnership interests in affiliated funds. We do not believe that, based on current rules and interpretations, the equity interests in our wholly owned subsidiaries or the limited liability company member interests consolidated, or unconsolidated affiliated funds qualify as investment securities under the Investment Company Act.





The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act. If anything were to happen that would cause us to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on capital structure, the ability to transact business with affiliates and the ability to compensate senior employees, could make it impractical for us to continue our businesses as currently conducted, impair the agreements and arrangements between and among us, our funds and our senior management, or any combination thereof, and have a material adverse effect on our businesses, financial condition and results of operations. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our businesses in a manner that does not subject us to the registration and other requirements of the Investment Company Act.

***Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our business. Changes in tax law and other legislative or regulatory changes could adversely affect us.***

Our fund management and ancillary businesses are subject to extensive regulation. We are subject to regulation, including periodic examinations, by governmental and self-regulatory organizations in the jurisdictions in which we operate. Many of these regulators are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or investment adviser from registration or membership. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing clients or fail to gain new fund management or financial advisory clients.

In addition, we regularly rely on exemptions from various requirements of the Securities Act, the Exchange Act, the U.S. Investment Company Act of 1940, as amended, or the Investment Company Act, and the U.S. Employee Retirement Income Security Act of 1974, as amended, in conducting our fund management activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third-party claims and our business could be materially and adversely affected. If we were deemed an “investment company” under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as conducted and could have a material adverse effect on our business.

In addition, we may be adversely affected by new or revised legislation or regulations imposed by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

### **Risks Related to the Ownership of Our Class A Common Stock**

***The dual class structure of our common stock has the effect of concentrating voting control with our executive officers, which will limit your ability to influence the outcome of important transactions.***

Our Class B common stock has 10 votes per share and our Class A common stock has one vote per share. John C. Loeffler, II, our Chief Executive Officer, and Jennifer Schrader, our President and Chief Operating Officer, own all of our outstanding shares of Class B common stock. Together Mr. Loeffler and Ms. Schrader currently exercise approximately 84.5% voting control over the Company as of December 31, 2024. As a result, if they act together, these stockholders will be able to exercise significant influence over all matters submitted to our stockholders for approval, including the election of directors and approval of significant corporate transactions, such as (i) making changes to our articles of incorporation whether to issue additional common stock and preferred stock, (ii) employment decisions, including compensation arrangements; and (iii) whether to enter into material transactions with related parties. This control may adversely affect the market price of our Class A common stock.



***We may not be able to maintain a listing of our Class A common stock on Nasdaq.***

Our Class A common stock is listed on Nasdaq, and we must meet certain financial and liquidity criteria to maintain such listing. If we violate Nasdaq's listing requirements, or if we fail to meet any of Nasdaq's listing standards, our Class A common stock may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our Class A common stock from Nasdaq may materially impair our stockholders' ability to buy and sell our Class A common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our Class A common stock. The delisting of our Class A common stock could significantly impair our ability to raise capital and the value of your investment.

On May 14, 2024, the Company received a notice from Nasdaq notifying the Company that, because the closing bid price for the Company's Class A common stock had fallen below \$1.00 per share for 30 consecutive business days, the Company no longer complies with the minimum bid price requirement for continued listing on the Nasdaq Capital Market under Rule 5550(a)(2) of Nasdaq Listing Rules. Nasdaq's notice had no immediate effect on the listing of the Company's Class A common stock on the Nasdaq Capital Market. The Company was provided an initial compliance period of 180 calendar days, or until November 11, 2024, to regain compliance with the minimum bid price requirement. The Company did not regain compliance with the minimum bid price requirement by November 11, 2024; however, on November 12, 2024, the Company received written notification from Nasdaq granting the Company's request for a 180-day extension to regain compliance with Nasdaq Listing Rule 5550(a)(2). To regain compliance, the closing bid price of the Company's Class A common stock must meet or exceed \$1.00 per share for a minimum of 10 consecutive business days prior to May 12, 2025.

***Our share price has in the past and may in the future fluctuate substantially.***

The market price of our Class A common stock has in the past and could in the future be extremely volatile. From the date of our initial public offering in May 2023 to March 3, 2025, the high and low prices of our common stock as quoted on the Nasdaq Capital Market was \$13.00 and \$0.37, respectively. The future market price of our common stock may be significantly affected by many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results;
- overall conditions in our industry and the markets in which we operate or in the economy as a whole;
- changes in laws or regulations applicable to our operations;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- litigation matters;
- announcement or expectation of additional financing efforts;
- sales of our Class A common stock by us or our stockholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- the expiration of contractual lock-up agreements with our executive officers, directors and stockholders; and
- general economic and market conditions.



Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our Class A common stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

***Future sales and issuances of our Class A common stock or rights to purchase Class A common stock, including pursuant to our equity incentive plans, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A common stock to decline.***

In the future, we may sell Class A common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner that we determine. We also expect to issue Class A common stock to employees, consultants, and directors pursuant to our equity incentive plans. If we sell common stock, convertible securities or other equity securities in subsequent transactions, or Class A common stock is issued pursuant to equity incentive plans, investors may be materially diluted. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Class A common stock.

***Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.***

As a public company, we are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

***If we fail to implement and maintain an effective system of internal control, we may be unable to accurately report our operating results, meet our reporting obligations, or prevent fraud.***

As a public company, Section 404 of the Sarbanes-Oxley Act of 2002 requires that we include a report of management on our internal control over financial reporting in our annual report on Form 10-K, beginning with our annual report for the fiscal year ending December 31, 2024. In addition, once we cease to be an "emerging growth company" as such term is defined under the JOBS Act, our independent registered public accounting firm may be required to attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, as a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented, or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Generally, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in

turn limit our access to capital markets and harm our results of operations. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and

subject us to potential delisting from the stock exchange on which we list, regulatory investigations, and civil or criminal sanctions.

***We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors.***

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in proxy statements and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company until 2028, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least \$1.235 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed \$700.0 million as of the prior June 30th, and (ii) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company” which would allow us to take advantage of many of the same exemptions from disclosure requirements including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption and, therefore, we are not subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

***We are a “controlled company” within the meaning of the listing rules of Nasdaq and, as a result, can rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.***

John C. Loeffler, II, our Chief Executive Officer, and Jennifer Schrader, our President and Chief Operating Officer, through ownership of all our outstanding shares of Class B common stock, control a majority of the voting power of our outstanding common stock. As a result, we are a “controlled company” within the meaning of the corporate governance standards of Nasdaq. Under these rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” but may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our Board of Directors consist of “independent directors”;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

Although we do not intend to rely on the “controlled company” exemptions to Nasdaq’s corporate governance rules, we could elect to rely on these exemptions in the future. If we elected to rely on the “controlled company” exemptions, a majority of the members of our board of directors might not be independent directors, our nominating and corporate governance and compensation committees might not consist entirely of independent directors, and you would not have the same protection afforded to shareholders of companies that are subject to Nasdaq’s corporate governance rules.

***If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.***

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if our operating results do not meet the expectations of the investor community, one or more of the analysts who cover our Company may change their recommendations regarding our Company, and our stock price could decline.

***We have never paid dividends on our common stock, and we do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our Class A common stock will likely depend on whether the price of our Class A common stock increases.***

We have never declared or paid any dividends on our common stock and do not intend to pay any dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

***Our charter documents and Delaware law and the voting control exercised by our founders could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.***

Our third amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our Company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- authorizing our board of directors to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control;
- prohibiting stockholder action by written consent;
- limiting the persons who may call special meetings of stockholders; and
- requiring advance notification of stockholder nominations and proposals.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, the provisions of Section 203 of the Delaware General Corporate Law (“DGCL”) govern us. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our board of directors.

These and other provisions in our third amended and restated certificate of incorporation and our amended and restated bylaws and under Delaware law, together with the voting control possessed by our founders, could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

***Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.***

Our third amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.



In addition, as permitted by Section 145 of the DGCL, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

Companies utilizing technology are subject to threats to or failures of any or all aspects of their cybersecurity programs, collectively cybersecurity risks. We take a comprehensive approach to cybersecurity risk management and take securing customer, employee and other data entrusted to us seriously. We have established standards, policies, procedures and practices for assessment, identification, and effective management of material cybersecurity risks. We devote significant resources to implement and maintain security measures appropriate to regulatory requirements and customer expectations, and we will continue making appropriate investments to maintain the security of our data.

We can provide no guarantee that our cybersecurity program, policies, and procedures will be completely effective in every instance, especially when it comes to the constantly evolving nature of cybersecurity threats. Our Risk Factors include further detail about the cybersecurity risks we face on an ongoing basis. We believe that risks from prior cybersecurity threats, including previous cybersecurity incidents, have not materially affected our business to date. We can provide no assurance that there will not be cybersecurity incidents in the future or that they will not materially affect us, including our business strategy, results of operations, or financial condition.

## **Risk Management and Strategy**

Our approach for assessing, identifying, and managing material risks from cybersecurity threats are integrated into our overall risk management strategy and are based on commonly accepted frameworks established by the International Organization for Standardization (“ISO”), the National Institute of Standards and Technology (“NIST”), and other applicable industry standards. Our cybersecurity program focuses on the following key areas:

### ***Collaboration***

Cybersecurity risks are identified and addressed comprehensively in a cross-functional approach. Key security, risk, and compliance stakeholders meet regularly to develop strategies for preserving the confidentiality, integrity and availability of Company and customer information. We have controls and procedures in place to ensure prompt escalation of certain cybersecurity incidents so that decisions regarding public disclosure and reporting of such incidents can be made by management and the Board in a timely manner.

### ***Risk Assessment***

We monitor and assess cybersecurity risks using the same cross-functional approach and since our cybersecurity program relies on certain third parties, these third parties are included in the assessment of cybersecurity risks. This approach drives alignment on the prioritization of initiatives to maintain our security controls.

### ***Technical Safeguards***

We deploy technical safeguards designed to protect our information systems from cybersecurity threats. Such safeguards are regularly evaluated, adjusted and improved based on vulnerability assessments, cybersecurity threat intelligence and incident response experience.

### ***Incident Response and Recovery Planning***

We maintain appropriate incident response and recovery plans and periodically perform tests to evaluate the effectiveness of these plans. Our incident response and recovery plans include guidance to our employees, management, and the Board on response to cybersecurity incidents.

### ***Third-Party Risk Management***

We have appropriate controls designed to identify and mitigate cybersecurity risks associated with the use of third-party service providers. Such providers are subject to security risk assessments at the time of onboarding, contract renewal, and upon detection of an increase in risk profile. We require our providers to meet appropriate security requirements, and we investigate security incidents that have impacted our third-party providers, as appropriate.

### ***Education and Awareness***

Employees are regularly reminded of the importance of handling and protecting customer and Company data. Employees receive appropriate policies and annual privacy and security training to enhance awareness and reinforce desired behaviors.

### ***External Assessments***

Our cybersecurity policies, standards, processes and practices are regularly assessed by third-party business partners, consultants and cybersecurity information technology consultants.

### ***Vulnerability Assessments***

We use third-party consultants who specialize in identifying and validating potential cybersecurity vulnerabilities to test our systems, networks, and applications. These may include penetration testing exercises to simulate real-world attack scenarios.

### ***Expertise from Business Partners***

We utilize business partners who possess deep cybersecurity expertise. They contribute to risk assessments, help refine our security architecture, and provide valuable insights into industry best practices.

## **Governance**

### ***Board Oversight***

Our Board, through the Audit Committee, has oversight of our cybersecurity risk management program. The Audit Committee receives regular updates from management on cybersecurity risks and progress of risk reduction initiatives, and from external auditor feedback and relevant business partners.

### ***Management's Role***

Our Chief Operating Officer, who serves as the Company's designated chief information security officer ("CISO") and our Director of Technology have primary responsibility for managing the Company's cybersecurity program on an ongoing basis.

Our Director of Technology has served in various roles in information technology and information security for over 15 years. He holds an undergraduate degree in Computer Science. Our Chief Operating Officer and designated CISO has served in various roles in information technology and information security for over 20 years, including serving as the Chief Information Security Officer and/or Chief Security Officer at other publicly traded technology companies.

## **Item 2. Properties**

Our principal executive offices are located in Scottsdale, Arizona, where we own our headquarters office building. We also lease office space in Bryan, Texas. We consider these facilities to be suitable and adequate for the management and operation of our business.

## **Item 3. Legal Proceedings**

We are, from time to time, party to various claims and legal proceedings arising out of our ordinary course of business, but we do not believe that any of these claims or proceedings will have a material effect on our business, consolidated financial condition or results of operations.

## **Item 4. Mine Safety Disclosures**

Not applicable.

## **PART II**

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

#### **Market Information**

The CaliberCos Inc. Class A common stock trades on the Nasdaq Capital Market under the symbol “CWD”.

#### **Holders of Record**

As of March 27, 2025, there were 1,506 holders of record of our Class A common stock and three holders of record of our Class B common stock. This does not include the number of stockholders that hold shares in “street name” through brokers and other nominees.

#### **Dividends**

We have never declared or paid cash dividends on our Class A common stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our shares of Class A common stock will be your sole source of gain for the foreseeable future.

#### **Unregistered Sales of Equity Securities and Use of Proceeds**

##### ***Recent Sales of Unregistered Securities***

During the year ended December 31, 2024, the Company issued 204,495 shares of Class A common stock with an aggregate fair value of approximately \$0.2 million issued under a consulting agreement. The issuance of shares of Class A common stock were deemed to be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance upon Section 4(a)(2) of the Securities Act. A legend restricting the sale, transfer, or other disposition of the shares of restricted Class A common stock other than in compliance with the Securities Act was placed on the shares of restricted Class A common stock issued in the foregoing transaction.

#### **Share Repurchases**

None.

#### **Item 6. Reserved**

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

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from these forward-looking statements as a result of certain factors. For a complete discussion of such risk factors, see the section in this report entitled "Risk Factors".*

### Overview

Over the past 15 years, Caliber has grown into a leading diversified alternative asset management firm, with more than \$2.9 billion in assets under management ("AUM") and assets under development ("AUD"). Caliber's primary goal is to enhance the wealth of accredited investors seeking to make investments in middle-market assets. We strive to build wealth for our clients by creating, managing, and servicing middle-market investment funds, private syndications, and direct investments. Through our funds, we invest primarily in real estate, private equity, and debt facilities. We market and fundraise to direct channels and to wholesale channels.

We believe that we provide investors attractive risk-adjusted returns by offering a balance of (i) structured offerings and ease of ownership, (ii) a pipeline of investment opportunities, primarily projects that range in value between \$5.0 million and \$50.0 million, and (iii) an integrated execution and processing platform. Our investment strategy leverages the local market intelligence and real-time data we gain from our operations to evaluate current investments, generate proprietary transaction flow, and implement various asset management strategies.

An alternative asset manager, we offer a full suite of support services and employ a vertically integrated approach to investment management. Our asset management activities are complemented with transaction and advisory services including development and construction management, acquisition and disposition expertise, and fund formation, which we believe differentiate us from other asset management firms. We earn the following fees from providing these services under our asset management platform (the "Platform"):

#### ***Asset Management Revenues***

- Organizational & Offering ("O&O") fees include fund set-up fees and are a one-time fee earned during the initial formation, administration, and set-up of fund products we distribute and manage. These fees are recognized at the point in time when the performance under the contract is complete.
- Fund management fees are generally based on 1.0% to 1.5% of the unreturned capital contributions in a particular fund and include reimbursement for costs incurred on behalf of the fund, including an allocation of certain overhead costs. These customer contracts require the Company to provide management services, representing a performance obligation that the Company satisfies over time. With respect to the Caliber Hospitality Trust (as defined in **Note 3 – VIEs**), the Company earns a fund management fee of 0.7% of the Caliber Hospitality Trust's enterprise value and is reimbursed for certain costs incurred on behalf of the Caliber Hospitality Trust.
- Financing fees are earned for services the Company performs in securing third-party financing on behalf of our private equity real estate funds. These fees are recognized at the point in time when the performance under the contract is complete, which is essentially upon closing of a loan. In addition, the Company earns fees for guaranteeing certain loans, representing a performance obligation that the Company satisfies over time.
- Real estate development revenues are generally based on two fee-based contracts, not to exceed 6%. The first, a real estate development contract that provides for up to 4.0% of the total expected costs of the development and is paid for services performed by Caliber Development, LLC as the principal developer of Caliber projects. These services may include obtaining new entitlements or zoning changes and managing and supervising third-party developers. The second, a construction management contract that provides for up to 4.0% of the total expected costs of the construction project for services provided managing general contractors with respect to the construction of the properties owned by the funds. Prior to the commencement of construction, development fee revenue is recognized at a point in time as the related performance obligations are satisfied and the customer obtains control of the promised service, including negotiation, due diligence, entitlements, planning, and design activities. During the construction period, construction management fee revenue is recognized over time as the performance obligations are satisfied.



- Brokerage fees are earned at a point in time at fixed rates for services performed related to acquisitions, dispositions, leasing, and financing transactions.

### ***Performance Allocations***

- Performance allocations are an arrangement in which we are entitled to an allocation of investment returns, generated within the investment funds which we manage, based on a contractual formula. We typically receive 15.0% to 35.0% of all cash distributions from (i) the operating cash flow of each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of preferred capital contributions; and (ii) the cash flow resulting from the sale or refinance of any real estate assets held by each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of initial preferred capital contributions. Our funds' preferred returns range from 6.0% to 12.0%, typically 6.0% for common equity or 10.0% to 12.0% for preferred equity, which does not participate in profits. Performance allocations are related to services which have been provided and are recognized when it is determined that they are no longer probable of significant reversal, which is generally satisfied when an underlying fund investment is realized or sold.

Historically, the Company's operations were organized into three reportable segments: fund management, development, and brokerage. During the year ended December 31, 2023, the Company reevaluated its reportable segments, considering (i) the evolution of the Company after closing its initial public offering and how the Company's chief operating decision maker ("CODM"), the Company's Chief Executive Officer, John C. Loeffler, assesses performance and allocates resources, (ii) changes to the budgeting process and in key personnel driven by the Company's growth initiatives, and (iii) how management reports ongoing company performance to the Board of Directors. With the evolution and growth of the Company, the Company's CODM assesses performance and resource allocation on an aggregate basis under the Company's asset management Platform, and no longer reviews operating results for development or brokerage activity separately. As such, management concluded that the Company operates through one operating segment.

The Company's CODM assesses revenue, operating expenses and key operating statistics to evaluate performance and allocate resources on a basis that eliminates the impact of the consolidated investment funds (intercompany eliminations required by U.S. GAAP) and noncontrolling interests. Management concluded that the consolidated investment funds do not meet the requirements in ASC 280, Segment Reporting, of operating segments, as the Company's CODM does not review the operating results of these investment funds for the purposes of allocating resources, assessing performance or determining whether additional investments or advances will be made to these funds. The investment funds are consolidated based on the requirement in ASC 810, Consolidation, as the Company was determined to be the primary beneficiary of each of these variable interest entities since it has the power to direct the activities of the entities and the right to absorb losses, generally in the form of guarantees of indebtedness that are significant to the individual investment funds.

Caliber was originally founded as Caliber Companies, LLC, an Arizona limited liability company, organized under the laws of Arizona, and commenced operations in January 2009. In November 2014, the Company was reorganized as a Nevada corporation and in June 2018, we reincorporated in the state of Delaware. On our website we make available, free of charge, information about the Company and its' investments. None of the information on our website is deemed to be part of this report.

### **Trends Affecting Our Business**

Our business is driven by trends which affect the following:

- 1) **Capital formation:** any trend which increases or decreases investors' knowledge of alternative investments, desire to acquire them, access to acquire them, and knowledge and appreciation of Caliber as a potential provider, will affect our ability to attract and raise new capital. Capital formation also drives investment acquisitions, which contribute to Caliber's revenues.
- 2) **Investment acquisition:** any trend which increases or decreases the supply of middle-market real estate projects or loans, the accessibility of developments or development incentives, or enhances or detracts from Caliber's ability to access those projects will affect our ability to generate revenue. Coincidentally, investment acquisitions, or the rights to acquire an investment, drive capital formation – creating a flywheel effect for Caliber.
- 3) **Project execution:** any trend which increases or decreases the costs of execution on a real estate project, including materials pricing, labor pricing, access to materials, delays due to governmental action, and the general labor market, will affect



Caliber’s ability to generate revenues.

Our business depends in large part on our ability to raise capital for our funds from investors. Since our inception, we have continued to successfully raise capital into our funds with our total capital raised through December 31, 2024 of \$742.8 million. Our success at raising new capital into our funds is impacted by the extent to which new investors see alternative assets as a viable option for capital appreciation and/or income generation. Since our ability to raise new capital into our funds is dependent upon the availability and willingness of investors to direct their investment dollars into our products, our financial performance is sensitive in part to changes in overall economic conditions that affect investment behaviors. The demand from investors is dependent upon the type of asset, the type of return it will generate (current cash flow, long-term capital gains, or both) and the actual return earned by our fund investors relative to other comparable or substitute products. General economic factors and conditions, including the general interest rate environment and unemployment rates, may affect an investor's ability and desire to invest in real estate. For example, a significant interest rate increase could cause a projected rate of return to be insufficient after considering other risk exposures. Additionally, if weakness in the economy emerges and actual or expected default rates increase, investors in our funds may delay or reduce their investments; however, we believe our approach to investing and the capabilities that Caliber manages throughout the deal cycle will continue to offer an attractive value proposition to investors.

In June 2023, the United States of America's House of Representatives unanimously approved legislation that would increase the number of investors who can participate in private offerings of securities by expanding the accredited investor criteria. The Fair Investment Opportunities for Professional Experts Act would expand the definition of accredited investor to include people with certain licenses, education or professional experience. The Accredited Investor Definition Review Act would give the SEC discretion to determine the certifications, designations or credentials investors must possess to be accredited and directs the SEC to review the accredited investor definition every five years. We believe these government actions will increase the size of our potential investor base significantly, however we cannot yet assess the number of newly accredited investors that would have the ability or interest to invest in a Caliber fund.

While we have had historical successes, there can be no assurance that fundraising for our new and existing funds will experience similar success. If we were unable to raise such capital, we would be unable to deploy such capital into investments, which would materially reduce our revenues and cash flow and adversely affect our financial condition.

We remain confident about our ability to find, identify, and source new investment opportunities that meet the requirements and return profile of our investment funds despite headwinds associated with increased asset valuations, competition and increased overall cost of credit. We continue to identify strategic acquisitions on off-market terms and anticipate that this trend will continue. We are at a point in our investment cycle where some of our funds have begun to exit significant parts of their portfolios while other are approaching a potential harvesting phase. We have complemented these cycles with other newer funds that will maintain management fees while providing continued sources of activity.

Acquiring new assets includes being able to negotiate favorable loans on both a short and long-term basis. We strive to forecast and project our returns using assumptions about, among other things, the types of loans that we might expect the market to extend for a particular type of asset. This becomes more complex when the asset also requires construction financing. We may also need to refinance existing loans that are due to mature. Factors that affect these arrangements include the interest rate and economic environment, the estimated fair value of real property, and the profitability of the asset's historical operations. These capital market conditions may affect the renewal or replacement of our credit agreements, some of which have maturity dates occurring within the next 12 months. Obtaining such financing is not guaranteed and is largely dependent on market conditions and other factors.

The advancement of real estate investment-oriented technology, sometimes referred to as "proptech", offers Caliber the benefit of new and innovative technologies to better execute on capital formation strategies, investment acquisition strategies, and investment management strategies. In recent years, Caliber has added to its technology stack with systems that we believe lead the market in their specific ability to enhance execution on our projects. Several of these technologies seek to incorporate investments in artificial intelligence, which we believe will be a prevailing trend in helping Caliber to enhance its project execution going forward.

Regional conflicts and instability, such as those in Israel and Ukraine, can have significant impacts on global markets and economies and investor perception and tolerance for risk. These conflicts could lead to increased volatility in financial markets, disrupt supply chains, and change investor appetite for investments in alternative assets.

## **Business Environment**

Global markets are experiencing significant volatility driven by concerns over inflation, elevated interest rates, slowing economic growth and geopolitical uncertainty. The annual inflation rate in the United States increased to 9.1% in June 2022, the

highest rate since November 1981, but decreased to 2.9% in December 2024. As a result, from January 1, 2022 through September 18, 2024, the Federal Reserve increased the federal funds rate by 525 basis points. Subsequently, the Federal Reserve decreased the federal funds rate by 50 basis points in September 2024, by 25 basis points in November 2024 and by 25 basis points in December 2024, resulting in a target rate range of 4.25% to 4.50% at December 31, 2024. The rising interest rates, coupled with periods of significant equity and credit market volatility may potentially make it more difficult for us to find attractive opportunities for our funds to exit and realize value from their existing investments. Historically, inflation has tended to favor new capital formation for Caliber's funds, as investors seek opportunities that can hedge against rising costs, such as real estate investments. In addition, the increase in interest rates has put pressure on owners of existing real estate to sell assets as their loans mature. Combined with a shrinking pool of buyers, the commercial and residential real estate markets in our favored geographies are moving away from a seller's market and closer to a buyer's market. It remains to be seen if a stressed or distressed market may emerge, similar to Caliber's early years of operations. In both a buyer's market and a stressed or distressed market, Caliber expects its business model to outperform, as our direct access to investor capital and our ability to invest in a variety of asset classes allows Caliber to move with the market and take advantage of potentially attractive prices. For project execution, inflation has increased the cost of nearly all building materials and labor types, increasing the cost of construction and renovation of our funds' assets.

## **Key Financial Measures and Indicators**

Our key financial measures are discussed in the following pages. Additional information regarding these key financial measures and our other significant accounting policies can be found in Note 2 – Summary of Significant Accounting Policies in the notes to our accompanying consolidated financial statements included herein.

### ***Total Revenue***

We generate the majority of our revenue in the form of asset management revenues and performance allocations. Included within our consolidated results are the related revenues of certain consolidated VIEs.

### ***Total Expenses***

Total expenses include operating costs, general and administrative, marketing and advertising and depreciation and amortization. Included within our consolidated results are the related expenses of consolidated VIEs.

### ***Other Income (Expenses)***

Other income (expenses) include interest expense and interest income.

## **Results of Operations**

### ***Comparison of the Consolidated Results of Operations for the Years Ended December 31, 2024 and 2023***

Our consolidated results of operations are impacted by the timing of consolidation, deconsolidation, and operating performance of our consolidated and previously consolidated funds. Periods presented may not be comparable due to the consolidation or deconsolidation certain funds. In particular, the Company deconsolidated Caliber Hospitality, LP, the Caliber Hospitality Trust, and their consolidated subsidiaries, Elliot, DT Mesa, and Caliber Fixed Income Fund III, during the year ended

December 31, 2024. The following table and discussion provide insight into our consolidated results of operations for the years ended December 31, 2024 and 2023 (in thousands):

	<b>Years Ended December 31,</b>			
	<b>2024</b>	<b>2023</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues</b>				
Asset management revenues	\$ 16,879	\$ 10,571	\$ 6,308	59.7 %
Performance allocations	358	3,639	(3,281)	(90.2)%
Consolidated funds – hospitality revenues	26,476	68,905	(42,429)	(61.6)%
Consolidated funds – other revenues	7,406	7,822	(416)	(5.3)%
Total revenues	51,119	90,937	(39,818)	(43.8)%
<b>Expenses</b>				
Operating costs	23,939	21,311	2,628	12.3 %
General and administrative	6,776	6,770	6	0.1 %
Marketing and advertising	751	1,052	(301)	(28.6)%
Depreciation and amortization	593	550	43	7.8 %
Consolidated funds – hospitality expenses	26,503	80,669	(54,166)	(67.1)%
Consolidated funds – other expenses	5,870	9,162	(3,292)	(35.9)%
Total expenses	64,432	119,514	(55,082)	(46.1)%
Consolidated funds - gain on sale of real estate investments	—	4,976	(4,976)	(100.0)%
Other (loss) income, net	(3,093)	374	(3,467)	(927.0)%
Interest income	360	350	10	2.9 %
Interest expense	(5,424)	(4,717)	(707)	15.0 %
<b>Net loss before income taxes</b>	<b>(21,470)</b>	<b>(27,594)</b>	<b>6,124</b>	<b>(22.2)%</b>
Benefit from income taxes	—	—	—	0.0 %
<b>Net loss</b>	<b>(21,470)</b>	<b>(27,594)</b>	<b>6,124</b>	<b>(22.2)%</b>
Net loss attributable to noncontrolling interests	(1,693)	(14,891)	13,198	(88.6)%
<b>Net loss attributable to CaliberCos Inc.</b>	<b>\$ (19,777)</b>	<b>\$ (12,703)</b>	<b>\$ (7,074)</b>	<b>55.7 %</b>

For the years ended December 31, 2024 and 2023, total revenues were \$51.1 million and \$90.9 million, respectively, representing a period-over-period decrease of 43.8%. This decrease was primarily due to a decrease in consolidated fund revenues as a result of the deconsolidation of Caliber Hospitality, LP and Caliber Hospitality Trust in March 2024. See the Segment Analysis section below in which revenues are presented on a basis that deconsolidates our consolidated funds. As a result, Platform segment revenues are different than those presented on a consolidated basis in accordance with U.S. GAAP, because these fees are eliminated in consolidation when they are derived from a consolidated fund.

For the years ended December 31, 2024 and 2023, total expenses were \$64.4 million and \$119.5 million, respectively, representing a period-over-period decrease of 46.1%. The decrease was primarily due to a decrease in consolidated fund expenses which was primarily due to the deconsolidation of Caliber Hospitality, LP and Caliber Hospitality Trust in March 2024.

For the year ended December 31, 2023, consolidated funds – gain on sale of real estate investments includes the \$5.0 million gain recognized on the sale of Northsight Crossing, a commercial property with a cost basis of \$21.7 million. There were no real estate sales during the year ended December 31, 2024.

***Comparison of the Platform (Unconsolidated) Results of Operations for the Years Ended December 31, 2024 and 2023***

The following table and discussion provide insight into our unconsolidated results of operations of the Platform for the years ended December 31, 2024 and 2023 (in thousands).

	<b>Years Ended December 31,</b>			
	<b>2024</b>	<b>2023</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues</b>				
Asset management revenues	\$ 20,563	\$ 16,982	\$ 3,581	21.1 %
Performance allocations	379	3,656	(3,277)	(89.6)%
Total revenues	20,942	20,638	304	1.5 %
<b>Expenses</b>				
Operating costs	24,904	21,808	\$ 3,096	14.2 %
General and administrative	6,817	6,807	10	0.1 %
Marketing and advertising	751	1,053	(302)	(28.7)%
Depreciation and amortization	598	551	47	8.5 %
Total expenses	33,070	30,219	2,851	9.4 %
Other income (loss), net	(2,654)	649	\$ (3,303)	(508.9)%
Interest income	559	1,863	(1,304)	(70.0)%
Interest expense	(5,424)	(4,716)	(708)	15.0 %
<b>Net (loss) income before income taxes</b>	<b>(19,647)</b>	<b>(11,785)</b>	<b>(7,862)</b>	<b>66.7 %</b>
Provision for income taxes	—	—	—	0.0 %
<b>Net (loss) income</b>	<b>\$ (19,647)</b>	<b>\$ (11,785)</b>	<b>\$ (7,862)</b>	<b>66.7 %</b>

For the years ended December 31, 2024 and 2023, total revenues were \$20.9 million and \$20.6 million, respectively, representing a period-over-period increase of 1.5%. The table below (in thousands) compares the revenues earned for providing services under the Company's asset management Platform as described in the Revenue Recognition section of Note 2 – Summary of Significant Accounting Policies for the year ended December 31, 2024, to the revenues earned for the same period in 2023.

	<b>Years Ended December 31,</b>			
	<b>2024</b>	<b>2023</b>	<b>\$ Change</b>	<b>% Change</b>
Fund management fees	12,318	10,120	2,198	21.7 %
Financing fees	650	629	21	3.3 %
Development and construction fees	6,751	4,984	1,767	35.5 %
Brokerage fees	844	1,249	(405)	(32.4)%
Total asset management	20,563	16,982	3,581	21.1 %
Performance allocations	379	3,656	(3,277)	(89.6)%
Total Platform revenue	\$ 20,942	\$ 20,638	\$ 304	1.5 %

The increase in fund management fees is primarily due to an increase in capital raise fees and increase of managed capital and fees earned from the Caliber Hospitality Trust related to the acquisition of one hotel property. Fund management fees were based

on 1.0% and 1.5% of the unreturned capital contributions in each fund and a fund management fee of 0.7% of the Caliber Hospitality Trust's enterprise value.

The decrease in performance allocations is due to the carried interest earned related to the contribution of the hospitality assets to Caliber Hospitality, LP in March 2023.

For the years ended December 31, 2024 and 2023, total expenses were \$33.1 million and \$30.2 million, respectively, representing a period-over-period increase of 9.4%. The increase was primarily due to an increase in bad debt expense, partially offset by a decrease in operating costs related to payroll and payroll related expenses.

Other loss, net was \$2.7 million for the year ended December 31, 2024, as compared to \$0.6 million for the year ended December 31, 2023. The decrease is primarily due to an increase in rental and reimbursement revenue from space leased at the Company's corporate headquarters offset by a one-time impairment charge related to certain investments.

For the years ended December 31, 2024 and 2023, interest expense was \$5.4 million and \$4.7 million, respectively. The increase was primarily due to an increase in short-term operating loans outstanding during the year ended December 31, 2024, as compared to the same period in 2023.

#### **Balance Sheets - *Platform (Unconsolidated)***

The following table and discussion provide insight into our unconsolidated balance sheets of the asset management Platform for the years ended December 31, 2024 and 2023. Unconsolidated assets, liabilities and stockholders' equity are presented on a basis that deconsolidates our consolidated funds (intercompany eliminations). Total assets, total liabilities, and total stockholders' equity are different than those presented on a consolidated basis in accordance with U.S. GAAP, because certain accounts (including notes receivable, due from/to related parties, and investments in unconsolidated entities) are eliminated in consolidation when they are due from/to consolidated funds. Furthermore, we are required to add to this balance sheet, assets and

liabilities and equity of the consolidated funds which are items that are not available to a shareholder of CWD. See the Non-GAAP Measures section below for reconciliations of the unconsolidated results to the most comparable U.S. GAAP measure.

	December 31, 2024	December 31, 2023
<i>(in thousands)</i>		
<b>Assets</b>		
Cash	\$ 1,766	\$ 940
Restricted cash	2,582	2,569
Real estate investments, net <sup>(1)</sup>	21,782	21,571
Notes receivable - related parties	230	8,510
Due from related parties	11,143	15,424
Investments in unconsolidated entities	16,061	18,377
Operating lease - right of use assets	4,042	4,348
Prepaid and other assets	(529)	2,972
Total assets	<u>\$ 57,077</u>	<u>\$ 74,711</u>
<b>Liabilities</b>		
Notes payable, net	\$ 50,450	\$ 53,799
Accounts payable and accrued expenses	9,580	8,886
Due to related parties	313	288
Operating lease liabilities	4,360	4,525
Other liabilities	818	557
Total liabilities	<u>65,521</u>	<u>68,055</u>
<b>Stockholders' (Deficit) Equity</b>		
Common stock	23	22
Paid-in capital	41,530	36,966
Accumulated deficit	(49,997)	(30,332)
Total stockholders' (deficit) equity	<u>(8,444)</u>	<u>6,656</u>
Total liabilities and stockholders' (deficit) equity	<u>\$ 57,077</u>	<u>\$ 74,711</u>

<sup>(1)</sup> Included in this balance is the Company's corporate headquarters office building which had a \$22.6 million fair value as of the year ended December 31, 2024.

## Investment Valuations

The investments that are held by our funds are generally considered to be illiquid and have no readily ascertainable market value. We value these investments based on our estimate of their fair value as of the date of determination. We estimate the fair value of our fund's investments based on several inputs built within forecasting models. The models generally rely on discounted cash flow analysis and other techniques and may include independently sourced market parameters. The material estimates and assumptions used in these models include the timing and expected amounts of cash flows, income and expenses for the property, the appropriateness of discount rates used, overall capitalization rate, and, in some cases, the ability to execute, estimated proceeds and timing of expected sales and financings. Most of our assets utilize the income approach to value the property. Where appropriate, management may obtain additional supporting evidence of values from methods generally utilized in the real estate investment industry, such as appraisal reports and broker price opinion reports.

With respect to the underlying factors that led to the change in fair value in the current year, we identify assets that are undervalued and/or underperforming as part of our acquisition strategy. Such assets generally undergo some form of repositioning soon after our acquisition to help drive increased appreciation and operating performance. Once the repositioning is complete, we focus on increasing the asset's net operating income, thereby further increasing the value of the asset. By making these below-





market acquisitions, adding value through development activities, and increasing free cash flow with proper management all represent a material component to our core business model.

A unique feature of Caliber’s funds is the discretion given to Caliber’s management team to decide when to sell assets and when to hold them. We believe this discretion allows Caliber to avoid selling properties that, while their business plan may have matured, the market will not pay an attractive price in the current environment. Avoiding selling at a time of disruption, such as all of 2020, is critical to preserving the value of our assets, our carried interest, our ongoing revenues, and our clients’ capital. While this is management’s expectation, there can be no assurance these outcomes will occur.

## Assets Under Management

AUM refers to the assets we manage or sponsor. We monitor two types of information with regard to our AUM:

- i. **Managed Capital** – we define this as the total capital we fundraise from our customers as investments in our funds. It also includes fundraising into our corporate note program, the proceeds of which were used, in part, to invest in or loan to our funds. We use this information to monitor, among other things, the amount of ‘preferred return’ that would be paid at the time of a distribution and the potential to earn a performance fee over and above the preferred return at the time of the distribution. Our fund management fees are based on a percentage of managed capital or a percentage of assets under management, and monitoring the change and composition of managed capital provides relevant data points for Caliber management to further calculate and predict future earnings.
- ii. **Fair Value (“FV”) AUM** – we define this is as the aggregate fair value of the real estate assets we manage and from which we derive management fees, performance revenues and other fees and expense reimbursements. We estimate the value of these assets quarterly to help make sale and hold decisions and to evaluate whether an existing asset would benefit from refinancing or recapitalization. This also gives us insight into the value of our carried interest at any point in time. We also utilize FV AUM to predict the percentage of our portfolio which may need development services in a given year, fund management services (such as refinance), and brokerage services. As we control the decision to hire for these services, our service income is generally predictable based upon our current portfolio AUM and our expectations for AUM growth in the year forecasted. As of December 31, 2024, we had total FV AUM of approximately \$794.9 million.

Although we believe we are utilizing generally accepted methodologies for our calculation of Managed Capital and FV AUM, it may differ from our competitors, thereby making these metrics non-comparable to our competitors.

## Managed Capital

The table below summarizes the activity of managed capital for the years ended December 31, 2024 and 2023 (in thousands):

	<b>Managed Capital</b>
Balances as of December 31, 2022	\$ 383,189
Originations	74,857
Return of capital	(22,962)
Other <sup>(1)</sup>	2,541
Balances as of December 31, 2023	437,625
Originations	68,959
Return of capital	(14,042)
Balances as of December 31, 2024	\$ 492,542

<sup>(1)</sup> Other represents the inclusion of an investment of one of our funds upon the completion of an equity swap during the year ended December 31, 2023.



The following table summarizes managed capital for our investment fund portfolios as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Real Estate		
Hospitality	\$ 49,260	\$ 43,660
Caliber Hospitality Trust <sup>(1)</sup>	97,414	70,747
Residential	96,687	74,224
Commercial	170,858	155,004
Total Real Estate <sup>(2)</sup>	414,219	343,635
Credit <sup>(3)</sup>	72,351	84,588
Other <sup>(4)</sup>	5,972	9,402
Total	\$ 492,542	\$ 437,625

<sup>(1)</sup> The Company earns a fund management fee of 0.7% of the Caliber Hospitality Trust's enterprise value and is reimbursed for certain costs incurred on behalf of the Caliber Hospitality Trust.

<sup>(2)</sup> Beginning during the year ended December 31, 2023, the Company includes capital raised from investors in CaliberCos Inc. through corporate note issuances that was further invested in our funds in Managed Capital. As of December 31, 2024 and 2023, the Company had invested \$20.4 million and \$18.3 million, respectively, in our funds.

<sup>(3)</sup> Credit managed capital represents loans made to Caliber's investment funds by the Company and our diversified credit fund. As of December 31, 2024 and 2023, the Company had loaned \$0.4 million and \$8.5 million to our funds.

<sup>(4)</sup> Other managed capital represents undeployed capital held in our diversified funds.

Managed capital for our hospitality funds increased by \$5.6 million during the year ended December 31, 2024, due to a \$5.7 million related party note receivable bearing 12.0 % interest, issued to Caliber Hospitality Trust.

Managed capital for the Caliber Hospitality trust increased by \$26.7 million during the year ended December 31, 2024, primarily due to the issuance of \$9.6 million of Caliber Hospitality, LP operating partnership units in exchange for the contribution of a hotel from L.T.D. on March 7, 2024 and \$17.1 million of investments in Caliber Hospitality Trusts' non-voting preferred stock.

Managed capital for our residential investment funds increased by \$22.5 million during the year ended December 31, 2024: representing (i) \$9.6 million in capital raised into our residential assets offset by \$8.3 million of capital returns, and (ii) \$21.2 million contributed by our diversified funds.

Managed capital for our commercial investment funds increased by \$15.9 million during the year ended December 31, 2024, representing: (i) \$11.0 million in capital raised into our commercial assets offset by \$3.2 million of capital returns, and (ii) \$10.6 million contributed by our diversified funds offset by \$2.5 million return of capital. The scope of investments included tenant improvements, land development, and acquiring existing operating commercial properties.

During the year ended December 31, 2024, our diversified funds deployed \$12.9 million into our various real estate investments, which was offset by \$25.2 million of repayments of outstanding notes receivable.

As of December 31, 2024, other managed capital decreased \$3.4 million, due to a decrease in funds not yet deployed and pursuit costs.

## FV AUM

Our fair value AUM decreased primarily due to asset sales, partially offset by asset purchases. The table below details the activities that had an impact on our FV AUM, during the years ended December 31, 2024 and 2023 (in thousands).

Balances as of December 31, 2022	\$	745,514
Assets acquired <sup>(1)</sup>		29,384
Construction and net market appreciation		9,129
Assets sold or disposed <sup>(2)</sup>		(52,710)
Credit <sup>(3)</sup>		9,822
Other <sup>(4)</sup>		51
Balances as of December 31, 2023		741,190
CHT contribution		29,900
Assets acquired <sup>(1)</sup>		34,590
Construction and net market appreciation		40,675
Assets sold or disposed <sup>(2)</sup>		(35,765)
Credit <sup>(3)</sup>		(12,237)
Other <sup>(4)</sup>		(3,430)
Balances as of December 31, 2024	\$	794,923

The following table summarizes FV AUM of our investment fund portfolios as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Real Estate		
Hospitality	\$ 68,500	\$ 67,200
Caliber Hospitality Trust	236,800	201,600
Residential	161,700	138,000
Commercial	249,600	240,400
Total Real Estate	716,600	647,200
Credit <sup>(3)</sup>	72,351	84,588
Other <sup>(4)</sup>	5,972	9,402
Total	\$ 794,923	\$ 741,190

<sup>(1)</sup> Assets acquired during the year ended December 31, 2024 include West Ridge, a 133 acre mixed-use land development in Colorado and Canyon, an office building conversion to multi-family residential. Assets acquired during the year ended December 31, 2023 include one development asset in Colorado, our headquarters office building, and two multi-family residential assets in Arizona.

<sup>(2)</sup> Assets sold during the year ended December 31, 2024 include a commercial asset, lot sales related to two development assets in Colorado, and one home from our residential fund. Assets sold during the year ended December 31, 2023 include lot sales related to a development asset in Colorado, one development asset in Colorado, nine homes from our residential fund, and one commercial asset in Arizona.

<sup>(3)</sup> Credit FV AUM represents loans made to Caliber's investment funds by our diversified credit fund.

<sup>(4)</sup> Other FV AUM represents undeployed capital held in our diversified funds.



## **Non-GAAP Measures**

We use non-GAAP financial measures to evaluate operating performance, identify trends, formulate financial projections, make strategic decisions, and for other discretionary purposes. We believe that these measures enhance the understanding of ongoing operations and comparability of current results to prior periods and may be useful for investors to analyze our financial performance because they provides investors a view of the performance attributable to CaliberCos Inc. When analyzing our operating performance, investors should use these measures in addition to, and not as an alternative for, their most directly comparable financial measure calculated and presented in accordance with U.S. GAAP. Our presentation of non-GAAP measures may not be comparable to similarly identified measures of other companies because not all companies use the same calculations. These measures may also differ from the amounts calculated under similarly titled definitions in our debt instruments, which amounts are further adjusted to reflect certain other cash and non-cash charges and are used by us to determine compliance with financial covenants therein and our ability to engage in certain activities, such as incurring additional debt and making certain restricted payments.

### ***Asset Management Platform or Platform***

Platform refers to the performance of the Caliber asset management platform segment, which generates revenues and expenses from managing our investment portfolio, which does not include any consolidated assets or funds. These activities include asset management, transaction services, and performance allocations. Management believes that this is an important view of the Company because it communicates performance of the Company that would be most useful for understanding the value of CWD.

### ***Fee-Related Earnings and Related Components***

Fee-Related Earnings is a supplemental non-GAAP performance measure used to assess our ability to generate profits from fee-based revenues, focusing on whether our core revenue streams, are sufficient to cover our core operating expenses. Fee-Related Earnings represents the Company's net income (loss) before income taxes adjusted to exclude depreciation and amortization, stock-based compensation, interest expense and extraordinary or non-recurring revenue and expenses, including performance allocation revenue and gain (loss) on extinguishment of debt, public registration direct costs related to aborted or delayed offerings and our Reg A+ offering, the share repurchase costs related to the Company's Buyback Program, litigation settlements, and expenses recorded to earnings relating to investment deals which were abandoned or closed. Fee-Related Earnings is presented on a basis that deconsolidates our consolidated funds (intercompany eliminations) and eliminates noncontrolling interest. Eliminating the impact of consolidated funds and noncontrolling interest provides investors a view of the performance attributable to CaliberCos Inc. and is consistent with performance models and analysis used by management.

### ***Distributable Earnings***

Distributable Earnings is a supplemental non-GAAP performance measure equal to Fee-Related Earnings plus performance allocation revenue and less interest expenses and provision for income taxes. We believe that Distributable Earnings can be useful as a supplemental performance measure to our GAAP results assessing the amount of earnings available for distribution.

### ***Platform Earnings***

Platform Earnings represents the performance of the Caliber asset management platform segment, which generates revenues and expenses from managing our investment portfolio, excluding any consolidated assets or funds.

### ***Platform Earnings per Share***

Platform Earnings per Share is calculated as Platform Earnings divided by weighted average CWD common shares outstanding.

### ***Platform Adjusted EBITDA***

Platform Adjusted EBITDA represents the Company's Distributable Earnings adjusted for interest expense, the share repurchase costs related to the Company's Buyback Program, other income (expense), and provision for income taxes on a basis that deconsolidates our consolidated funds (intercompany eliminations), and eliminates noncontrolling interest. Eliminating the impact of consolidated funds and noncontrolling interest provides investors a view of the performance attributable to the Platform and is consistent with performance models and analysis used by management.





### ***Consolidated Adjusted EBITDA***

Consolidated Adjusted EBITDA represents the Company's and the consolidated funds' earnings before net interest expense, income taxes, depreciation and amortization, further adjusted to exclude stock-based compensation, transaction fees, expenses and other public registration direct costs related to aborted or delayed offerings and our Reg A+ offering, the share repurchase costs related to the Company's Buyback Program, litigation settlements, expenses recorded to earnings relating to investment deals which were abandoned or closed, any other non-cash expenses or losses, as further adjusted for extraordinary or non-recurring items.

### ***Platform Basic and Diluted Earnings Per Share ("EPS")***

Platform Basic and Diluted EPS represents earnings per share generated by the Platform, without reflecting the impact of consolidation. Eliminating the impact of consolidated funds and noncontrolling interest provides investors a view of the performance attributable to the Platform and is consistent with performance models and analysis used by management.

The following table presents a reconciliation of net loss attributable to CaliberCos Inc. to Fee-Related Earnings, Distributable Earnings, Platform Adjusted EBITDA, and Consolidated Adjusted EBITDA for the years ended December 31, 2024 and 2023 (in thousands):

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net loss attributable to CaliberCos Inc.</b>	\$ (19,777)	\$ (12,703)
Net loss attributable to noncontrolling interests	(1,693)	(14,891)
<b>Net loss</b>	<b>(21,470)</b>	<b>(27,594)</b>
Provision for income taxes	—	—
<b>Net loss before income taxes</b>	<b>(21,470)</b>	<b>(27,594)</b>
Depreciation and amortization	598	551
Consolidated funds' impact on fee-related earnings	1,185	14,020
Stock-based compensation	2,378	3,726
Severance	244	19
Performance allocations	(358)	(3,639)
Other income, net	(1,211)	(374)
Notes receivable impairment	4,304	—
Bad debt expense	4,079	—
Interest expense, net	4,865	4,367
<b>Fee-Related Earnings</b>	<b>(5,386)</b>	<b>(8,924)</b>
Performance allocations	358	3,639
Interest expense, net	(4,865)	(4,367)
Provision for income taxes	—	—
<b>Distributable Earnings</b>	<b>(9,893)</b>	<b>(9,652)</b>
Interest expense	5,424	4,717
Share buy-back	—	183
Other income, net	1,211	374
Provision for income taxes	—	—
Loss on CRAF Investment	—	1,339
Consolidated funds' impact on Caliber Adjusted EBITDA	548	1,788
<b>Platform Adjusted EBITDA Loss</b>	<b>(2,710)</b>	<b>(1,251)</b>
Consolidated funds' EBITDA Adjustments	9,694	11,419
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 6,984</b>	<b>\$ 10,168</b>

The following tables present a reconciliation of Platform revenues, expenses and net income to the most comparable GAAP measure for the years ended December 31, 2024 and 2023 (in thousands):



Year Ended December 31, 2024			
	Platform	Impact of Consolidated Funds	Consolidated
<b>Revenues</b>			
Asset management	\$ 20,563	\$ (3,684)	\$ 16,879
Performance allocations	379	(21)	358
Consolidated funds – hospitality revenue	—	26,476	26,476
Consolidated funds – other revenue	—	7,406	7,406
Total revenues	20,942	30,177	51,119
<b>Expenses</b>			
Operating costs	7,136	(964)	6,172
Payroll and payroll related costs	17,768	(1)	17,767
General and administrative	6,817	(41)	6,776
Marketing and advertising	751	—	751
Depreciation and amortization	598	(5)	593
Consolidated funds – hospitality expenses	—	26,503	26,503
Consolidated funds – other expenses	—	5,870	5,870
Total expenses	33,070	31,362	64,432
Other income (loss), net	(2,654)	(439)	(3,093)
Interest income	559	(199)	360
Interest expense	(5,424)	—	(5,424)
<b>Net loss before income taxes</b>	<b>(19,647)</b>	<b>(1,823)</b>	<b>(21,470)</b>
Provision for income taxes	—	—	—
<b>Net loss</b>	<b>(19,647)</b>	<b>(1,823)</b>	<b>(21,470)</b>
Net loss attributable to noncontrolling interests	—	(1,693)	(1,693)
<b>Net loss attributable to CaliberCos Inc.</b>	<b>\$ (19,647)</b>	<b>\$ (130)</b>	<b>\$ (19,777)</b>

	Year Ended December 31, 2023		
	Platform	Impact of Consolidated Funds	Consolidated
<b>Revenues</b>			
Asset management	\$ 16,982	\$ (6,411)	\$ 10,571
Performance allocations	3,656	(17)	3,639
Consolidated funds – hospitality revenue	—	68,905	68,905
Consolidated funds – other revenue	—	7,822	7,822
Total revenues	20,638	70,299	90,937
<b>Expenses</b>			
Operating costs	2,387	(497)	1,890
Payroll and payroll related costs	19,421	—	19,421
General and administrative	6,807	(37)	6,770
Marketing and advertising	1,053	(1)	1,052
Depreciation and amortization	551	(1)	550
Consolidated funds – hospitality expenses	—	80,669	80,669
Consolidated funds – other expenses	—	9,162	9,162
Total expenses	30,219	89,295	119,514
Consolidated funds – gain on sale of real estate investments	—	4,976	4,976
Other income, net	649	(275)	374
Interest income	1,863	(1,513)	350
Interest expense	(4,716)	(1)	(4,717)
<b>Net loss before income taxes</b>	(11,785)	(15,809)	(27,594)
Provision for income taxes	—	—	—
<b>Net loss</b>	(11,785)	(15,809)	(27,594)
Net loss attributable to noncontrolling interests	—	(14,891)	(14,891)
<b>Net loss attributable to CaliberCos Inc.</b>	<u>\$ (11,785)</u>	<u>\$ (918)</u>	<u>\$ (12,703)</u>

## Liquidity and Capital Resources

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

At December 31, 2024, the Company had a portfolio of corporate notes, whose composition and characteristics are similar to those reported in prior periods. At December 31, 2024, the portfolio consisted of 202 unsecured notes with an aggregate principal balance of \$32.8 million. As of March 31, 2025, \$26.6 million of the corporate notes have matured or will mature within the 12-month period subsequent to March 31, 2025. Each note generally has a 12-month period with an option to extend for an additional 12-months.

Because the Company incurred operating losses and negative cash flow from operations and could experience additional future operating losses and negative cash flow in the near term, combined with the fact that the Company does not have sufficient cash on hand to satisfy the total of the notes that mature within the next 12 months, these conditions and events raise substantial doubt about the Company's ability to continue as a going concern.

In response to these conditions, management considered the impact of these near-term maturities on the Company.



Management evaluated the impact a default of one or many of these notes might have on the Company. As these notes are unsecured, the terms in the agreements do not afford the note holder avenues of recourse in a default that could or would impact the Company adversely in the normal course of business, as the terms lack provisions for rights or claims against the Company's assets, nor is there a scenario where a default could force liquidation of the Company. Management believes that even in the event of default of one or many of these notes, the Company would be able to negotiate a waiver of the default either through an extension of the maturity or principal repayment schedule.

To satisfy the maturity of these corporate notes, the Company intends to raise \$20 million of preferred stock series AA financing through its Reg A+ offering, which was qualified on March 12, 2024, and refinance existing 12-month term notes into a new 36-month term corporate note program. From the balance sheet date through March 31, 2025, the Company has successfully refinanced \$2.7 million of 12-month term corporate notes into the 36-month term corporate note program.

In addition to the financing actions noted, management continues to execute various plans implemented in the year to address operating losses and near-term maturities or demands for repayment of its notes. Consistent with reported actions taken in prior fiscal periods, management plans to continue to i) reduce operating costs, ii) collect all or part of its \$7.7 million in receivables, iii) collect all or part of its \$16.1 million in investments from its managed funds, iv) increase capital raise through continued expansion of fundraising channels, v) sell or accept investment into its corporate headquarters, vi) place debt on unencumbered assets, and/or vii) generate planned cash from operations.

After consideration of the implemented and planned actions, management concluded these plans are not within the Company's control and therefore cannot be deemed probable. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

### ***Corporate Debt***

As of December 31, 2024, we have issued and outstanding unsecured promissory notes of \$32.8 million with an average outstanding principal balance of \$0.2 million, a weighted average interest rate of 11.30%, and maturity dates ranging from April 2023 to December 2027. The purpose of this financing program is to provide us with flexible, short-term capital to be used to grow its assets under management and assist funds in a fast-moving acquisition or investment, as well as general corporate purposes. Additionally, the program provides customers of our funds access to a short-term lending opportunity. Management actively manages each relationship to determine if the respective customer would like to redeem upon maturity or extend for an additional period of time. Management has historically been successful at extending these note programs and, as a result, continues to expect similar outcomes. This outstanding debt resulted in \$4.0 million of interest expense for each of the years ended December 31, 2024 and 2023.

### ***Cash Flows Analysis***

The section below discusses in more detail the Company's primary sources and uses of cash and primary drivers of cash flows within the Company's consolidated statements of cash flows (in thousands).

	Years Ended December 31,		\$ Change
	2024	2023	
Net cash provided by (used in):			
Operating activities	\$ 555	\$ (18,720)	\$ 19,275
Investing activities	(19,629)	(5,364)	(14,265)
Financing activities	6,331	25,790	(19,459)
<b>Net change in cash and cash equivalents</b>	<b>\$ (12,743)</b>	<b>\$ 1,706</b>	<b>\$ (14,449)</b>

## [Table of Contents](#)

The assets of our consolidated funds, on a gross basis, can be substantially larger than the assets of our core business and, accordingly could have a substantial effect on the accompanying statements of cash flows. The table below summarizes our consolidated statements of cash flow by activity attributable to the Company and to our consolidated funds (in thousands).

	Years Ended December 31,		\$ Change
	2024	2023	
Net cash used in the Company's operating activities	\$ (4,626)	\$ (7,153)	\$ 2,527
Net cash provided by (used in) the consolidated funds' operating activities	5,181	(11,567)	16,748
Net cash provided by (used in) the Company's operating activities	<b>555</b>	<b>(18,720)</b>	<b>19,275</b>
Net cash provided by (used in) the Company's investing activities	4,911	(3,487)	8,398
Net cash used in the consolidated funds' investing activities	(24,540)	(1,877)	(22,663)
Net cash used in the Company's investing activities	<b>(19,629)</b>	<b>(5,364)</b>	<b>(14,265)</b>
Net cash (used in) provided by the Company's financing activities	(1,217)	24,706	(25,923)
Net cash provided by the consolidated funds' financing activities	7,548	1,084	6,464
Net cash provided by the Company's financing activities	<b>6,331</b>	<b>25,790</b>	<b>(19,459)</b>
<b>Net change in cash and cash equivalents</b>	<b>\$ (12,743)</b>	<b>\$ 1,706</b>	<b>\$ (14,449)</b>

### *Operating Activities*

Our net cash flows from operating activities are generally comprised of asset management revenues and performance allocations, less cash used for operating expenses, including interest paid on our debt obligations. Net cash flows used in operating activities of the Company during the year ended December 31, 2024 remained relatively consistent as compared to the same period in 2023. The increase in net cash flows provided by operating activities of the consolidated funds during the year ended December 31, 2024, as compared to the net cash flows used in operating activities during the same period in 2023, was primarily due to decreased interest payments related to the consolidated funds notes payable.

### *Investing Activities*

The increase in net cash flows provided by investing activities of the Company for the year ended December 31, 2024, as compared to net cash flows used in investing activities of the Company the same period in 2023, primarily relates to payments received on related party notes receivable and a decrease in the acquisition of real estate assets. The increase in net cash flows used in investing activities of the consolidated funds is primarily due to a decrease sales proceeds from the sale of real estate assets and the net impact of the consolidation and deconsolidation of VIEs, offset by an increase in the payments received on related party notes receivable, a decrease in investments in real estate assets and a decrease in the acquisition of real estate assets.

### *Financing Activities*

The increase in net cash flows used in financing activities of the Company for the year ended December 31, 2024, as compared to the net cash flows provided by in the same period in 2023, was primarily due to a decrease of \$26.0 million of net proceeds on notes payable. The increase in net cash flows provided by financing activities of the consolidated funds is primarily due to a decrease in redemptions and distributions to noncontrolling interest holders of \$13.2 million, offset by a decrease in contributions to noncontrolling interest holders of \$9.5 million.

## **Critical Accounting Policies and Estimates**

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are made and evaluated on an ongoing basis using information that is currently available as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in adverse ways, and those estimates could be different under different assumptions or conditions.





## Accounting Policies and Estimates of the Company

We believe the following critical accounting policies affect the Company's more significant estimates and judgements used in the preparation of our consolidated financial statements.

### *Revenue Recognition*

In accordance with the Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"), management applies the five-step framework in determining the timing and amount of revenue to recognize. This framework requires an entity to: (i) identify the contract(s) with customers, (ii) identify the performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations within the contract, and (v) recognize revenue when or as the entity satisfies a performance obligation.

Revenues from contracts with customers includes fixed fee arrangements with related party affiliates to provide certain associated activities which are ancillary to and generally add value to the assets we manage, such as set-up and fund formation services associated with marketing, soliciting, and selling member interests in the affiliated limited partnerships, brokerage services, construction and development management services, loan placement and guarantees. The recognition and measurement of revenue is based on the assessment of individual contract terms. For performance obligations satisfied at a point in time, there are no significant judgments made in evaluating when the customer obtains control of the promised service.

For performance obligations satisfied over time, significant judgment is required to determine how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on appropriate measurement of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events. Transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Variable consideration is included in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in transaction price are based largely on an assessment of its anticipated performance and all information that is reasonably available to the Company. Revenues are recognized when control of the promised services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The following describes revenue recognition for the fees the Company earns from providing services under its asset management Platform:

Fund set-up fees are a one-time fee for the initial formation, administration, and set-up of the private equity real estate fund. These fees are recognized at the point in time when the performance under the contract is complete and are included in asset management revenues in the accompanying consolidated statements of operations. Fund set-up fees replaced fund formation fees that are earned at a point in time at a fixed rate based on the amount of capital raised into certain managed funds.

Fund management fees are generally based on 1.0% to 1.5% of the unreturned capital contributions in a particular fund and include reimbursement for costs incurred on behalf of the fund, including an allocation of certain overhead costs. These customer contracts require the Company to provide management services, representing a performance obligation that the Company satisfies over time. With respect to the Caliber Hospitality Trust (as defined in Note 3 – VIEs), the Company earns a fund management fee of 0.7% of the Caliber Hospitality Trust's enterprise value and is reimbursed for certain costs incurred on behalf of the Caliber Hospitality Trust. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Financing fees are earned for services the Company performs in securing third-party financing on behalf of our private equity real estate funds. These fees are recognized at the point in time when the performance under the contract is complete, which is essentially upon closing of a loan. In addition, the Company earns fees for guaranteeing certain loans, representing a performance obligation that the Company satisfies over time. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Development and construction revenues from contracts with customers include fixed fee arrangements with related party affiliates to provide real estate development services as their principal developer, which include managing and supervising third-party developers and general contractors with respect to the development of the properties owned by the funds. Revenues are generally based on 4.0% of

the total expected costs of the development or 4.0% of the total expected costs of the construction project. Prior to the commencement of construction, development fee revenue is recognized at a point in time as the related

performance obligations are satisfied and the customer obtains control of the promised service, including negotiation, due diligence, entitlements, planning, and design activities. During the construction period, development fee revenue is recognized over time as the performance obligations are satisfied. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Brokerage fees are earned at a point in time at fixed rates for services performed related to acquisitions, dispositions, leasing, and financing transaction, and are included in asset management revenues in the accompanying consolidated statements of operations.

Performance allocations are an arrangement in which we are entitled to an allocation of investment returns, generated within the investment funds which we manage, based on a contractual formula. We typically receive 15.0% to 35.0% of all cash distributions from (i) the operating cash flow of each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of preferred capital contributions; and (ii) the cash flow resulting from the sale or refinance of any real estate assets held by each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of initial preferred capital contributions. Our funds' preferred returns range from 6.0% to 12.0%, typically 6.0% for common equity or 10.0% to 12.0% for preferred equity, which does not participate in profits. Performance allocations are related to services which have been provided and are recognized when it is determined that they are no longer probable of significant reversal, which is generally satisfied when an underlying fund investment is realized or sold. These revenues are included in performance allocations in the accompanying consolidated statements of operations.

### ***Income Taxes***

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, *Accounting for Income Taxes*. Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax basis of assets and liabilities and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured by applying enacted tax rates and laws and are released in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are provided against deferred tax assets when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

A valuation allowance is required to reduce the balance of a deferred tax asset if it is determined that it is more-likely-than-not that all or some portion of the deferred tax asset will not be realized due to the lack of sufficient taxable income or other limitation on the Company's ability to utilize the loss carryforward.

We recognize the impact of an income tax position, if that position is more-likely-than-not of being sustained on audit, based on the technical merits of the position. Related interest and penalties are classified as income taxes in the financial statements.

### **Accounting Policies and Estimates of Consolidated Funds**

We believe the following critical accounting policies affect the consolidated funds' more significant estimates and judgements used in the preparation of our consolidated financial statements.

#### ***Consolidated Fund Revenues***

In accordance with ASC 606, our consolidated funds apply the five-step framework in determining the timing and amount of revenue to recognize. This framework requires an entity to: (i) identify the contract(s) with customers, (ii) identify the performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations within the contract, and (v) recognize revenue when or as the entity satisfies a performance obligation. Our consolidated funds' revenues primarily consist of hospitality revenues, rental income and interest income.

#### **Consolidated funds – hospitality revenue**

Hospitality revenues are comprised of charges for room rentals, food and beverage sales, and other hotel operating activities. Revenues are recognized as earned, which is defined as the date upon which a guest occupies a room or utilizes the hotel's services. Revenues are recorded net of sales tax.

Our consolidated funds have performance obligations to provide accommodations and other ancillary services to hotel guests. As compensation for such goods and services, the consolidated funds are typically entitled to a fixed nightly fee for an agreed upon period and additional fixed fees for any ancillary services purchased. These fees are generally payable at the time the hotel

guest checks out of the hotel. The consolidated funds generally satisfy the performance obligations over time and recognize the revenue from room sales and from other ancillary guest services on a daily basis, as the rooms are occupied, and the services have been rendered.

For food and beverage, revenue is recognized upon transfer of promised products or services to customers in an amount that reflects the consideration the consolidated funds received in exchange for those services, which is generally when payment is tendered at the time of sale.

The consolidated funds receive deposits for events and rooms. Such deposits are deferred and included in other liabilities on the accompanying consolidated balance sheets. The deposits are credited to consolidated funds – hospitality revenue when the specific event takes place.

#### Consolidated funds – other revenue

Consolidated funds – other revenue primarily consists of interest income of \$5.9 million and \$3.7 million for the years ended December 31, 2024 and 2023, respectively, which is generated by a consolidated fund’s lending activity. Interest income is recognized on the accrual basis of accounting in accordance with the lending agreements over the term of the respective loan agreement.

In addition, consolidated funds - other revenue includes rental revenue of \$1.4 million and \$4.0 million for the years ended December 31, 2024 and 2023, respectively. Rental revenue includes the revenues generated primarily by the rental operations of the residential (multi-family and single-family) and commercial properties of our consolidated funds.

#### ***Consolidated Fund Expenses***

Consolidated fund expenses consist primarily of costs, expenses and fees that are incurred by, or arise out of the operation and activities of or otherwise related to, our consolidated funds, including, without limitation, operating costs, depreciation and amortization, interest expense on debt held by our consolidated funds, gain on extinguishment of debt, gain on derivative instruments, insurance expenses, professional fees and other costs associated with administering and supporting those funds.

#### ***Fair Value of Financial Instruments***

The fair value of financial instruments is disclosed in accordance with ASC 825, *Financial Instruments*. The fair value of our financial instruments is estimated using available market information and established valuation methodologies. The estimates of fair value are not necessarily indicative of the amounts the consolidated funds could realize on disposition of the financial instruments. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair value amounts.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

#### ***Market Risk***

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or interest rates. Our market risk arises primarily from interest rate risk relating to variable-rate borrowings. To meet our short and long-term liquidity requirements, we borrow funds at a combination of fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to manage our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, caps, collars, treasury locks, options and forwards in order to mitigate our interest rate risk with respect to various debt instruments. We would not hold or issue these derivative contracts for trading or speculative purposes.

#### ***Interest Rate Risk***

As of December 31, 2024, our debt included fixed-rate debt with a fair value and carrying value of \$57.9 million and \$62.1 million, respectively. Changes in market interest rates on our fixed rate debt impact the fair value of the debt, but they have no impact on interest incurred or cash flow. For instance, if interest rates rise 100 basis points, and the fixed rate debt balance remains constant, we expect the fair value of our debt to decrease, the same way the price of a bond declines as interest rates rise.

As of December 31, 2024, our debt included variable-rate debt with a fair value and carrying value of \$18.0 million. The sensitivity analysis related to our variable-rate debt assumes an immediate 100 basis point move in interest rates from their

December 31, 2024 levels, with all other variables held constant. A 100 basis point increase or decrease in variable interest rates on our variable-rate debt would increase or decrease our interest expense by \$0.2 million annually.

### ***Credit Risk***

Substantially all of the Company's revenues are generated from the management, ownership and/or operations of real estate assets located in Alaska, Arizona, Colorado, Kansas, Texas, and Virginia. The Company mitigates the associated risk by:

- diversifying our investments in real estate assets across multiple asset types, including hospitality, commercial, single-family, multi-family, and self-storage properties;
- diversifying our investments in real estate assets across multiple geographic locations including different markets and sub-markets in which our real estate assets are located;
- diversifying our investments in real estate assets across assets at differing points of stabilization, and in varying states of cash flow optimization; and
- maintaining financing relationships with a diversified mix of lenders (differing size and type), including large national banks, local community banks, private equity lenders, and insurance companies.

## **Item 8. Financial Statements and Supplementary Data**

The information required by Item 8 is hereby incorporated by reference to our consolidated financial statements beginning on page F-1 of this document.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures**

None.

## **Item 9A. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 ("the Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that no controls and procedures, no matter how well designed and operated, can provide absolute assurance of achieving the desired control objectives.

In accordance with Rules 13a-15(b) and 15d-15(b) of the Exchange Act, management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2024 and determined that the disclosure controls and procedures were effective at a reasonable assurance level as of that date.

### **Management's Annual Report on Internal Control Over Financial Reporting**

This report does not include a report on management's assessment regarding internal control over financial reporting or an attestation report of our registered public accounting firm due to a transition period established by the SEC for newly public companies.

Because we are an "emerging growth company" under the JOBS Act, our independent public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting for so long as we are an emerging growth company.





### **Changes in Internal Control Over Financial Reporting**

No change occurred in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Item 9B. Other Information**

#### **(a) Trading Plans**

During the quarter ended December 31, 2024, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted or terminated a Rule "10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K.

### **Item 9C. Disclosure Regarding Foreign Jurisdiction that Prevent Inspections.**

None.

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance

##### Information Concerning the Board of Directors

The following table sets forth the names and ages of our director nominees:

Name	Age	Title
John C. “Chris” Loeffler, II	40	Chief Executive Officer and Chairman of the Board
Jennifer Schrader	43	President and Vice-Chairperson
William J. Gerber	67	Director
Michael Trzuppek	54	Director
Daniel P. Hansen	55	Director
Lawrence Taylor	60	Director

Listed below are our directors’ biographies.

*John C. “Chris” Loeffler, II.* Mr. Loeffler has served as the Chief Executive Officer and Chairman of Caliber’s Board of Directors since its inception. As Chief Executive Officer, Mr. Loeffler directs and executes the global strategy, oversees investments and fund management, and contributes to private and public capital formation. As a co-founder Mr. Loeffler took an early role in forming the Company’s financial and operational infrastructure and navigating the vertical integration of all real estate and investment services. Prior to forming Caliber, Mr. Loeffler was in the audit and assurance practice for PwC in Phoenix, Arizona, completing public company audits, developing control systems, and completing several acquisition or sale transactions. Mr. Loeffler earned a Bachelor of Science degree in Business Administration with a concentration in Accounting from California Polytechnic State University, San Luis Obispo. Mr. Loeffler also attended Universidad Complutense de Madrid (University of Madrid) in Madrid, Spain. In addition, Mr. Loeffler is a Board Director for Zennihome Holdings, Inc., a technology-forward manufacturer of stackable housing units. We believe that Mr. Loeffler’s extensive knowledge of Caliber’s business and his extensive corporate and leadership experience as a co-founder of Caliber and its Chief Executive Officer qualify him to serve on our Board of Directors.

*Jennifer Schrader.* Ms. Schrader has served as the President and Chief Operating Officer and as Vice-Chairperson and director of Caliber since its inception. Since co-founding Caliber in 2009, Ms. Schrader has overseen the acquisition, design, repositioning, and disposition of over \$600 million in assets to date. In addition, she leads the Company’s daily operations, inclusive of Caliber’s asset management activities, focusing on the execution of each investment’s business plan over the asset’s full lifecycle. Prior to forming Caliber, Ms. Schrader was the Managing Partner of First United Equities, LLC, a Michigan business focused on acquiring, renovating and selling homes for profit. Ms. Schrader serves as Chair of the Caliber Foundation, which was launched in 2021, and on the Colangelo College of Business Advisory Board for Grand Canyon University in Phoenix, Arizona. Ms. Schrader attended Lawrence Technological University in Michigan where she studied architecture and interior architecture. She holds a Real Estate Broker’s license from the Arizona School of Real Estate and Business. We believe that Ms. Schrader’s extensive knowledge of Caliber’s business and her extensive corporate and leadership experience as a co-founder of Caliber and its President qualify her to serve on our Board of Directors.

*William J. Gerber.* Mr. Gerber has been a member of the Board of Directors of the Company since May 2023. Mr. Gerber has been a member of our Advisory Board since April 2019. Mr. Gerber has acted as a consultant since October 2015. From October 2006 to October 2015 Mr. Gerber served as Chief Financial Officer of TD Ameritrade Holding Corporation (Nasdaq: AMTD) (“TD Ameritrade”), a provider of securities brokerage services and related technology-based financial services to retail investors, traders and independent registered investment advisors, and has extensive financial experience. In May 2007, he was named Executive Vice President of TD Ameritrade. In his role as Chief Financial Officer, he oversaw investor relations, business development, certain treasury functions and finance operations, including accounting, business planning and forecasting, external and internal reporting, tax and competitive intelligence. From May 1999 until October 2006, he served as the Managing Director of Finance at TD Ameritrade, during which time he played a significant role in evaluating merger and acquisition opportunities. Prior to joining TD Ameritrade, he served as Vice President of Acceptance Insurance Companies, Inc., where he was responsible for all aspects of mergers and acquisitions, investment banking activity, banking relationships, investor communications and portfolio management. Prior to joining Acceptance, Mr. Gerber spent eight years with Coopers & Lybrand, now known as PwC, serving as an audit manager primarily focusing on public company clients. Mr. Gerber was named to Institutional Investor Magazine’s All-America Executive Team as one of

the top three CFOs in the Brokerage, Asset Managers and Exchanges category (2012 and 2013). He was also named a member of the CNBC CFO Council (2013 and 2014). Since January 2017, he has served

on the Board of Directors of Northwestern Mutual Series Fund, a mutual fund company. He has also served on the Board of Directors of the U.S. holding company for the Royal Bank of Canada since July 2016 and Streck, Inc., a privately held company, since March 2015. In addition, he serves on the Boys Town National Board of Trustees. Mr. Gerber holds a B.B.A. in Accounting from the University of Michigan. Mr. Gerber holds a CPA license in the state of Michigan. We believe that Mr. Gerber's extensive knowledge of Caliber's business as a member of the Advisory Board of Caliber and his extensive corporate and leadership experience qualify him to serve on our Board of Directors.

*Michael Trzupek.* Mr. Trzupek has been a member of the Board of Directors of the Company since May 2023. Mr. Trzupek has been a member of our Advisory Board since May 2019. He is currently the Chief Financial Officer for Imagination Technologies a semiconductor and software design company based in the United Kingdom. From September 2020 to April 2022, Mr. Trzupek served as the Chief Financial Officer of Core Scientific, one of the largest digital asset mining infrastructure providers in North America. From February 2019 to June 2020, Mr. Trzupek served as the Chief Financial Officer of Premera Blue Cross, Washington's leading health plan. Mr. Trzupek oversees accounting, financial planning and analysis, investment and treasury. Prior to joining Premera Blue Cross, Mr. Trzupek served as Group Vice President for Providence St. Joseph Health System, executing finance functions, strategic planning and budgeting, as well as the evaluation of affiliations, acquisitions and strategic investments. Prior to Providence St. Joseph Health System, he was a Corporate Finance General Manager at Microsoft, focused on business planning for the Company's hardware products, including Xbox and Surface. Mr. Trzupek began his financial career at Intel. Mr. Trzupek received his Master of Business Administration from the University of Chicago. He is a member of the Board of Directors at the Seattle Aquarium, as well as a former Advisory Board member for eCapital Advisors. We believe that Mr. Trzupek's extensive knowledge of Caliber's business as a member of the Advisory Board of Caliber and his extensive corporate and leadership experience qualify him to serve on our Board of Directors.

*Daniel P. Hansen.* Mr. Hansen has been a member of the Board of Directors of the Company since May 2023. Mr. Hansen has been a member of our Advisory Board since May 2022. Mr. Hansen is currently the Global Head of Hyatt Studios, Hyatt Hotels first extended stay upper-midscale brand in the Americas. He previously served as the Chairman, President and Chief Executive Officer of Summit Hotel Properties, Inc. (NYSE:INN) from that company's initial public offering until his retirement in 2021. He served on the Board of the American Hotel & Lodging Association (AHLA) and as a trustee of the AHLA Foundation and on advisory councils of multiple hotel brands. Mr. Hansen was recognized by Institutional Investor Magazine as a top small-cap executive in 2017, and in 2018, received the EY Entrepreneur of The Year Award in the Texas region. Prior to joining The Summit Group, Mr. Hansen spent 11 years with Merrill Lynch in various leadership positions culminating as a Vice President and Regional Sales Manager in the Texas Mid-South Region. Mr. Hansen graduated from South Dakota State University with a B.A. in Economics. We believe that Mr. Hansen's extensive corporate and leadership experience qualify him to serve on our Board of Directors.

*Lawrence Taylor.* Mr. Taylor has been a member of the Board of Directors of the Company since August 2023. Mr. Taylor is President of Taylor Strategy Group advising companies on finance, strategy, growth initiatives and related activities. His experience spans start-ups, private companies, and publicly traded companies across diverse industries, including casino gaming, hospitality, manufacturing, aviation, commercial real estate, retail, and healthcare. Previously, Mr. Taylor served as Partner and Managing Director at Odyssey Capital Group, Chief Financial Officer at Excorp Medical, Inc., Corporate Director of Investment Relations at Grand Casinos, Inc., and others. He is a Board Leadership Fellow of the National Association of Corporate Directors (NACD), is Directorship Certified by the NACD, and was recognized as a "Director to Watch" in 2020 by the Private Company Director Magazine. Mr. Taylor earned a bachelor's degree in finance from Louisiana Tech University.

### ***Board Leadership Structure and Risk Oversight***

Our Board of Directors does not have a policy on whether or not the role of the Chief Executive Officer and Chairman should be separate or, if it is to be separate, whether the Chairman should be selected from the non-employee directors or be an employee. Currently, we operate with Mr. Loeffler serving as our Chairman and our Chief Executive Officer. We currently believe that Mr. Loeffler serving in both capacities best serves the Company and suits the talents, expertise and experience that Mr. Loeffler brings to the Company.

The Board of Directors as a whole is responsible for consideration and oversight of the risks we face and is responsible for ensuring that material risks are identified and managed appropriately. Certain risks are overseen by committees of the Board of Directors and these committees make reports to the full Board of Directors, including reports on noteworthy risk-management issues. Members of the Company's senior management team regularly report to the full Board about their areas of responsibility and a component of these reports is the risks within their areas of responsibility and the steps management has taken to monitor and control such exposures. Additional review or reporting on risks is conducted as needed or as requested by the Board or one of its committees.

### ***Board Independence***



We are listed on the Nasdaq Capital Market (“NASDAQ”) and accordingly, we have applied NASDAQ listing standards in determining the “independence” of the members of our Board of Directors. In addition, we are subject to the rules of the SEC and NASDAQ relating to the membership, qualifications, and operations of the Audit Committee, as discussed below. The Nominating and Corporate Governance Committee also evaluates the composition of the Board as a whole and each of its committees to ensure the Company’s on-going compliance with NASDAQ independence standards. Based on the NASDAQ listing standards and SEC rules and after reviewing the relationships with members of our Board, our Board of Directors, with the assistance of the Nominating and Corporate Governance Committee, has determined that each of William J. Gerber, Michael Trzupek, Daniel P. Hansen, and Lawrence Taylor qualifies as an independent director.

While the Company is a “controlled company” as defined under the NASDAQ rules and thus is entitled to an exemption from the majority independence rule, the Company has not elected this exemption for its 2025 election of directors but reserves the right to claim this exemption in the future.

### ***Director Compensation***

The following table sets forth all compensation paid to or earned by each non-employee director of the Company during fiscal year December 31, 2024.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$) <sup>(1)</sup></b>	<b>Option Awards (\$)</b>	<b>Stock Awards (\$)</b>	<b>Total (\$)</b>
William J. Gerber	\$ 75,000	\$ 47,072	\$ —	\$ 122,072
Michael Trzupek	\$ 75,000	\$ 47,072	\$ —	\$ 122,072
Daniel P. Hansen	\$ 75,000	\$ 47,072	\$ —	\$ 122,072
Lawrence Taylor	\$ 75,000	\$ 50,937	\$ —	\$ 125,937

(1) The amounts listed in this column represent the retainer paid to each director for their service on the board and any committees on which they served during 2024.

Our non-employee director compensation is comprised of cash compensation. Further, we reimburse all of our non-employee directors for their reasonable expenses incurred in attending meetings of our Board and committees of the Board.

The Board believes that a significant portion of director compensation should align director interests with the long-term interests of stockholders. The Board makes changes in its director compensation practices only upon the recommendation of the Compensation Committee, and discussion and approval by the Board.

Our Board, following the Compensation Committee’s recommendation, has approved the compensation of our non-employee directors, as described below. The Compensation Committee believes that our non-employee director compensation remains aligned with director compensation practices at our peer companies while considering the ongoing cash constraints of the Company.

For 2024, our non-employee director annual compensation consisted of \$75,000 in cash.

During fiscal 2024, our Board held four meetings and the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee each held four meetings. During the period for which a person served as a director, each director attended at least 75% of the aggregate of the total number of meetings held by the Board of Directors and the total number of meetings held by those committees of the Board of Directors on which such director served.

The Company’s policy is to encourage, but not require, Board members to attend annual stockholder meetings.

### ***Committees and Membership***

We maintain the following committees of the Board of Directors: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee is comprised entirely of directors who are “independent” within the meaning of the rules of NASDAQ Rule 5605(a)(2) and all applicable SEC rules and regulations. Each committee acts pursuant to a separate written charter, and each such charter has been adopted and approved by the Board of Directors. Each committee charter is available on our website at [caliberco.com](https://caliberco.com) under the heading “Investments - Public Investors” ([https://](https://caliberco.com)



[ir.caliberco.com/corporate-governance/governance-documents](https://ir.caliberco.com/corporate-governance/governance-documents)). The members of the committees and a description of the principal responsibilities of each committee are described below.

### ***Audit Committee***

Our Audit Committee consists of William J. Gerber, Daniel P. Hansen, and Michael Trzupek, who are independent pursuant to the Direction Independence Standards of NASDAQ and SEC rules and regulations applicable to audit committees. Our Board of Directors has determined that each William J. Gerber, Daniel P. Hansen, and Michael Trzupek satisfies the independence requirements under NASDAQ listing standards and Rule 10A-3(b)(1) of the Exchange Act. The chair of our Audit Committee is Mr. Trzupek, whom our Board of Directors has determined is an “audit committee financial expert” within the meaning of SEC regulations. Each member of our Audit Committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, our Board of Directors has examined each Audit Committee member’s scope of experience and the nature of their employment in the corporate finance sector.

The principal duties and responsibilities of our Audit Committee include, among other things:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the overall audit plan with our independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the audit committee’s review and discussions with management and our independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related person transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing quarterly earnings releases.

The Audit Committee Charter is available on our website (<https://ir.caliberco.com/corporate-governance/governance-documents>).

### ***Compensation Committee***

Our Compensation Committee consists of William J. Gerber, Daniel P. Hansen, and Michael Trzupek. The chair of our Compensation Committee is Mr. Hansen. Each member of our Compensation Committee is independent under NASDAQ listing standards.

The principal duties and responsibilities of our compensation committee include, among other things:

- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and based on such evaluation: (i) recommending to the board of directors the cash compensation of our Chief Executive Officer, and (ii) reviewing and approving grants and awards to our Chief Executive Officer under equity-based plans;
- reviewing and recommending to the board of directors the cash compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy, and policy;
- overseeing and administering our compensation and similar plans;
- reviewing and approving the retention or termination of any consulting firm or outside advisor to assist in the evaluation of compensation matters and evaluating and assessing potential and current compensation advisors in accordance with the



- independence standards identified in the applicable NASDAQ rules;
- retaining and approving the compensation of any compensation advisors;

- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and recommending to the board of directors the compensation of our directors; and
- preparing the compensation committee report required by SEC rules, if and when required, to be included in our annual proxy statement.

None of the members of our Compensation Committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. The Compensation Committee Charter is available on our website (<https://ir.caliberco.com/corporate-governance/governance-documents>).

### ***Nominating and Corporate Governance Committee***

Our Nominating and Corporate Governance Committee consists of William J. Gerber, Daniel P. Hansen, and Michael Trzupek. The chair of our Nominating and Corporate Governance Committee is Mr. Gerber. Each member of our Nominating and Corporate Governance Committee independent under NASDAQ listing standards.

The Nominating and Corporate Governance Committee's responsibilities include, among other things:

- developing and recommending to the board of directors' criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- reviewing the composition of the board of directors to ensure that it is composed of members containing the appropriate skills and expertise to advise us;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;
- reviewing and recommending to the board of directors' appropriate corporate governance guidelines; and
- overseeing the evaluation of our board of directors.

The Nominating and Corporate Governance Committee Charter is available on our website (<https://ir.caliberco.com/corporate-governance/governance-documents>).

### ***The Director Nomination Process***

The Nominating and Corporate Governance Committee considers nominees from all sources, including stockholders. The Nominating and Corporate Governance Committee has the authority to lead the search for individuals qualified to become members of the Company's Board of Directors and to select or recommend to the Board of Directors director nominees to be presented for stockholder approval. The Nominating and Corporate Governance Committee may use its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm.

Our Nominating and Corporate Governance Committee nominates individuals to our Board of Directors based on a variety of factors, including the criteria set forth below. Nominees to our Board of Directors are expected to possess fundamental qualities of intelligence, integrity, ethics, and accountability; have proven achievements and competence in their fields; and have a background that demonstrates an understanding of business, real estate, and financial affairs. Nominees must be willing and able to spend the time required to effectively fulfill duties as a director, collaborate with other directors and the executives of the Company. Members of our Board of Directors are expected to be committed to the success of the Company, to think critically and independently, and to be willing to communicate in a constructive manner. Directors are selected on the basis of qualifications and experience. Other factors in the selection process may include expertise; business experience; knowledge regarding real estate, finance, marketing, financial reporting, cybersecurity, or management. A nominee's ability to meet the independence criteria established by the NASDAQ or NYSE is also a factor in the selection process. The Nominating and Corporate Governance Committee will consider candidates for the Board of Directors that are recommended by stockholders so long as the recommendations comply with our Third Amended and Restated Certificate of Incorporation; our Amended and Restated Bylaws; and applicable laws, rules, and regulations, including those

promulgated by the SEC. The Nominating and Corporate Governance Committee will evaluate such recommendations in accordance with the Third Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, Corporate Governance Guidelines, and with the nominee criteria described above.

### ***Stockholder Communications***

Any stockholder who desires to contact any of our directors can write to CaliberCos Inc., 8901 E. Mountain View Rd. Ste. 150, Scottsdale, Arizona 85258, Attention: Corporate Secretary. Your letter should include the following information: (i) if you are a security holder, a statement of the type and number of Company securities you hold; (ii) if you are not a security holder and are submitting the communication to the non-management directors as an interested party, the nature of your interest in the Company; (iii) any special interest, meaning an interest not in the capacity as a securityholder of the Company, of the person in the subject matter of the communication; (iv) and your address, telephone number and e-mail address, if any. All communications will be reviewed by our Corporate Secretary and, if appropriate, directed to the appropriate member(s) of the Board.

### ***Code of Conduct and Code of Ethics***

We have adopted a written Code of Conduct and a Code of Ethics each of which applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer, or controller, or persons performing similar functions. Current copies of the codes are posted on the Corporate Governance section of our website, located at <https://ir.caliberco.com/corporate-governance/governance-documents>. If we make any substantive amendments to, or grant any waivers from, the Code of Conduct and the Code of Ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K.

Upon written request to our Corporate Secretary, CaliberCos Inc. 8901 E. Mountain View Rd. Ste. 150, Scottsdale, Arizona 85258, we will provide you with a copy of our Code of Conduct and/or our Code of Ethics, without cost.

### ***Short Sale and Hedging and Pledging Policies***

Our Amended and Restated Insider Trading Policy applies to our directors, officers, employees, and family members who reside in the household of each person. The policy prohibits directors, officers, employees, and family members who reside in the household of each person, from engaging in short sales, derivatives trading or hedging involving the Company's securities or pledging or margining the Company's Common Stock.

### ***Section 16(a) Beneficial Ownership Reporting Compliance***

Section 16(a) of the Exchange Act requires our directors, executive officers, and the persons who beneficially own more than ten percent of our Common Stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Copies of all filed reports are required to be furnished to us. Based solely on the reports received by us and on the representations of the reporting persons, we believe that our directors and executive officers complied with all applicable filing requirements during the fiscal year ended December 31, 2024, except Ignacio Martinez, who filed one late Form 3 and one late Form 4; Michael Trzupek, Jennifer Schrader and Jade Leung, each of whom filed one late Form 4; and John C. Loeffler II, who filed two late Form 4s.

Further, based solely on the reports received by us and on the representations of the reporting persons, we believe each greater than ten percent holder complied with all applicable filing requirements during the fiscal year ended December 31, 2024.

### ***Information Concerning Executive Officers***

The following table sets forth the names, ages and titles of our executive officers:

<b>Name</b>	<b>Age</b>	<b>Title</b>
John C. "Chris" Loeffler, II	40	Chief Executive Officer and Chairman of the Board
Jennifer Schrader	43	President & Chief Operating Officer and Vice-Chairperson
Jade Leung	51	Chief Financial Officer
Roy Bade	62	Chief Development Officer
Ignacio Martinez	57	Chief Operating Officer

Information about John C. Loeffler, II our Chief Executive Officer, and Jennifer Schrader, our President, is set forth above under "PROPOSAL 1 Election of Directors - *Nominees*".

*Jade Leung.* Mr. Leung has served as Caliber’s Chief Financial Officer and corporate secretary since April 2017. As Chief Financial Officer, Mr. Leung oversees all aspects of accounting and controllership, financial planning and analysis, tax, financial reporting, and treasury functions at Caliber. Before being named Chief Financial Officer, Mr. Leung served as Caliber’s Vice

President of Finance and was responsible for managing and streamlining the Company's accounting and compliance functions across all divisions and functions. In August 2016, he was also named the Chief Compliance Officer for the Company's Arizona issuer-dealer, Caliber Securities, LLC, which established a new revenue stream for the Caliber group of companies. Prior to joining Caliber, Mr. Leung spent 12 years with PwC where he managed audit and accounting advisory services for some of PwC's largest Fortune 500 companies in the United States, Canada, and Japan. Notably, Mr. Leung participated in over \$1 billion of public market transactions and financing arrangements. Mr. Leung earned an accounting degree from Ryerson University and a Bachelor of Arts degree in Psychology from the University of British Columbia and holds an active CPA license in the states of Arizona and Maine.

*Roy Bade.* Mr. Bade has served as the Chief Development Officer of Caliber since November 2019. Roy is responsible for managing real estate service lines provided by Caliber's vertically integrated group of operating businesses. His four areas of responsibility include vertical and horizontal real estate development, construction, acquisitions, and project financing. Mr. Bade joined Caliber in 2014 as Fund Manager and was quickly promoted to Executive Vice President and Fund Manager. He was responsible for maximizing returns on existing properties and managing Caliber's development and construction activity. For nearly 30 years prior to joining Caliber, Mr. Bade acted as the principal and managing partner of two businesses, Bade Commercial Services Inc and BCS Development Group, LLC, which included the development, construction, and property management of commercial, retail and industrial properties throughout Phoenix, Arizona. During this time, Mr. Bade developed, constructed and owned over 750,000 square feet of property. Mr. Bade graduated from Washington State University with a Bachelor of Science in Business Information Systems, and holds a Commercial General Contractor's license, and holds an Arizona Real Estate Broker's license.

*Ignacio Martinez.* Mr. Martinez has served as the Chief Operating Officer of the Company since April, 1 2024. Prior to serving as Chief Operating Officer, Mr. Martinez was the Senior Vice President of Operations since he joined the Company in June 2023. Prior to joining Caliber, Mr. Martinez had served as Senior Vice President of Security, Risk and Compliance for Smartsheet (NYSE: SMAR), an enterprise Software as a Service (SaaS) work management platform since July 2017, where he played a key role in helping to build and scale the business in preparation for its initial public offering. Mr. Martinez holds a degree in business from New Mexico State University.

## **Material Proceedings**

None of our directors or executive officers has been involved in any events enumerated under Item 401(f) of Regulation S-K during the past ten years that are material to an evaluation of the ability or integrity of such persons to be our directors or executive officers.

No material proceedings exist in which any of our directors or executive officers is an adverse party to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

## **Family Relationships**

There are no family relationships among any of our executive officers or directors.

## **Item 11. Executive Compensation**

### **Compensation of Named Executive Officers**

The summary compensation table below shows certain compensation information for services rendered in all capacities for the fiscal years ended December 31, 2024 and 2023. Other than as set forth herein, no executive officer's salary and bonus exceeded \$100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

## [Table of Contents](#)

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus <sup>(1)</sup> (\$)	Stock Awards <sup>(2)</sup> (\$)	Option Awards (\$)	Incentive Plan Compensation (\$)	All Other Compensation <sup>(3)</sup> (\$)	Total (\$)
John C. “Chris” Loeffler, II	2024	\$ 490,000	\$ 10,000	\$ 326,087	\$ —	\$ —	\$ 63,177	\$ 889,264
Chief Executive Officer and Chairman of the Board	2023	490,000	42,500	397,493	—	—	28,025	958,018
Jennifer Schrader	2024	450,000	10,000	326,087	—	—	83,378	869,465
President & Chief Operating Officer and Vice-Chairperson	2023	450,000	42,500	397,493	—	—	9,900	899,893
Jade Leung	2024	375,000	20,000	253,623	—	—	13,800	662,423
Chief Financial Officer	2023	375,000	219,175	311,360	—	—	8,250	913,785
Roy Bade	2024	350,000	220,000	163,043	—	—	10,300	743,343
Chief Development Officer	2023	350,000	315,344	358,999	—	—	6,750	1,031,093
Ignacio Martinez	2024	325,000	20,000	431,159	—	—	—	776,159
Chief Operating Officer								

(1) The amounts reported in this column reflect cash bonus payments made in the respective year for performance.

(2) The amounts reported in this column reflect restricted stock units awarded in the respective year for performance.

(3) The amounts reported in this column represent employer 401(k) contributions. Mr. Loeffler’s and Ms. Schrader’s other compensation includes loan guarantee fees of \$70,952 and \$69,578, respectively.

(4) Ignacio Martinez was determined to be a Named Executive Officer in connection with his appointment as Chief Operating Officer on April 1, 2024.

## Employment Agreements

The Company entered into Executive Employment Agreement, dated January 1, 2019, with each of John C. Loeffler, II, Jennifer Schrader, Jade Leung and Roy Bade (each an “Executive”, and together the “Executives”). The Executive Employment Agreements (the “Employment Agreements”) provide for certain base salary and termination payments to the Executives as follows:

The Employment Agreements are for an indefinite term until the agreement is terminated. Mr. Loeffler’s annual base salary is \$490,000 and his employment agreement provides for compensation of \$2,083.33 per month for any and all leadership services rendered in any capacity (“Leadership Compensation”). Ms. Schrader’s annual base salary is \$450,000 and her employment agreement provides for Leadership Compensation of \$2,083.33 per month. Mr. Leung’s annual base salary is \$375,000 and his employment agreement provides for Leadership Compensation of \$2,083.33 per month. Mr. Bade’s annual base salary is \$350,000 and his employment agreement provides for Leadership Compensation of \$2,083.33 per month. Mr. Martinez’s annual base salary is \$325,000.

Following the termination of the employment of an Executive under the circumstances described below, the Company will pay to Executive in accordance with its regular payroll practices the following compensation and provide the following benefits:

- **Death; Disability.** In the event that an Executive's employment is terminated by reason of an Executive's death or disability, an Executive or his/her estate, as the case may be, shall be entitled to the following payments: (i) payment of an Executive’s Base Salary plus Leadership Compensation; (ii) any pro rata Bonus earned by an Executive; and (iii) payment of amounts and benefits available under the employee benefit plans.
- **Termination by the Company for Cause.** In the event that an Executive's employment is terminated by the Company for cause, an Executive will not be entitled to compensation, pro rata Bonus or other benefits.
- **Termination by the Company Without Cause.** In the event that an Executive's employment is terminated by the Company without cause, an Executive will be entitled to receive their Base Salary, any pro rata Bonus and any expenses earned or

incurred through the date of termination. An Executive will be entitled to receive a severance payment of their current Base Salary plus Leadership Compensation for twelve (12) or thirty-six (36) months, depending on the Executive



- **Voluntary Resignation by Executive for Good Reason.** In the event of an Executive's resignation for Good Reason, an Executive will be entitled to receive their Base Salary plus Leadership Compensation, any pro rata Bonus and any expenses earned or incurred through the date of termination. An Executive will be entitled to receive a severance payment of their current Base Salary plus Leadership Compensation for twelve (12) or thirty-six (36) months, depending on the Executive.
- **Resignation.** In the event an Executive resigns from the Company regardless of circumstances or reason, the Executive shall be entitled to receive only the Base Salary plus Leadership Compensation and Bonus earned by him through the effective date of his resignation

In September 2022, the Company adopted new compensation arrangements for its Named Executive Officers; these arrangements are in the process of being reduced to formal agreements which will replace existing agreements in place with such officers. Other than as set forth below, each of the formal agreements will contain identical terms and conditions. The agreements will (i) provide for at-will employment, (ii) provide an auto allowance equal to \$19,500 per year, (iii) provide for severance equal to 12 months of salary upon termination without cause or voluntary resignation for good reason and (iv) require that the Named Executive Officer shall devote substantially all of his/her time and attention to the performance of his/her duties and responsibilities for and on behalf of the Company except as may be consented to by the Company.

The Company entered into an Employment Agreement, dated May 25, 2023, with Ignacio Martinez. The Employment Agreement is for an indefinite term until the agreement is terminated. Mr. Martinez's annual base salary is \$325,000. He is eligible to receive an annual bonus based on performance of up to 125% of his base compensation and long-term incentives via the Company's 2017 Incentive Stock Plan.

The following table sets forth the agreed to compensation arrangements with each of our Named Executive Officers:

<b>Name</b>	<b>Base Salary (\$)</b>	<b>Maximum Bonus as a Percentage of Base Salary (\$)</b>	<b>Maximum Bonus (\$)<sup>(1)</sup></b>	<b>Long Term Incentive (LTI) (\$)<sup>(2)</sup></b>	<b>Total Compensation Potential (\$)</b>
John C. “Chris” Loeffler, II	\$ 490,000	200 %	\$ 980,000	\$ 450,000	\$ 1,920,000
Jennifer Schrader	\$ 450,000	150 %	\$ 675,000	\$ 450,000	\$ 1,575,000
Jade Leung	\$ 375,000	100 %	\$ 375,000	\$ 350,000	\$ 1,100,000
Roy Bade	\$ 350,000	150 %	\$ 525,000	\$ 225,000	\$ 1,100,000
Ignacio Martinez <sup>(3)</sup>	\$ 325,000	125 %	\$ 406,250	\$ 250,000	\$ 981,250

(1) Bonuses are discretionary, will be dependent on both individual and company performance and will be issued following the close of each year. The amounts listed under Maximum Bonus (\$) are target totals assuming the Named Executive Officer achieves his/her designated goals and expected outcomes in the annual plan.

(2) The LTI will be payable in the form of RSU's from the 2024 Equity Incentive Plan, subject to vesting further to the provisions in the plan. The calculation of total shares to issue for the year will be completed annually as of the first business day each year and the corresponding share price average for the preceding 20 trading days, or as otherwise agreed upon by the Board of Directors.

(3) Ignacio Martinez was determined to be a Named Executive Officer in connection with his appointment as Chief Operating Officer on April 1, 2024.

Other than the employment arrangements described above, we have not entered into any arrangements providing for payments or benefits in connection with the resignation, severance, retirement or other termination of any of our named executive officers, changes in their compensation or a change in control.

In general, Caliber's pay philosophy with respect to its Named Executive Officers is to target at or about the market median of peer group companies for a Named Executive Officer's total compensation, with actual compensation varying based on performance and tenure.

Caliber makes such compensation decisions for the Named Executive Officers based on:

- The Company's strategic and human resources objectives;
- Competitive data for peer group companies and for a broader group of asset management firms;
- Corporate and individual performance on key initiatives;
- Corporate performance compared to our competitors;
- Economic conditions;
- Advice of outside executive compensation consultants and that of our Advisory Board; and
- How the elements of compensation contribute to and interrelate to total compensation.

The peer group of companies was compiled by an unaffiliated compensation consultant's study. The compensation consultant recommends an appropriate peer group of public, similarly sized, asset management companies, considering the Company's and the competitors' strategy, mix of business and size, as measured primarily by annual revenues, market capitalization and total assets. These companies are the major competitors in one or more of the Company's businesses, but none represent the exact business mix of the Company. Caliber strives to target compensation for the Named Executive Officers at the median of the compensation of the named executive officers at the peer group companies.

## Potential Payments Upon Termination or Change-In-Control

The Employment Agreements, and the employment arrangements approved in 2022, provide for severance benefits upon a termination of employment under certain circumstances. For a discussion regarding the benefits see “*Employment Agreements*.”

## Outstanding Equity Awards at Fiscal Year End Table

Name	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
John C. “Chris” Loeffler, II	—	—	—	N/A	N/A	482,927	\$ 337,566	—	\$ —	
Jennifer Schrader	—	—	—	N/A	N/A	482,927	\$ 337,566	—	\$ —	
Jade Leung	386,436	—	—	\$ 3.35	1/1/2026	387,742	\$ 271,032	—	\$ —	
	59,452	—	—	\$ 5.85	12/31/2029	—	\$ —	—	\$ —	
Roy Bade	445,888	—	—	\$ 3.35	1/1/2026	312,535	\$ 218,462	—	\$ —	
Ignacio Martinez	59,375	—	9,625	\$ 2.87	11/14/2033	807,008	\$ 564,099	—	\$ —	

## Recovery of Erroneously Awarded Compensation

The Board adopted a clawback policy (the “Clawback Policy”) effective as of May 15, 2023. The Clawback Policy, which is administered by the Compensation Committee of the Board of Directors, applies to current and former executive officers of the Company (each an “Covered Person”). In the event the Company is required to prepare an accounting restatement of its financial results as a result of a material noncompliance by the Company with any financial reporting requirement under the federal securities laws, the Company will have the right to use reasonable efforts to recover from any Covered Person who received incentive compensation (whether cash or equity) from the Company during the three-year period preceding the date on which the Company was required to prepare the accounting restatement, any excess incentive compensation awarded as a result of the misstatement. As of December 31, 2024, there have been no Restatements that would require recovery of erroneously awarded compensation under the Clawback Policy.

## Equity Incentive Plans

### 2017 Incentive Stock Plan

We currently have adopted the 2017 Incentive Stock Plan, as amended and restated in December 2021 (the “2017 Plan”). The 2017 Plan remains in place for governance of awards made prior to adoption of our 2024 Equity Incentive Plan in 2024. As of December 31, 2024 and 2023, options representing 2,699,252 and 2,285,601 shares, respectively, have been awarded and are outstanding under the 2017 Plan. As of December 31, 2024 and 2023, restricted stock units representing 4,847,067 and 2,386,786 shares have been awarded and are outstanding under the 2017 Plan, respectively. No new awards may be made under the 2017 Plan.

### 2024 Incentive Stock Plan

We have adopted a 2024 Equity Incentive Plan (the “2024 Plan”). An aggregate of 4.0 million shares of our Class A common stock is reserved for issuance and available for awards under the 2024 Plan. The 2024 Plan administrator may grant awards to any employee, director, consultant or other person providing services to us or our affiliates. As of December 31, 2024, options representing 148,000

shares have been awarded and are outstanding under the 2024 Plan. As of December 31, 2024, restricted stock units representing 607,505 shares have been awarded and are outstanding under the 2024 Plan.

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

The following table sets forth information with respect to the beneficial ownership of our shares as of March 19, 2024 by:

- each named executive officer;
- each of our directors;
- our directors and executive officers as a group; and
- each person or entity known by us to own beneficially more than 5% of our Class A Common Stock and Class B Common Stock (by number or by voting power).

In accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 15,695,959 shares of Class A Common Stock and 7,416,414 shares of Class B Common Stock outstanding as of the Record Date. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable or would vest based on service-based vesting conditions within 60 days of the Record Date. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o CaliberCos Inc. 8901 E. Mountain View Rd., Ste 150, Scottsdale, Arizona 85258.

Name of Beneficial Owner	Shares Beneficially Owned <sup>(1)</sup>				
	Class A Common Stock		Class B Common Stock		% Total Voting Power <sup>(2)(3)</sup>
	Shares	%	Shares	%	
Named Executive Officers and Directors					
Jennifer Schrader <sup>(4)</sup>	271,288	1.6 %	3,709,693	50.0 %	40.8 %
John C. Loeffler, II <sup>(5)</sup>	291,287	1.7 %	3,706,721	50.0 %	40.8 %
Roy Bade <sup>(6)</sup>	952,334	5.5 %	—	— %	1.0 %
Jade Leung <sup>(7)</sup>	843,763	4.8 %	—	— %	*
William Gerber <sup>(8)</sup>	190,982	1.1 %	—	— %	*
Michael Trzupek <sup>(9)</sup>	189,036	1.1 %	—	— %	*
Daniel P. Hansen <sup>(10)</sup>	272,125	1.6 %	—	— %	*
Lawrence Taylor <sup>(13)</sup>	171,101	*	—	— %	*
Ignacio Martinez <sup>(11)</sup>	253,460	1.5 %	—	— %	*
Directors, Director Nominees and Executive Officers as a Group (9 Persons) <sup>(12)</sup>	3,435,376	19.7 %	7,416,414	100.0 %	84.7 %
5% Beneficial Owners:					
Donnie R. Schrader <sup>(14)</sup>	3,390,736	19.4 %	—	— %	3.7 %

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\*Indicates ownership of less than 1%

- (1) In computing the number of shares of Common Stock beneficially owned by a person and the percentage of beneficial ownership of that person, shares of Common Stock underlying restricted stock units or options held by that person that are convertible or exercisable, as the case may be, within 60 days of the Record Date are included. Those shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.
- (2) Does not give effect to (i) the conversion of Class B Common Stock to Class A Common Stock, (ii) the conversion of convertible debt securities into Class A Common Stock, (iii) the conversion of Series A Preferred Stock into Class A Common Stock or (iv) the vesting of any issued and outstanding stock options or restricted stock units outstanding as of the date hereof under either the 2017 Plan or the 2024 Plan and excludes shares of Class A Common Stock reserved for future issuance pursuant to outstanding awards under our 2024 Plan. None of the named executive officers and directors or Donnie Schrader beneficially own any convertible debt securities. In addition, no holder of convertible debt would become a beneficial owner of 5% or more of the Company's Class A Common Stock should any such holder convert all convertible debt held by such holder within 60 days of the Record Date.
- (3) Percentage total voting power represents voting power with respect to all shares of our Class A Common Stock and Class B Common Stock, as a single class. Each holder of Class B Common Stock is entitled to ten votes per share of Class B Common Stock and each holder of Class A Common Stock is entitled to one vote per share of Class A Common Stock on all matters submitted to our stockholders for a vote. The Class A Common Stock and Class B Common Stock vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by law. The Class B Common Stock is convertible at any time by the holder into shares of Class A Common Stock on a share-for-share basis.
- (4) Includes 245,154 fully vested restricted stock units ("RSUs") and 26,134 RSUs vesting within 60 days of the Record Date, which represent a contingent right to receive Class A Common Stock upon vesting. Class A Common Stock does not include shares of Class A Common Stock held by Jennifer Schrader's spouse Donnie Schrader. Ms. Schrader disclaims beneficial ownership of all shares of Class A Common Stock held by Donnie Schrader, except to the extent of her pecuniary interest, if any, therein. See also footnote 13.
- (5) Includes 19,999 shares of Class A Common Stock, 245,154 fully vested RSUs, and 26,134 RSUs vesting within 60 days of the Record Date, which represent a contingent right to receive Class A Common Stock upon vesting. Class B Common Stock includes 1,778,989 shares held in The C LO 2021 Irrevocable Trust under agreement of which Mr. Loeffler is trustee.
- (6) Includes 445,888 fully vested and exercisable stock options, 416,792 fully vested RSUs, 18,992 RSUs vesting within 60 days of the Record Date, which represent a contingent right to receive Class A Common Stock upon vesting, and 70,662 shares of Class A Common Stock held by Wave Investments LLC of which Mr. Bade is the sole manager.
- (7) Includes 28,500 share of Class A Common Stock, 445,888 fully vested and exercisable stock options, 347,739 fully vested RSUs, and 21,636 RSUs vesting within 60 days of the Record Date, which represent a contingent right to receive Class A Common Stock upon vesting.
- (8) Includes 13,006 shares of Class A Common Stock and 177,976 fully vested and exercisable stock options.
- (9) Includes 11,060 shares of Class A Common Stock and 177,976 fully vested and exercisable stock options.
- (10) Includes 109,012 shares of Class A Common Stock and 163,113 fully vested and exercisable stock options.
- (11) Includes 65,625 fully vested and exercisable stock options, 164,636 fully vested RSUs, 16,949 RSUs vesting within 60 days of the Record Date, which represent a contingent right to receive Class A Common Stock upon vesting, and 6,250 stock options exercisable within 60 days of the Record Date.
- (12) Includes 1,645,817 fully vested stock options and options exercisable within 60 days of the Record Date and 109,845 RSUs vesting within 60 days of the Record Date.
- (13) Includes 8,000 shares of Class A Common Stock and 163,101 fully vested and exercisable stock options.
- (14) Based on information known to the Company and Mr. Schrader's Form 3 filed May 15, 2023. Does not include Class A Common Stock or Class B Common Stock held by Donnie Schrader's spouse Jennifer Schrader. Mr. Schrader disclaims beneficial ownership of all shares of Common Stock held by Jennifer Schrader, except to the extent of his pecuniary interest, if any, therein.

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

The information required by this Item will be included in our Proxy Statement, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

Historically, the Company's operations were organized into three reportable segments, fund management, development, and brokerage. During the three months ended December 31, 2024, the Company reevaluated its reportable segments, considering (i) the evolution of the Company after closing its initial public offering and how the Company's chief operating decision maker ("CODM"), the Company's Chief Executive Officer, assesses performance and allocates resources, (ii) changes to the budgeting process and in key personnel driven by the Company's growth initiatives, and (iii) how management reports ongoing company performance to the Board of Directors. With the evolution and growth of the Company, the Company's CODM assesses performance and resource allocation on an aggregate basis under the Company's asset management platform and no longer reviews operating results for development or brokerage activity separately. As such, management concluded that the Company operates through one operating segment.

The Company's CODM assesses revenue, operating expenses and key operating statistics to evaluate performance and allocate resources on a basis that eliminates the impact of the consolidated investment funds (intercompany eliminations required by U.S. GAAP) and noncontrolling interests. Management concluded that the consolidated investment funds do not meet the requirements in ASC 280, Segment Reporting, of operating segments, as The Company's CODM does not review the operating results of these investment funds for the purposes of allocating resources, assessing performance or determining whether additional investments or advances will be made to these funds. The investment funds are consolidated based on the requirement in ASC 810, Consolidation, as the Company was determined to be the primary beneficiary of each of these variable interest entities since it has the power to direct the activities of the entities and the right to absorb losses, generally in the form of guarantees of indebtedness that are significant to the individual investment funds.

The following describes revenue recognition for the fees the Company earns from providing services under its asset management platform:

Fund set-up fees are a one-time fee for the initial formation, administration, and set-up of the private equity real estate fund. These fees are recognized at the point in time when the performance under the contract is complete and are included in asset management revenues in the accompanying consolidated statements of operations. Fund set-up fees replaced fund formation fees that are earned at a point in time at a fixed rate based on the amount of capital raised into certain managed funds.

Fund management fees are generally based on 1.0% to 1.5% of the unreturned capital contributions in a particular fund and include reimbursement for costs incurred on behalf of the fund, including an allocation of certain overhead costs. These customer contracts require the Company to provide management services, representing a performance obligation that the Company satisfies over time. With respect to the Caliber Hospitality Trust (as defined in Note 3 – VIEs), the Company earns a fund management fee of 0.70% of the Caliber Hospitality Trust's enterprise value and is reimbursed for certain costs incurred on behalf of the Caliber Hospitality Trust. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Financing fees are earned for services the Company performs in securing third-party financing on behalf of our private equity real estate funds. These fees are recognized at the point in time when the performance under the contract is complete, which is essentially upon closing of a loan. In addition, the Company earns fees for guarantying certain loans, representing a performance obligation that the Company satisfies over time. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Development and construction revenues from contracts with customers include fixed fee arrangements with related party affiliates to provide real estate development services as their principal developer, which include managing and supervising third-party developers and general contractors with respect to the development of the properties owned by the funds. Revenues are generally based on 4.0% of the total expected costs of the development or 4.0% of the total expected costs of the construction project. Prior to the commencement of construction, development fee revenue is recognized at a point in time as the related performance obligations are satisfied and the customer obtains control of the promised service, including negotiation, due diligence, entitlements, planning, and design activities. During the construction period, development fee revenue is recognized over time as the performance obligations are satisfied. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.





Brokerage fees are earned at a point in time at fixed rates for services performed related to acquisitions, dispositions, leasing, and financing transaction, and are included in asset management revenues in the accompanying consolidated statements of operations.

Performance allocations are an arrangement in which we are entitled to an allocation of investment returns, generated within the investment funds which we manage, based on a contractual formula. We typically receive 15.0% to 35.0% of all cash distributions from (i) the operating cash flow of each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of preferred capital contributions; and (ii) the cash flow resulting from the sale or refinance of any real estate assets held by each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of initial preferred capital contributions. Our funds' preferred returns range from 6.0% to 12.0%, typically 6.0% for common equity or 10.0% to 12.0% for preferred equity, which does not participate in profits. Performance allocations are related to services which have been provided and are recognized when it is determined that they are no longer probable of significant reversal, which is generally satisfied when an underlying fund investment is realized or sold. These revenues are included in performance allocations in the accompanying consolidated statements of operations

The table below shows the consolidated revenues earned for providing services under the Company's asset management platform for the years ended December 31, 2024 and 2023.

	Years Ended December 31,	
	2024	2023
Fund set-up fees	\$ 1,494	\$ 370
Fund management fees	7,725	5,115
Financing fees	396	221
Development and construction fees	6,420	4,025
Brokerage fees	844	840
Total asset management	16,879	10,571
Performance allocations	358	3,639
Total related party revenue	<u>\$ 17,237</u>	<u>\$ 14,210</u>

As of December 31, 2024 and 2023, amounts due to the Company from related parties for services performed under the Company's asset management platform was \$6.2 million.

### ***Other***

In the normal course of business, the Company has various amounts due from and/or due to related parties, including affiliate entities and individuals, for various expenses paid for by the Company on their behalf and other charges. These amounts are generally unsecured, interest-free, and due on demand. As of December 31, 2024 and 2023, other amounts due from related parties was \$0.8 million and \$1.9 million. As of December 31, 2024 and 2023, other amounts due to related parties from the Company were \$0.3 million and \$0.3 million, respectively.

### ***Notes Receivable***

The Company entered into unsecured promissory notes with related parties. No payments are required prior to the maturity of the notes. The notes may be prepaid in whole, or in part, without penalty.

The following table summarizes the notes payable – related parties as of December 31, 2024 and 2023 (in thousands):

Notes Receivable - Related Parties	December 31, 2024	December 31, 2023	Interest Rate <sup>(1)</sup>	Maturity Date <sup>(1)</sup>
Caliber Hospitality LP	\$ —	\$ —	12.00%	September 2025
Olathe	—	25	12.00%	May 2025
DFW Behavioral Health LLC	22	25	14.00%	May 2025
Blue Spruce Ridge	13	—	12.00%	December 2026
West Ridge	70	—	12.00%	December 2026
Total Notes Receivable - Related Parties	<u>\$ 105</u>	<u>\$ 50</u>		

(1) As of December 31, 2024.

(2) During the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP and Caliber Hospitality Trust, which included activity from six hospitality funds, Elliot, and Caliber Fixed Income Fund III.

During the years ended December 31, 2024 and 2023, the Company earned \$0.2 million and an immaterial amount of interest in connection with the notes, which is included in interest income on the accompanying consolidated statements of operations. Interest that accrues on certain related party notes receivable can be added to the principal outstanding balance, due at the respective loan maturity date and incurs interest at the respective interest rate. There was an immaterial amount of interest due to the Company as of December 31, 2024 and 2023.

#### *Notes Receivable – Related parties of consolidated funds*

The consolidated funds entered into unsecured promissory notes with related parties. The notes may be repaid in whole, or in part, without penalty. The notes receivable – related parties consisted of the following as of December 31, 2024 and 2023 (in thousands):

Notes Receivable - Related Parties	December 31, 2024	December 31, 2023	Interest Rate <sup>(1)</sup>	Maturity Date <sup>(1)</sup>
SF Alaska	\$ —	\$ 14,976	12.00%	May 2025
Edgewater/The Ketch	—	7,198	12.00%	May 2026
Circle Lofts	—	1,797	12.00%	May 2026
Elliot 10 (ESP)	—	—	13.00%	September 2025
Elliot 10 (ESP)	1,198	—	12.00%	April 2026
J-25 Development Group	—	4,804	12.00%	May 2026
CDOF <sup>(2)</sup>	—	109	12.00%	September 2025
Ridge II	—	846	12.00%	December 2024
Ironwood	—	2,703	13.00%	September 2025
47th Fund	—	—	12.00%	May 2025
Southridge	—	2,187	13.00%	July 2025
Caliber Hospitality LP	—	—	12.00%	June 2025
Caliber Hospitality LP	5,650	—	12.00%	September 2026
Blue Spruce	—	—	13.00%	January 2026
West Ridge <sup>(3)</sup>	—	—	12.00%	March 2026
Total Notes Receivable - Related Parties	<u>\$ 6,848</u>	<u>\$ 34,620</u>		

(1) As of December 31, 2024.



(2) During the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP and the Caliber Hospitality Trust, which included activity from six hospitality funds, Elliot, and Caliber Fixed Income Fund III.

During the years ended December 31, 2024 and 2023, the consolidated fund earned \$5.9 million and \$3.7 million, respectively, of interest in connection with the notes. Interest that accrues on certain related party notes receivable, in which the consolidated fund and respective borrower mutually agreed, is added to the principal outstanding balance, due at the respective loan maturity date and incurs interest at the respective interest rate. \$0.3 million and no interest was due to the Company as of December 31, 2024 and 2023, respectively, which is included in due from related parties on the accompanying consolidated balance sheets.

***Notes Payable – Related parties of consolidated funds***

The consolidated funds entered into unsecured promissory notes with related parties. The notes may be repaid in whole, or in part, without penalty. The notes payable – related parties consisted of the following as of December 31, 2024 and 2023 (in thousands):

<b>Notes Payable - Related Parties</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Interest Rate<sup>(1)</sup></b>	<b>Maturity Date<sup>(1)</sup></b>
Caliber Tax Advantaged Opportunity Zone Fund, LP	\$ —	\$ 8,012	N/A	N/A
Caliber Tax Advantaged Opportunity Zone Fund II, LP	—	4,043	N/A	N/A
Elliot, LLC	—	—		
Caliber Fixed Income Fund III	2,047	—	13.00%	September 2025
<b>Total Notes Payable - Related Parties</b>	<b>\$ 2,047</b>	<b>\$ 12,055</b>		

(1) As of December 31, 2024.

During the years ended December 31, 2024 and 2023, the consolidated funds incurred \$0.3 million and \$1.2 million, respectively, of interest expense in connection with the notes payable – related parties. No interest was payable as of December 31, 2024. As of December 31, 2023, there was \$0.1 million of interest expense payable. Management expects to extend these notes at maturity.

The Company's Corporate Governance Guidelines outline the policies and procedures related to reviewing and approving related party transactions. The Board and its committees review and approve all related party transactions and any contracts or other transactions with current or former directors and executive officers of the Company, including consulting arrangements, employment agreements, change-in-control agreements, termination arrangements, and loans to officers made or guaranteed by the Company. The Audit Committee generally take the lead in reviewing related party transactions, and the Compensation Committee and the Nominating and Corporate Governance Committee generally take the lead in reviewing related party contracts, such as consulting arrangements, termination agreements, and any other contracts or arrangements involving any compensatory or monetary terms. The Company does not enter into any such transaction unless the transaction is determined by the disinterested directors to be fair to the Company or is approved by the disinterested directors or by the stockholders. Any determination by the Company's disinterested directors is based on a review of the particular transaction, applicable laws and regulations, policies of the Company, and the listing standards of NASDAQ.

**Buyback Program**

In September 2018, the Company agreed to repurchase 3,709,693 shares (“Buyback Program”) owned by one of its non-participating founders for \$4.54 per share of Class A Common Stock in exchange for an amendment to such non-participating founder’s shareholder voting rights and other Company protections. Due to the length of time of the liability, the Company recorded a liability of \$13.6 million and a corresponding reduction to equity in treasury stock at the inception of the Buyback Program using a present value discount rate of 10.00%. As of December 31, 2022, remaining number of shares to be repurchased was 3,432,351 and the balance of the liability was \$12.4 million, which is included in buyback obligation on the accompanying consolidated balance sheets. During the year ended December 31, 2023, the Company repurchased 41,615 shares of Class A Common Stock pursuant to the Buyback Program and on May 19, 2023, the Company’s Class A Common Stock began trading on the NASDAQ Capital Market, at which point the buyback obligation was relieved and no further amounts were due under the Buyback Program.

**Item 14. Principal Accounting Fees and Services**

The following table provides information regarding the fees billed to us by Deloitte & Touche in the fiscal years ended December 31, 2024 and 2023. All fees described below were approved by the Audit Committee:

	For the fiscal years ended December 31,	
	2024	2023
Audit Fees <sup>(1)</sup>	\$ 1,166,000	\$ 875,000
Audit Related Fees <sup>(2)</sup>	53,500	290,000
Tax Fees	—	—
All Other Fees	1,895	—
Total Fees:	<u>\$ 1,221,395</u>	<u>\$ 1,165,000</u>

(1) Audit fees includes fees associated with the annual audits of our financial statements, quarterly reviews of our financial statements, and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements.

(2) Audit related fees include fees associated with the initial public offering of shares of the Company’s Class A common stock.



## **PART IV**

### **Item 15. Exhibits, Financial Statement Schedules**

#### *Financial Statements*

The Financial Statements are included herein at pages F-[3](#) through F-[7](#).

#### *Financial Statement Schedules*

All financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, the required information is contained elsewhere in this Annual Report on Form 10-K, or the schedules are inapplicable and have therefore been omitted.

#### *Exhibits*

The following exhibits are included in this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (and are numbered in accordance with Item 601 of Regulation S-K):

Exhibit No.	Description
<a href="#"><u>3.1</u></a>	<a href="#"><u>Third Amended and Restated Certificate of Incorporation of CaliberCos Inc. (incorporated by reference to Exhibit 3.1 of CaliberCos Inc.'s Form 8-K filed with the SEC on May 19, 2023)</u></a>
<a href="#"><u>3.2</u></a>	<a href="#"><u>Amended and Restated Bylaws of CaliberCos Inc. (incorporated by reference to Exhibit 3.2 of CaliberCos Inc.'s Form 8-K filed with the SEC on May 19, 2023)</u></a>
<a href="#"><u>3.3</u></a>	<a href="#"><u>Certificate of Designation, Preferences and Rights relating to the Series A Convertible Preferred Stock, dated November 26, 2024 (incorporated by reference to Exhibit 3.1 of CaliberCos Inc.'s Form 8-K filed with the SEC on December 4, 2024)</u></a>
<a href="#"><u>3.4</u></a>	<a href="#"><u>Certificate of Designation, Preferences and Rights relating to the Series AA Cumulative Redeemable Preferred Stock, dated March 5, 2024 (incorporated by reference to Exhibit 3.1 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 11, 2025)</u></a>
<a href="#"><u>4.1*</u></a>	<a href="#"><u>Description of Securities</u></a>
<a href="#"><u>4.2</u></a>	<a href="#"><u>Form of Class A common stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1/A, filed with the SEC on October 28, 2022 (File No. 333-267657))</u></a>
<a href="#"><u>4.3</u></a>	<a href="#"><u>Amended and Restated Stockholders' Agreement dated March 22, 2023, by and among the Company, John C. Loeffler, Jennifer Schrader and Donnie Schrader (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1/A, filed with the SEC on March 22, 2023 (File No. 333-267657))</u></a>
<a href="#"><u>4.3.1</u></a>	<a href="#"><u>Stock Purchase Agreement dated September 21, 2018, by and among the Company and Donnie Schrader (incorporated by reference to Exhibit 3.2 of CaliberCos Inc.'s offering statement on Form 1-A (File No.024-11016), filed with the SEC on June 13, 2019)</u></a>
<a href="#"><u>4.4</u></a>	<a href="#"><u>Promissory Note, issued by the Company to the Investor (incorporated by reference to Exhibit 4.1 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>4.5</u></a>	<a href="#"><u>Common Stock Purchase Warrant, issued by the Company to the Investor (incorporated by reference to Exhibit 4.2 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>4.6</u></a>	<a href="#"><u>Common Stock Purchase Warrant, issued by the Company to the Investor (incorporated by reference to Exhibit 4.3 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>10.1†</u></a>	<a href="#"><u>CaliberCos Inc. Amended and Restated 2017 Stock Incentive Plan (incorporated by reference to Exhibit 99.1 of CaliberCos Inc.'s Form S-8 (File No. 333-272078), filed with the SEC on May 19, 2023)</u></a>
<a href="#"><u>10.2†</u></a>	<a href="#"><u>CaliberCos Inc. 2024 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement (Schedule 14A) filed with the Commission on May 16, 2024)</u></a>
<a href="#"><u>10.3†</u></a>	<a href="#"><u>CaliberCos Inc. Employee Stock Purchase Plan (incorporated by reference to Appendix B to the Company's Definitive Proxy Statement (Schedule 14A) filed with the Commission on May 16, 2024)</u></a>
<a href="#"><u>10.4</u></a>	<a href="#"><u>Loan Agreement, dated as of January 20, 2023, among 47th Street Phoenix Airport LLC, CHPH Holding, LLC, and 44th and McDowell Holding, LLC, as Borrower and Trimont Real Estate Advisors, LLC, as Agent for BP Holdings SIGMA LLC, as Lender (Incorporated by reference to the Company's Quarterly Report on Form 10-Q (File No. 001-04321), filed with the SEC on June 23, 2023)</u></a>
<a href="#"><u>10.5</u></a>	<a href="#"><u>Guaranty of Recourse Obligations dated January 20, 2023, by John C. Loeffler, II, Jennifer Schrader, CDIF, LLC, Caliber Diversified Opportunity Fund II, LP, and CaliberCos Inc. for the benefit of BP Holdings Sigma, LLC (Incorporated by reference to the Company's Quarterly Report on Form 10-Q (File No. 001-04321), filed with the SEC on June 23, 2023)</u></a>



## [Table of Contents](#)

<b>Exhibit No.</b>	<b>Description</b>
<a href="#"><u>10.6</u></a>	<a href="#"><u>Loan Agreement dated as of October 17, 2019 between Pollock Gateway II DE LLC, as borrower and Barclays Capital Real Estate Inc., as lender (Incorporated by reference to the Company's Quarterly Report on Form 10-Q (File No. 001-04321), filed with the SEC on June 23, 2023)</u></a>
<a href="#"><u>10.7</u></a>	<a href="#"><u>Assumption Agreement dated January 25, 2023 by and among Pollock Gateway II DE LLC, original borrower, Gateway II Holdco, LLC, new borrower, Guila Pollock and Vita Piazza, trustees of The James and Guila Pollock Trust dated June 27, 2006, original guarantor, CaliberCos Inc., new guarantor, and Wells Fargo Bank, National Association, as Trustee for the benefit of the registered holders of BBCMS Mortgage Trust 2019-C5, Commercial Mortgage Pass Through Certificates, Series 2019-C5, lender (Incorporated by reference to the Company's Quarterly Report on Form 10-Q (File No. 001-04321), filed with the SEC on June 23, 2023)</u></a>
<a href="#"><u>10.8†</u></a>	<a href="#"><u>Executive Employment Agreement dated January 1, 2019 by and among CaliberCos Inc. and Jennifer Schrader (incorporated by reference to Exhibit 6.5 of CaliberCos Inc.'s offering statement on Form 1-A (File No.024-11016), filed with the SEC on August 19, 2019)</u></a>
<a href="#"><u>10.9†</u></a>	<a href="#"><u>Executive Employment Agreement dated January 1, 2019 by and among CaliberCos Inc. and John C. Loeffler II (incorporated by reference to Exhibit 6.6 of CaliberCos Inc.'s offering statement on Form 1-A (File No.024-11016), filed with the SEC on August 19, 2019)</u></a>
<a href="#"><u>10.10†</u></a>	<a href="#"><u>Executive Employment Agreement dated January 1, 2019 by and among CaliberCos Inc. and Roy Bade (incorporated by reference to Exhibit 6.7 of CaliberCos Inc.'s offering statement on Form 1-A (File No.024-11016), filed with the SEC on August 19, 2019)</u></a>
<a href="#"><u>10.11†</u></a>	<a href="#"><u>Executive Employment Agreement dated January 1, 2019 by and among CaliberCos Inc. and Jade Leung (incorporated by reference to Exhibit 6.8 of CaliberCos Inc.'s offering statement on Form 1-A (File No.024-11016), filed with the SEC on August 19, 2019)</u></a>
<a href="#"><u>10.12</u></a>	<a href="#"><u>Form of Indemnification Agreement between CaliberCos Inc. and its directors and officers (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1/A, filed with the SEC on November 23, 2022 (File No. 333-267657))</u></a>
<a href="#"><u>10.13</u></a>	<a href="#"><u>Caliber/ Encore Opportunistic Growth Fund Limited Liability Company Agreement dated May 1, 2022 by and between CaliberCos Inc. and Encore Caliber Holdings, LLC (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1/A, filed with the SEC on April 12, 2023 (File No. 333-267657))</u></a>
<a href="#"><u>10.14</u></a>	<a href="#"><u>Form of Managing Dealer Agreement by and among CaliberCos Inc., Skyway Capital Markets, LLC and Issuer (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1/A, filed with the SEC on April 12, 2023 (File No. 333-267657))</u></a>
<a href="#"><u>10.15</u></a>	<a href="#"><u>Sponsor Consulting Agreement dated December 1, 2022 by and among CaliberCos Inc. and Skyway Capital Markets, LLC (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1/A, filed with the SEC on April 12, 2023 (File No. 333-267657))</u></a>
<a href="#"><u>10.16</u></a>	<a href="#"><u>Contribution Agreement dated June 30, 2023 (Incorporated by reference to the Company's Current Report on Form 8-K (File No. 024-11016), filed with the SEC on July 7, 2023)</u></a>
<a href="#"><u>10.17</u></a>	<a href="#"><u>Securities Purchase Agreement, dated March 20, 2025, between the Company and the Investor (incorporated by reference to Exhibit 10.1 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>10.18</u></a>	<a href="#"><u>Registration Rights Agreement, dated March 20, 2025, between the Company and the Investor (incorporated by reference to Exhibit 10.2 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>10.19</u></a>	<a href="#"><u>Subsidiary Guarantee dated March 20, 2025, between the Company, the Guarantors (as defined in the Subsidiary Guarantee) and the Investor (incorporated by reference to Exhibit 10.3 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>10.20</u></a>	<a href="#"><u>Equity Purchase Agreement, dated March 20, 2025 between the Company and the Investor (incorporated by reference to Exhibit 10.4 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>10.21</u></a>	<a href="#"><u>Registration Rights Agreement, dated March 20, 2025, between the Company and the Investor (incorporated by reference to Exhibit 10.5 of CaliberCos Inc.'s Form 8-K filed with the SEC on March 26, 2025)</u></a>
<a href="#"><u>14.1*</u></a>	<a href="#"><u>Code of Ethics</u></a>
<a href="#"><u>19.1*</u></a>	<a href="#"><u>Insider Trading Policy</u></a>
<a href="#"><u>21.1*</u></a>	<a href="#"><u>Subsidiaries</u></a>
<a href="#"><u>23.1*</u></a>	<a href="#"><u>Consent of Deloitte &amp; Touche LLP</u></a>
<a href="#"><u>31.1*</u></a>	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a)</u></a>
<a href="#"><u>31.2*</u></a>	<a href="#"><u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a)</u></a>



Exhibit No.	Description
<a href="#">32.1**</a>	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350</a>
<a href="#">32.2**</a>	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350</a>
<a href="#">97.1*</a>	<a href="#">Clawback Policy</a>
101.INS*	Inline XBRL Instance
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation
101.LAB*	Inline XBRL Taxonomy Extension Labels
101.PRE*	Inline XBRL Taxonomy Extension Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

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\* Filed herewith

\*\* In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

† Management contract or compensatory plan or arrangement.

#### Item 16. Form 10-K Summary

Not Applicable.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, as amended, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in Scottsdale, Arizona, on March 31, 2025.

### CALIBERCOS INC.

By: /s/ John C. Loeffler, II  
Name: John C. Loeffler, II  
Title: Chairman and Chief Executive Officer

As required under the Securities Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ John C. Loeffler, II</u> John C. Loeffler, II	Chairman and Chief Executive Officer (Principal Executive Officer)	March 31, 2025
<u>/s/ Jade Leung</u> Jade Leung	Chief Financial Officer (Principal Accounting Officer)	March 31, 2025
<u>/s/ Jennifer Schrader</u> Jennifer Schrader	President and Vice-Chairperson	March 31, 2025
<u>/s/ William J. Gerber</u> William J. Gerber	Director	March 31, 2025
<u>/s/ Michael Trzupek</u> Michael Trzupek	Director	March 31, 2025
<u>/s/ Dan Hansen</u> Dan Hansen	Director	March 31, 2025
<u>/s/ Lawrence Taylor</u> Lawrence Taylor	Director	March 31, 2025

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<b>Page</b>
<a href="#">Reports of Independent Registered Public Accounting Firm (PCAOB ID: 34)</a>	<a href="#">F-2</a>
<a href="#">Consolidated Balance Sheets as of December 31, 2024 and 2023</a>	<a href="#">F-3</a>
<a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2024 and 2023</a>	<a href="#">F-5</a>
<a href="#">Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2024 and 2023</a>	<a href="#">F-6</a>
<a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2024 and 2023</a>	<a href="#">F-7</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">F-10</a>

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of CaliberCos Inc.

#### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of CaliberCos Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, stockholders' equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

#### **Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred negative operating cash flows and has insufficient resources to satisfy upcoming debt maturities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*/s/ Deloitte & Touche LLP*

Tempe, Arizona  
March 31, 2025

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



**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Cash	\$ 1,766	\$ 940
Restricted cash	2,582	2,569
Real estate investments, net	21,572	21,492
Due from related parties, net of \$4.0 million of allowance for doubtful accounts	7,070	9,759
Investments in unconsolidated entities	15,643	3,338
Operating lease - right of use assets	147	193
Prepaid and other assets	3,501	2,781
<i>Assets of consolidated funds</i>		
Cash	549	2,865
Restricted cash	—	11,266
Real estate investments, net	45,090	185,636
Accounts receivable, net	163	1,978
Notes receivable - related parties	6,848	34,620
Due from related parties	320	12
Operating lease - right of use assets	—	10,318
Prepaid and other assets	284	11,665
Total assets	<u>\$ 105,535</u>	<u>\$ 299,432</u>
<b>Liabilities and Stockholders' Equity</b>		
Notes payable	\$ 50,450	\$ 53,799
Accounts payable and accrued expenses	9,532	8,886
Due to related parties	313	257
Operating lease liabilities	93	119
Other liabilities	750	420
<i>Liabilities of consolidated funds</i>		
Notes payable, net	29,172	129,684
Notes payable - related parties	2,047	12,055
Accounts payable and accrued expenses	1,207	11,736
Due to related parties	79	101
Operating lease liabilities	—	13,957
Other liabilities	639	2,400
Total liabilities	<u>94,282</u>	<u>233,414</u>
Commitments and Contingencies (Note 12)		



**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Series A non-cumulative convertible preferred stock, \$0.001 par value; 22,500,000 shares authorized, 100,000 and no shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	—	—
Class A common stock, \$0.001 par value; 100,000,000 shares authorized, 15,177,583 and 13,872,671 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	15	14
Class B common stock, \$0.001 par value; 15,000,000 shares authorized, 7,416,414 shares issued and outstanding as December 31, 2024 and December 31, 2023	7	7
Paid-in capital	43,996	39,432
Accumulated deficit	(56,607)	(36,830)
Stockholders' (deficit) equity attributable to CaliberCos Inc.	(12,589)	2,623
Stockholders' equity attributable to noncontrolling interests	23,842	63,395
Total stockholders' equity	11,253	66,018
Total liabilities and stockholders' equity	<u>\$ 105,535</u>	<u>\$ 299,432</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)**

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Asset management revenues	\$ 16,879	\$ 10,571
Performance allocations	358	3,639
Consolidated funds – hospitality revenues	26,476	68,905
Consolidated funds – other revenues	7,406	7,822
Total revenues	51,119	90,937
<b>Expenses</b>		
Operating costs	23,939	21,311
General and administrative	6,776	6,770
Marketing and advertising	751	1,052
Depreciation and amortization	593	550
Consolidated funds – hospitality expenses	26,503	80,669
Consolidated funds – other expenses	5,870	9,162
Total expenses	64,432	119,514
Consolidated funds - gain on sale of real estate investments	—	4,976
Other (loss) income, net	(3,093)	374
Interest income	360	350
Interest expense	(5,424)	(4,717)
<b>Net loss before income taxes</b>	<b>(21,470)</b>	<b>(27,594)</b>
Benefit from income taxes	—	—
<b>Net loss</b>	<b>(21,470)</b>	<b>(27,594)</b>
Net loss attributable to noncontrolling interests	(1,693)	(14,891)
<b>Net loss attributable to CaliberCos Inc.</b>	<b>\$ (19,777)</b>	<b>\$ (12,703)</b>
Basic net loss per share attributable to common stockholders	<u>\$ (0.90)</u>	<u>\$ (0.63)</u>
Diluted net loss per share attributable to common stockholders	<u>\$ (0.90)</u>	<u>\$ (0.63)</u>
Weighted average common shares outstanding:		
Basic	21,986	20,087
Diluted	21,986	20,087

The accompanying notes are an integral part of these consolidated financial statements.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(AMOUNTS IN THOUSANDS)**

	Preferred Stock		Common Stock				Paid in Capital	Treasury Stock	Accumulated Deficit	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Par Value	Class A		Class B						
			Shares	Par Value	Shares	Par Value					
Balances as of December 31, 2022	1,651	—	10,791	11	7,416	7	33,108	(13,626)	(22,709)	80,398	77,189
Issuance of common stock, net of issuance costs	—	—	1,200	1	—	—	2,598	—	—	—	2,599
Repurchases of common stock	—	—	(42)	—	—	—	—	—	—	—	—
Conversions of common stock	(1,651)	—	1,651	2	—	—	—	—	—	—	2
Equity based compensation expense	—	—	273	—	—	—	3,726	—	—	—	3,726
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	—	—	27,927	27,927
Redemptions of noncontrolling interest holders	—	—	—	—	—	—	—	—	—	(10,045)	(10,045)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	—	(10,014)	(10,014)
Consolidation of VIE	—	—	—	—	—	—	—	—	—	(20,805)	(20,805)
Deconsolidation of VIEs	—	—	—	—	—	—	—	—	—	10,825	10,825
Retirement of treasury stock	—	—	—	—	—	—	—	13,626	(1,418)	—	12,208
Net income (loss)	—	—	—	—	—	—	—	—	(12,703)	(14,891)	(27,594)
Balances as of December 31, 2023	—	\$ —	13,873	\$ 14	7,416	\$ 7	\$ 39,432	\$ —	\$ (36,830)	\$ 63,395	\$ 66,018
Issuance of preferred stock	100	—	—	—	—	—	2,000	—	—	—	2,000
Issuance of common stock, net of issuance costs	—	—	205	—	—	—	188	—	—	—	188
Equity based compensation expense	—	—	1,100	1	—	—	2,376	—	—	—	2,377
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	—	—	16,635	16,635
Redemptions of noncontrolling interest holders	—	—	—	—	—	—	—	—	—	(2,051)	(2,051)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	—	(6,110)	(6,110)
Deconsolidation of VIEs	—	—	—	—	—	—	—	—	—	(46,334)	(46,334)
Net income (loss)	—	—	—	—	—	—	—	—	(19,777)	(1,693)	(21,470)
Balances as of December 31, 2024	100	\$ —	15,178	\$ 15	7,416	\$ 7	\$ 43,996	\$ —	\$ (56,607)	\$ 23,842	\$ 11,253

The accompanying notes are an integral part of these consolidated financial statements.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(AMOUNTS IN THOUSANDS)**

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (21,470)	\$ (27,594)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	593	527
Non-cash lease expense and gain on lease extinguishment	21	(280)
Non-cash performance allocations	—	(2,382)
Non-cash interest income	(184)	—
Equity-based compensation	2,378	3,726
Loss on disposal of furniture, fixtures and equipment	46	—
Loss on extinguishment of debt	12	—
Loss on investments in unconsolidated entities	4,772	1,339
Impairment	(10)	—
Amortization of above-market/below market leases and straight-line rent, net	404	203
Amortization of deferred financing costs	73	34
Bad debt expense	3,995	—
Changes in operating assets and liabilities:		
Due from related parties	2,301	(1,897)
Prepaid expenses, right-of-use assets and other assets	(654)	3,169
Accounts payable and accrued expenses	1,546	931
Due to related parties	(11)	86
Lease liabilities and other liabilities	(131)	94
Adjustments to reconcile net loss to net cash from operating activities of consolidated funds:		
Depreciation	5,580	10,358
Non-cash lease expense	(9)	(53)
Loss (gain) on the disposition of real estate	294	(4,976)
Loss on extinguishment of debt	—	238
(Gain) loss on derivative instruments	(311)	515
(Gain) loss on disposal of furniture, fixtures and equipment	(9)	687
Amortization of advanced key money	(12)	(75)
Amortization of above-market/below market leases and straight-line rent, net	(164)	(409)
Amortization of deferred financing costs	353	1,543
Bad debt expense	84	—
Changes in operating assets and liabilities of consolidated funds:		
Accounts receivable, net	(1,256)	(375)
Due from related parties	(412)	3
Prepaid expenses, right-of use assets and other assets	757	(8,040)
Accounts payable and accrued expenses	1,037	1,141
Due to related parties	1,028	1,503
Lease liabilities and other liabilities	(86)	1,264
Net cash provided by (used in) the Company's operating activities	555	(18,720)

**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(AMOUNTS IN THOUSANDS)**

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Investing Activities</b>		
Investments in real estate assets	(882)	(250)
Acquisition of real estate assets	—	(3,015)
Proceeds from the sale of real estate assets	—	10
Investments in unconsolidated entities	(1,260)	(182)
Funding of notes receivable - related parties	(1,105)	(980)
Payment received on notes receivable - related parties	8,158	930
<b>Cash Flows From Investing Activities of consolidated funds</b>		
Consolidation of VIEs	\$ —	\$ 12,927
Deconsolidation of VIEs	(17,293)	(12,952)
Investments in real estate assets	(2,857)	(13,744)
Acquisition of real estate assets	—	(6,643)
Proceeds from the sale of real estate assets	—	26,075
Funding of notes receivable - related parties	(21,161)	(15,963)
Payment received on notes receivable - related parties	16,771	8,423
Net cash used in the Company's investing activities	(19,629)	(5,364)
<b>Cash Flows From Financing Activities</b>		
Payment of deferred financing costs	(100)	(253)
Proceeds from notes payable	3,465	26,605
Repayments of notes payable	(6,553)	(3,697)
Proceeds from notes payable - related parties	—	4,000
Repayments of notes payable - related parties	—	(4,365)
Payment of loan extinguishment fees	(9)	—
Proceeds from the issuance of preferred stock	1,974	—
Proceeds from the issuance of common stock, net of issuance costs	6	2,599
Payments of treasury stock - buyback obligation	—	(183)
<b>Cash Flows From Financing Activities of consolidated funds</b>		
Payment of deferred financing costs	(1,352)	(2,782)
Proceeds from notes payable	16,586	69,654
Repayments of notes payable	(17,460)	(79,031)
Proceeds from notes payable - related parties	511	10,008
Repayments of notes payable - related parties	(511)	(2,802)
Contributions from noncontrolling interest holders	16,635	26,096
Redemptions of noncontrolling interests	(751)	(10,045)
Distributions to noncontrolling interest holders	(6,110)	(10,014)
Net cash provided by the Company's financing activities	6,331	25,790

**CALIBERCOS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(AMOUNTS IN THOUSANDS)**

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net Change in Cash and Restricted Cash</b>	(12,743)	1,706
<b>Cash and Restricted Cash at Beginning of Period</b>	17,640	15,934
<b>Cash and Restricted Cash at End of Period</b>	<u>\$ 4,897</u>	<u>\$ 17,640</u>
<b>Reconciliation of Cash and Restricted Cash</b>		
Cash at beginning of period	\$ 3,805	\$ 7,657
Restricted cash at beginning of period	13,835	8,277
Cash and restricted cash at beginning of period	<u>17,640</u>	<u>15,934</u>
Cash at end of period	\$ 2,315	\$ 3,805
Restricted cash at end of period	2,582	13,835
Cash and restricted cash at end of period	<u>4,897</u>	<u>17,640</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Organization and Liquidity**

***Organization***

CaliberCos Inc., a Delaware corporation, and its wholly-owned subsidiaries (the “Company”) is an alternative asset manager of private syndication and direct investment real estate funds and provider of a full suite of traditional real estate services. The Company was formed in November 2014, and originally began as Caliber Companies, LLC, an Arizona limited liability company, which commenced operations in January 2009. The Company provides various support services, under its asset management platform segment (“Platform”) to the investments it manages, including asset management services, fund set-up services, lending support, construction and development management, and real estate brokerage. As of December 31, 2024, the Company had operations in Alaska, Arizona, Colorado, Kansas, Texas, and Virginia.

In general, the Company’s private equity real estate funds are organized as operating partnerships, in which multiple unrelated passive investors own partnership interests. In addition, the Company is designated as the manager and/or general partner of the partnership. Depending on the legal structure and arrangements between the Company and the funds, the Company may or may not consolidate the partnerships for financial reporting purposes. For funds in which the Company is determined to be the controlling party or primary beneficiary for financial reporting purposes, the fund is consolidated, and the passive investors’ ownership is presented as noncontrolling interest in the accompanying consolidated financial statements (“Consolidated Funds”, and collectively with the Company, the “Consolidated Company”, “Caliber”, “we”, “our”, and “us”). For funds in which the Company is not determined to be the controlling party for financial reporting purposes, the fund is not consolidated, and any fees earned from the fund are included in fund management revenue in the accompanying consolidated financial statements. See Note 2 – Summary of Significant Accounting Policies for more detail.

***Liquidity and Going Concern***

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

At December 31, 2024, the Company had a portfolio of corporate notes, whose composition and characteristics are similar to those reported in prior periods. At December 31, 2024, the portfolio consisted of 202 unsecured notes with an aggregate principal balance of \$32.8 million. As of March 31, 2025, \$26.6 million of the corporate notes have matured or will mature within the 12-month period subsequent to March 31, 2025. Each note generally has a 12-month period with an option to extend for an additional 12-months.

Because the Company incurred operating losses and negative cash flow from operations and could experience additional future operating losses and negative cash flow in the near term, combined with the fact that the Company does not have sufficient cash on hand to satisfy the total of the notes that mature within the next 12 months, these conditions and events raise substantial doubt about the Company’s ability to continue as a going concern.

In response to these conditions, management considered the impact of these near-term maturities on the Company.

Management evaluated the impact a default of one or many of these notes might have on the Company. As these notes are unsecured, the terms in the agreements do not afford the note holder avenues of recourse in a default that could or would impact the Company adversely in the normal course of business, as the terms lack provisions for rights or claims against the Company’s assets, nor is there a scenario where a default could force liquidation of the Company. Management believes that even in the event of default of one or many of these notes, the Company would be able to negotiate a waiver of the default either through an extension of the maturity or principal repayment schedule.

To satisfy the maturity of these corporate notes, the Company intends to raise \$20 million of preferred stock series AA financing through its Reg A+ offering, which was qualified on March 12, 2024, and refinance existing 12-month term notes into a new 36-month term corporate note program. From the balance sheet date through March 31, 2025, the Company has successfully refinanced \$2.7 million of 12-month term corporate notes into the 36-month term corporate note program.





**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

In addition to the financing actions noted, management continues to execute various plans implemented in the year to address operating losses and near-term maturities or demands for repayment of its notes. Consistent with reported actions taken in prior fiscal periods, management plans to continue to i) reduce operating costs, ii) collect all or part of its \$7.7 million in receivables, iii) collect all or part of its \$16.1 million in investments from its managed funds, iv) increase capital raise through continued expansion of fundraising channels, v) sell or accept investment into its corporate headquarters, vi) place debt on unencumbered assets, and/or vii) generate planned cash from operations.

After consideration of the implemented and planned actions, management concluded these plans are not within the Company's control and therefore cannot be deemed probable. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

**Note 2 – Summary of Significant Accounting Policies**

**Accounting Policies of the Company**

***Basis of Presentation and Consolidation***

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The accompanying consolidated financial statements include our accounts, our consolidated subsidiaries, and legal entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. The equity and net income or loss attributable to noncontrolling interests in subsidiaries is shown separately in the accompanying consolidated balance sheets, statements of operations, and statements of changes in stockholders' equity. All intercompany balances and transactions have been eliminated in consolidation.

**Variable Interest Entities**

The Company determines if an entity is a variable interest entity ("VIE") based on several factors, including whether the equity holders, as a group, lack the characteristics of a controlling financial interest. The Company analyzes any investments in VIEs to determine if the Company is the primary beneficiary. A reporting entity is determined to be the primary beneficiary if it holds a controlling financial interest in a VIE.

Determining which reporting entity, if any, has a controlling financial interest in a VIE is primarily a qualitative analysis focused on identifying which reporting entity has both (i) the power to direct the activities of the entity that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses or the right to receive benefits from such entity that could potentially be significant to such entity. Performance of that analysis requires the exercise of judgment. The Company consolidates any VIEs for which the Company is the primary beneficiary and the Company discloses its maximum exposure to loss related to the consolidated VIEs. See Note 3 – VIEs for more detail.

**Voting Interest Entities**

Entities that do not qualify as VIEs are generally assessed for consolidation as voting interest entities ("VOEs"). For VOEs, the Company consolidates an entity if it has a controlling financial interest. The Company has a controlling financial interest in a VOE if (i) for legal entities other than partnerships, the Company owns a majority voting interest in the entity or, for limited partnerships and similar entities, the Company owns a majority of the entity's kick-out rights through voting limited partnership interests and (ii) non-controlling shareholders or partners do not hold substantive participating rights, and no other conditions exist that would indicate that the Company does not control the entity.

***Use of Accounting Estimates***

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are made and evaluated on an ongoing basis using information that is currently available as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ significantly from those estimates.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Cash***

Cash includes cash in bank accounts. The Company deposits cash with several high-quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Company (“FDIC”) up to an insurance limit of \$250,000. At times, the Company’s cash balances may exceed FDIC limits. Although the Company bears risk on amounts in excess of those insured by the FDIC, it has not experienced and does not anticipate any losses due to the high quality of the institutions where the deposits are held.

***Restricted Cash***

Restricted cash consists of held in escrow accounts by contractual agreement with lenders as part of financial loan covenant requirements.

***Investments in Unconsolidated Entities***

If an entity is not a VIE, our determination of the appropriate accounting method with respect to our investments in limited liability companies and other investments is based on voting control. For our managing member interests in limited liability companies, we are presumed to control (and therefore consolidate) the entity, unless the other limited partners have substantive rights that overcome this presumption of control. These substantive rights allow the limited partners to remove the general partner with or without cause or to participate in significant decisions made in the ordinary course of the entity’s business. We account for our non-controlling investments in these entities under the equity method. Our investments in unconsolidated subsidiaries in which we have the ability to exercise significant influence over operating and financial policies, but do not control, or entities which are VIE in which we are not the primary beneficiary are accounted for under the equity method. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for the Company’s share of equity in the equity method investment’s earnings and distributions. Our share of the earnings or loss from equity method investments is included in other income, net on the accompanying consolidated statements of operations. We evaluate our investments in unconsolidated entities for impairment when events and circumstances indicate that the fair value of the entities might be less than the carrying value.

Our determination of the appropriate accounting treatment for an investment in a subsidiary requires judgment of several factors including the size and nature of our ownership interest and the other owners’ substantive rights to make decisions for the entity. If we were to make different judgments or conclusions as to the level of our control or influence, it could result in a different accounting treatment. Consolidating an investment generally would have no impact on our net income or stockholders’ deficit attributable to CaliberCos Inc. in any accounting period, but a different treatment would impact individual income statement and balance sheet line items, as consolidation would effectively “gross up” our statement of operations and balance sheet.

As of December 31, 2024 and 2023, the carrying amount of our investments in unconsolidated entities was \$15.6 million, net of an impairment charge of \$4.0 million, and \$3.3 million, respectively. During the year ended December 31, 2024, the Company deconsolidated the Caliber Hospitality Trust, Inc. (the “Caliber Hospitality Trust”) and Caliber Hospitality, LP, which included activity from six hospitality funds, Elliot & 51st St LLC (“Elliot”), DT Mesa Holdco II, LLC (“DT Mesa”), and Caliber Fixed Income Fund III (“CFIF III”). At which time, the Company’s investment in the Caliber Hospitality Trust, Caliber Hospitality, LP, Elliot, DT Mesa, and CFIF III, were no longer eliminated and are included in investments in unconsolidated entities in the accompanying consolidated balance sheets as of December 31, 2024. See Note 3 – VIEs.

In certain situations, the Company has invested only a nominal amount of cash, or no cash at all, into a venture. As the manager of the venture, we are entitled to 15.0% – 35.0% of the residual cash flow produced by the venture after the payment of any priority returns. Under the equity method, impairment losses are recognized upon evidence of other-than-temporary losses of value. For the years ended December 31, 2024 and 2023, the Company had no impairment losses related to its investments in unconsolidated entities.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Depreciation and Amortization Expense***

Depreciation expense includes costs and costs associated with building and building improvements, which are depreciated over the estimated useful life of the respective asset, generally 15 to 40 years. Depreciation expense also includes costs associated with the purchase of furniture and equipment and office leasehold improvements which are recorded at cost. Furniture and equipment costs are depreciated using the straight-line method over the estimated useful life of the asset, generally three to seven years beginning in the first full month the asset is placed in service. Intangible lease assets are amortized using the straight-line method over the shorter of the respective estimated useful life or the lease term.

For the years ended December 31, 2024 and 2023, depreciation expense for the Company was \$0.6 million and \$0.5 million, respectively.

***Impairment of Long-Lived Assets***

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is determined not to be recoverable. If events or circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted net future cash flows resulting from the use of the asset, excluding interest charges. If the carrying amount exceeds the aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the asset.

For the years ended December 31, 2024 and 2023, the Company had no impairment losses related to its real estate and other long-lived assets.

***Concentration of Credit Risk***

Substantially all of the Company's revenues are generated from the activities completed through its Platform, including the management, ownership and/or operations of real estate assets located in Alaska, Arizona, Colorado, Kansas, Texas, and Virginia. The Company mitigates the associated risk by:

- diversifying our investments in real estate assets across multiple asset types, including hospitality, commercial, single-family, multi-family, and self-storage properties;
- diversifying our investments in real estate assets across multiple geographic locations including different markets and sub-markets in which our real estate assets are located;
- diversifying our investments in real estate assets across assets at differing points of stabilization, and in varying states of cash flow optimization; and
- maintaining financing relationships with a diversified mix of lenders (differing size and type), including large national banks, local community banks, private equity lenders, and insurance companies.

***Noncontrolling Interests in Consolidated Real Estate Partnerships***

We report the unaffiliated partners' interests in the net assets of our consolidated real estate partnerships as noncontrolling interests within the accompanying consolidated statements of changes in stockholders' equity. Noncontrolling interests consist of equity interests held by limited partners in consolidated real estate partnerships. We attribute to noncontrolling interests their share of income or loss of the consolidated partnerships based on their proportionate interest in the results of operations of the partnerships, including their share of losses even if such attribution results in a deficit noncontrolling interest balance within our equity and partners' capital accounts.

The terms of the partnership agreements generally require the partnerships to be liquidated following the sale of the underlying real estate assets. As the general partner in these partnerships, we ordinarily control the execution of real estate sales and other events that could lead to the liquidation, redemption or other settlement of noncontrolling interests. The terms of certain partnership agreements outline differing classes of equity ownership, some of which are redeemable by the partnership at the partnership manager's discretion.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Revenue Recognition***

In accordance with the Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* (“ASC 606”), management applies the five-step framework in determining the timing and amount of revenue to recognize. This framework requires an entity to: (i) identify the contract(s) with customers, (ii) identify the performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations within the contract, and (v) recognize revenue when or as the entity satisfies a performance obligation.

Revenues from contracts with customers includes fixed fee arrangements with related party affiliates to provide certain associated activities which are ancillary to and generally add value to the assets we manage, such as set-up and fund formation services associated with marketing, soliciting, and selling member interests in the affiliated limited partnerships, brokerage services, construction and development management services, loan placement and guarantees. The recognition and measurement of revenue is based on the assessment of individual contract terms. For performance obligations satisfied at a point in time, there are no significant judgments made in evaluating when the customer obtains control of the promised service.

For performance obligations satisfied over time, significant judgment is required to determine how to allocate transaction prices; when to recognize revenue based on appropriate measurement of the Company’s progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events. Transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Variable consideration is included in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. The Company’s estimates of variable consideration and determination of whether to include estimated amounts in transaction price are based largely on an assessment of its anticipated performance and all information that is reasonably available to the Company. Revenues are recognized when control of the promised services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The following describes revenue recognition for the fees the Company earns from providing services under its asset management platform:

Fund set-up fees are a one-time fee for the initial formation, administration, and set-up of the private equity real estate fund. These fees are recognized at the point in time when the performance under the contract is complete and are included in asset management revenues in the accompanying consolidated statements of operations. Fund set-up fees replaced fund formation fees that are earned at a point in time at a fixed rate based on the amount of capital raised into certain managed funds.

Fund management fees are generally based on 1.0% to 1.5% of the unreturned capital contributions in a particular fund and include reimbursement for costs incurred on behalf of the fund, including an allocation of certain overhead costs. These customer contracts require the Company to provide management services, representing a performance obligation that the Company satisfies over time. With respect to the Caliber Hospitality Trust, the Company earns a fund management fee of 0.7% of the Caliber Hospitality Trust’s enterprise value and is reimbursed for certain costs incurred on behalf of the Caliber Hospitality Trust. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Financing fees are earned for services the Company performs in securing third-party financing on behalf of our private equity real estate funds. These fees are recognized at the point in time when the performance under the contract is complete, which is essentially upon closing of a loan. In addition, the Company earns fees for guaranteeing certain loans, representing a performance obligation that the Company satisfies over time. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.

Development and construction revenues from contracts with customers include fixed fee arrangements with related party affiliates to provide real estate development services as their principal developer, which include managing and supervising third-party developers and general contractors with respect to the development of the properties owned by the funds. Revenues are generally based on 4.0% of the total expected costs of the development or 4.0% of the total expected costs of the construction project. Prior to the commencement of construction, development fee revenue is recognized at a point in time as the related performance obligations are satisfied and the customer obtains control of the promised service, including negotiation, due diligence, entitlements, planning, and design activities. During the construction period, development fee revenue is recognized over time as the performance obligation(s) are satisfied. These revenues are included in asset management revenues in the accompanying consolidated statements of operations.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Brokerage fees are earned at a point in time at fixed rates for services performed related to acquisitions, dispositions, leasing, and financing transaction, and are included in asset management revenues in the accompanying consolidated statements of operations.

Performance allocations are an arrangement in which we are entitled to an allocation of investment returns, generated within the investment funds which we manage, based on a contractual formula. We typically receive 15.0% to 35.0% of all cash distributions from (i) the operating cash flow of each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of preferred capital contributions; and (ii) the cash flow resulting from the sale or refinance of any real estate assets held by each fund, after payment to the related fund investors of any accumulated and unpaid priority preferred returns and repayment of initial preferred capital contributions. Our funds' preferred returns range from 6.0% to 12.0%, typically 6.0% for common equity or 10.0% to 12.0% for preferred equity, which does not participate in profits. Performance allocations are related to services which have been provided and are recognized when it is determined that they are no longer probable of significant reversal, which is generally satisfied when an underlying fund investment is realized or sold. These revenues are included in performance allocations in the accompanying consolidated statements of operations.

***Leases***

***Lessor***

At the inception of a new lease arrangement, including new leases that arise from amendments, the Company assesses the terms and conditions to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but the Company obtains a guarantee for the value of the asset from a third-party, the Company classifies the lease as a direct financing lease. All other leases are classified as operating leases. The Company did not have any sales-type or direct financing leases as of December 31, 2024 and 2023. For operating leases with minimum scheduled rent increases, the consolidated funds recognize rental revenue on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur.

The Company identified two separate lease components as follows: i) land lease component, and ii) single property lease component comprised of building, land improvements and tenant improvements. The Company's leases also contain provisions for tenants to reimburse the consolidated funds for maintenance and other property operating expenses, which are considered to be non-lease components. The Company elected the practical expedient to combine lease and non-lease components and the non-lease components will be included with the single property lease component as the predominant component.

***Lessee***

To account for leases for which the Company is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options the Company is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

The Company's impairment assessment for ROU assets is consistent with the impairment analysis for the Company's other long-lived assets and is reviewed quarterly.





**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Accounts Receivable***

Accounts receivable primarily consists of reimbursable expenses from third-party development projects. The Company continually reviews receivables and determines collectability by taking into consideration the history of past write-offs, collections, current credit conditions, payment history, and the financial condition of the related third-party service providers. In the event that the collectability of a receivable is uncertain, the Company will record an increase in the allowance for doubtful accounts. Amounts that are determined to be uncollectible with a high degree of certainty are written-off through bad debt expense, which is included in operating costs on the accompanying consolidated statements of operations.

***Earnings Per Share***

Basic earnings per share attributable to common stockholders is computed by dividing net income (loss) attributable to the Company by the weighted average number of shares outstanding during each period. The computation of diluted income (loss) per share attributable to common stockholders further assumes the potential dilutive effect of potential common shares, which includes common shares, consisting of (a) stock options and warrants using the treasury stock method, and (b) convertible debt and preferred stock using the if-converted method. To the extent the inclusion of potential common shares is anti-dilutive, the potential common shares are excluded from the computation of diluted income (loss) per share attributable to common stockholders. See Note 13 – Net Income (Loss) Per Share for the calculation of earnings per share.

***Related Parties***

In the normal course of business, the Company enters into transactions with related parties. Related parties include affiliates of the entity, entities under common control of the Company, significant stockholders and executive management, and other parties that can significantly influence the management and operating policies of the Company.

***Income Taxes***

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, *Accounting for Income Taxes*. Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax basis of assets and liabilities and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured by applying enacted tax rates and laws and are released in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are provided against deferred tax assets when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

A valuation allowance is required to reduce the balance of a deferred tax asset if it is determined that it is more-likely-than-not that all or some portion of the deferred tax asset will not be realized due to the lack of sufficient taxable income or other limitation on the Company's ability to utilize the loss carryforward.

We recognize the impact of an income tax position, if that position is more-likely-than-not of being sustained on audit, based on the technical merits of the position. Any related interest and penalties would be classified as income taxes in the accompanying consolidated statements of operations. See Note 10 – Income Taxes for more detail.

***Share-Based Compensation***

In July 2017, the Company's Board of Directors approved the 2017 Incentive Stock Plan (the "2017 Plan"), which was amended and restated in December 2021 to authorize the issuance of up to 10.0 million shares of common stock. The Company estimates the fair value of stock options using the Black-Scholes valuation model, which requires certain assumptions that can materially impact the estimation of fair value and related compensation expense. The assumptions used to estimate fair value include the price of our common stock, the expected volatility of our common stock, the risk-free interest rate, and the expected term of stock option awards. Management elected to recognize forfeitures as they occur pursuant to ASU 2016-09, *Compensation — Stock Compensation*. As a result, no forfeiture rate was assumed. The fair value of restricted stock units is based on the fair value of the Company's common stock at the date of grant.

In July 2024, the Board of Directors approved the 2024 Incentive Stock Plan (the "2024 Plan") which will be used for future share-based compensation arrangements going forward. As of December 31, 2024, a limited number of awards have been issued under the

new plan.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Segments***

See Note 18 – Segments for detail of the Company’s segment reporting policy.

**Accounting Policies of Consolidated Funds**

***Accounting for Real Estate Investments***

Upon the acquisition of real estate properties, a determination is made as to whether the acquisition meets the criteria to be accounted for as an asset acquisition or a business combination. The determination is primarily based on whether the assets acquired, and liabilities assumed meet the definition of a business. The determination of whether the assets acquired, and liabilities assumed meet the definition of a business includes a single or similar asset threshold. In applying the single or similar asset threshold, if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the assets acquired, and liabilities assumed are not considered a business. Most of our consolidated fund acquisitions meet the single or similar asset threshold, due to the fact that substantially all the fair value of the gross assets acquired is attributable to the real estate assets acquired.

Acquired real estate properties accounted for as asset acquisitions are recorded at cost, including acquisition and closing costs. Our consolidated funds allocate the cost of real estate properties to the tangible and intangible assets and liabilities acquired based on their estimated relative fair values. Our consolidated funds determine the fair value of tangible assets, such as land, building, furniture, fixtures and equipment, using a combination of internal valuation techniques that consider comparable market transactions, replacement costs and other available information and fair value estimates provided by third-party valuation specialists, depending upon the circumstances of the acquisition. Our consolidated funds determine the fair value of identified intangible assets or liabilities, which typically relate to in-place leases, using a combination of internal valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, and fair value estimates provided by third-party valuation specialists, depending upon the circumstances of the acquisition.

If a transaction is determined to be a business combination, the assets acquired, liabilities assumed, and any identified intangibles are recorded at their estimated fair values on the transaction date, and transaction costs are expensed in the period incurred.

***Cost Capitalization and Depreciation***

Our consolidated funds capitalize costs, including certain indirect costs, incurred in connection with their development and construction activities. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with capital addition activities at the asset level. Interest, property taxes and insurance are also capitalized during periods in which redevelopment, development and construction projects are in progress. Capitalization of costs, including certain indirect costs, incurred in connection with our capital addition activities, commence at the point in time when activities necessary to get the assets ready for their intended use are in progress. This includes when assets are undergoing physical construction, as well as when apartment homes are held vacant in advance of planned construction, provided that other activities such as permitting, planning and design are in progress. Our consolidated funds cease the capitalization of costs when the assets are substantially complete and ready for their intended use, which is typically when construction has been completed and apartment homes or other properties are available for occupancy. Cost of ordinary repairs, maintenance and resident turnover are charged to operating expense, as incurred.

Depreciation for all tangible real estate assets is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of our building and building improvements are generally 15 to 40 years. The estimated useful lives of our furniture, fixtures and equipment are generally three to seven years beginning in the first full month the asset is placed in service.

For the years ended December 31, 2024 and 2023, depreciation expense was \$5.6 million and \$10.4 million, respectively.

***Impairment of Long-Lived Assets***

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is determined to not be recoverable. If events or circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted net future cash flows resulting from the use of the asset, excluding interest charges. If



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

the carrying amount exceeds the aggregate undiscounted future cash flows, our consolidated funds recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the asset.

For the years ended December 31, 2024 and 2023, our consolidated funds did not record an impairment loss related to its real estate and other long-lived assets.

***Cash***

Cash includes cash in bank accounts. The consolidated funds deposit cash with several high-quality financial institutions. These deposits are guaranteed by the FDIC up to an insurance limit of \$250,000. At times, cash balances may exceed FDIC limits. Although the consolidated funds bear risk on amounts in excess of those insured by the FDIC, they have not experienced and do not anticipate any losses due to the high quality of the institutions where the deposits are held.

***Restricted Cash***

Restricted cash consists of tenant security deposits and cash reserves required by certain loan agreements for capital improvements and repairs. As improvements and repairs are completed, related costs incurred by the consolidated funds are funded from the reserve accounts. Restricted cash also includes cash held in escrow accounts by mortgage companies on behalf of the consolidated funds for payment of property taxes, insurance, and interest.

***Deferred Financing Costs***

Deferred financing costs represent costs incurred in connection with obtaining long-term debt and are capitalized and amortized over the term of the related debt obligation using the straight-line method. Capitalized deferred financing costs, net of accumulated amortization, are offset against and included in notes payable, net in the accompanying consolidated balance sheets.

**Consolidated Fund Revenues**

In accordance with ASC 606, our consolidated funds apply the five-step framework in determining the timing and amount of revenue to recognize. This framework requires an entity to: (i) identify the contract(s) with customers, (ii) identify the performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations within the contract, and (v) recognize revenue when or as the entity satisfies a performance obligation. Our consolidated funds' revenues primarily consist of hospitality revenues, rental income and interest income.

***Consolidated funds – hospitality revenue***

Hospitality revenues are comprised of charges for room rentals, food and beverage sales, and other hotel operating activities. Revenues are recognized as earned, which is defined as the date upon which a guest occupies a room or utilizes the hotel's services. Revenues are recorded net of sales tax.

Our consolidated funds have performance obligations to provide accommodations and other ancillary services to hotel guests. As compensation for such goods and services, the consolidated funds are typically entitled to a fixed nightly fee for an agreed upon period and additional fixed fees for any ancillary services purchased. These fees are generally payable at the time the hotel guest checks out of the hotel. The consolidated funds generally satisfy the performance obligations over time and recognize the revenue from room sales and from other ancillary guest services on a daily basis, as the rooms are occupied, and the services have been rendered.

For food and beverage, revenue is recognized upon transfer of promised products or services to customers in an amount that reflects the consideration the consolidated funds received in exchange for those services, which is generally when payment is tendered at the time of sale.

The consolidated funds receive deposits for events and rooms. Such deposits are deferred and included in other liabilities on the accompanying consolidated balance sheets. The deposits are credited to consolidated funds – hospitality revenue when the specific event takes place.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Consolidated funds – other revenue***

Consolidated funds – other revenue includes rental revenue of \$1.4 million and \$4.0 million for the years ended December 31, 2024 and 2023, respectively. Rental revenue includes the revenues generated primarily by the rental operations of the residential (multi-family and single-family) and commercial properties of our consolidated funds.

In accordance with ASC 842, *Leases* (“ASC 842”), at the inception of a new lease arrangement, including new leases that arise from amendments, the Company assesses the terms and conditions to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but the Company obtains a guarantee for the value of the asset from a third-party, the Company classifies the lease as a direct financing lease. All other leases are classified as operating leases. The consolidated funds did not have any sales-type or direct financing leases as of December 31, 2024. For operating leases with minimum scheduled rent increases, the consolidated funds recognize rental revenue on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur.

The Company identified two separate lease components as follows: i) land lease component, and ii) single property lease component comprised of building, land improvements and tenant improvements. The Company’s leases also contain provisions for tenants to reimburse the consolidated funds for maintenance and other property operating expenses, which are considered to be non-lease components. The Company elected the practical expedient to combine lease and non-lease components and the non-lease components will be included with the single property lease component as the predominant component.

In addition, consolidated funds - other revenue includes interest income of \$5.9 million and \$3.7 million for the years ended December 31, 2024 and 2023, respectively, which is generated by a consolidated fund’s lending activity. Interest income is recognized on the accrual basis of accounting in accordance with the lending agreements over the term of the respective loan agreement.

***Consolidated Fund Expenses***

Consolidated fund expenses consist primarily of costs, expenses and fees that are incurred by, or arise out of the operation and activities of or otherwise related to, our consolidated funds, including, without limitation, operating costs, depreciation and amortization, interest expense on debt held by our consolidated funds, gain on extinguishment of debt, gain on derivative instruments, insurance expenses, professional fees and other costs associated with administering and supporting those funds.

***Accounts Receivable***

Accounts receivable primarily consists of amounts due from guests or groups for hotel rooms and services provided by the hotel properties. Accounts receivable also include due, but unpaid, rental payments. Our consolidated funds continually review receivables and determine collectability by taking into consideration the history of past write-offs, collections, current credit conditions, tenant payment history, the financial condition of the tenants, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. In the event that the collectability of a receivable is uncertain, our consolidated funds will record an increase in the allowance for doubtful accounts. Amounts that are determined to be uncollectible with a high degree of certainty are written-off through bad debt expense, which is included in consolidated funds – hospitality expenses and consolidated funds – other expenses on the accompanying consolidated statements of operations. Our consolidated funds had no allowance for doubtful accounts as of December 31, 2024 and 2023.

***Derivative Instruments***

The consolidated funds record all derivative instruments on the consolidated balance sheets at fair value. The accounting for changes in the fair value of the derivative and the effect on the financial statements depends on its hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value of cash flows of the asset or liability hedged. If the consolidated fund elects not to apply hedge accounting treatment, any changes in the fair value of the derivative instruments is recognized immediately in consolidated funds - hospitality expenses in the consolidated statements of operations. If the derivative is designated and qualifies for hedge accounting treatment, the change in fair value of the derivative is recorded in other comprehensive income (loss).





**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Fair Value of Financial Instruments***

The fair value of financial instruments is disclosed in accordance with ASC 825, *Financial Instruments*. The fair value of our financial instruments is estimated using available market information and established valuation methodologies. The estimates of fair value are not necessarily indicative of the amounts the consolidated funds could realize on disposition of the financial instruments. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair value amounts.

***Fair Value Measurements***

Fair value measurements and disclosures consist of a three level valuation hierarchy. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the ability to observe the inputs employed in the measurement using market participant assumptions at the measurement date. An asset's or liability's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 – Inputs include quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Unobservable inputs for the asset or liability. These unobservable inputs reflect assumptions about what market participants would use to price the asset or liability and are developed based on the best information available in the circumstances (which might include the reporting company's own data)

***Recent Accounting Pronouncements***

The Company adopted ASU 2016-13, *Financial Instruments – Credit Losses* and subsequent amendments (collectively, "Topic 326"), effective January 1, 2023. Topic 326 was intended to improve financial reporting by requiring more timely recognition of credit losses on loans and other financial instruments that are not accounted for at fair value through net income and required that financial assets measured at amortized cost be presented at the net amount expected to be collected, through an allowance for credit losses that was deducted from the amortized cost basis. The amendments in Topic 326 required the Company to measure all expected credit losses based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets and eliminated the "incurred loss" methodology under current U.S. GAAP. Loans and receivables between entities under common control are not within the scope of this guidance. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

The Company adopted the Financial Accounting Standards Board ("FASB") issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)*, effective January 1, 2024, which simplifies the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock, removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and also simplifies the diluted earnings per share calculation in certain areas. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

The Company adopted the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, effective for Companies with fiscal years beginning after December 15, 2023, which serves to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on both an annual and interim basis. The guidance does not change the definition of a segment, the method for determining segments, or the criteria for aggregating operating segments into reportable segments. It is effective for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. As of December 31, 2024, the Company has adopted ASU 2023-07. See Note 18 – Segments for detail.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures (Topic 740, Income Taxes)*. ASU 2023-09, which serves to enhance income tax disclosures by requiring a tabular rate reconciliation and additional information on income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024, with early



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

adoption permitted. We are currently evaluating the impact of the adoption of ASU 2023-09 on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* to improve the disclosures about a public business entity's expenses and provide more detailed information about the types of expenses included in certain expense captions in the consolidated financial statements. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and the amendments in this update should be applied either prospectively to financial statements issued for reporting periods after the effective date of this update or retrospectively to any or all prior periods presented in the financial statements. We are currently evaluating the impact of the adoption of ASU 2024-03 on our consolidated financial statements.

**Note 3 – VIEs**

Management has determined that the equity holders in its consolidated entities, as a group, lack the power to direct the activities that most significantly impact the entities' economic performance and/or have disproportionate voting rights relative to their equity. The Company was determined to be the primary beneficiary of each of these entities since it has the power to direct the activities of the entities and the right to absorb losses, generally in the form of guarantees of indebtedness that are significant to the individual entities.

Generally, the assets of the individual consolidated VIEs can only be used to settle liabilities of each respective individual consolidated VIE and the liabilities of each respective VIE, including VIEs which it consolidates, are liabilities for which creditors or beneficial interest holders do not have recourse to the general credit of the Company. When the VIE is consolidated, we reflect the assets, liabilities, revenues, expenses and cash flows of the consolidated funds on a gross basis, and the interests in the VIEs are included in non-controlling interest in the consolidated financial statements. The Company has provided financial support to certain consolidated VIEs in the form of short-term financing and guarantees of the debts of certain VIEs. In general, our maximum exposure to loss due to involvement with the consolidated VIEs is limited to the amount of capital investment in the VIE, if any, or the potential obligation to perform on the guarantee of debts.

During the year ended December 31, 2024, L.T.D. Hospitality Group LLC ("L.T.D.") contributed the first of nine committed hotels from L.T.D.'s portfolio to Caliber Hospitality, LP in exchange for \$4.9 million in cash, net of closing costs and \$9.6 million in operating partnership units. In conjunction with the L.T.D. contribution, Caliber Hospitality, LP entered into a new \$14.1 million loan facility with a third party lender resulting in a consolidation reconsideration event. Upon this reconsideration event, the Company reconsidered its consolidation conclusion, given the change in economics, and concluded that it was no longer the primary beneficiary, as its potential obligation to absorb the losses, through its guarantee of the indebtedness secured by the hospitality assets, were no longer significant to Caliber Hospitality, LP or the Caliber Hospitality Trust. As such, during the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP, the Caliber Hospitality Trust, and their consolidated subsidiaries.

In addition, during the year ended December 31, 2024, the Company deconsolidated CFIF III, a fund that provides capital to a diverse portfolio of distressed real estate assets, Elliot, a VIE that is developing a multi-family property, and DT Mesa, a VIE that is redeveloping commercial properties. CFIF III was deconsolidated as the Company announced its intent to wind up the fund in December 2024, which relegated the likelihood of the Company becoming obligated for any portion of CFIF III's outstanding debt, to be remote. The Company's announcement in December 2024 to wind up CFIF III, triggered a collectibility analysis to be performed, which resulted in a \$4.3 million investment impairment and \$4.0 million of bad debt expense being recognized in Q4 2024. Elliott and DT Mesa were deconsolidated as the Company was no longer determined to be the primary beneficiary upon refinancing the loan agreements. The Company aggregates and reports the results of operations of these VIEs in consolidated fund revenues and consolidated fund expenses within the accompanying consolidated statements of operations through the date of deconsolidation.

During the year ended December 31, 2023, the Company (i) deconsolidated five hospitality funds which were contributed to the Caliber Hospitality, LP, whose sole general partner is Caliber Hospitality Trust and (ii) consolidated Caliber Hospitality, LP and the Caliber Hospitality Trust, which included activity from the five previously consolidated hospitality funds and one previously unconsolidated fund because the Company was determined to be the primary beneficiary as it had the power to direct the activities and the obligation to absorb their losses through its guarantee of the indebtedness secured by the hospitality assets, which was significant to the Caliber Hospitality Trust and Caliber Hospitality, LP. The consolidation of the Caliber Hospitality

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Trust and Caliber Hospitality, LP, consisted of the following, excluding intercompany eliminations at the time of consolidation (in thousands):

	<b>Year Ended December 31, 2023</b>
<b>Assets</b>	
Real estate investments, net	\$ 87,897
Cash	3,667
Restricted cash	9,260
Accounts receivable, net	4,348
Notes receivable - related parties	10,411
Due from related parties	40
Investments in unconsolidated entities	84,076
Operating lease - right of use assets	8,775
Prepaid and other assets	5,953
<b>Total assets</b>	<b>\$ 214,427</b>
<b>Liabilities</b>	
Notes payable, net	\$ 80,278
Notes payable - related parties	34,786
Accounts payable and accrued expenses	7,858
Due to related parties	10,302
Operating lease liabilities	12,441
Other liabilities	2,158
<b>Total liabilities</b>	<b>147,823</b>
<b>Stockholders' equity</b>	<b>66,604</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 214,427</b>

In addition, the Company consolidated West Frontier Holdco, LLC ("West Frontier") as the Company was determined to be the primary beneficiary as it has the power to direct the activities of West Frontier and the obligation to absorb their losses through its guarantee of their indebtedness, which is significant to the fund.

See Note 12 – Commitments and Contingencies for additional information related to the commitments and contingencies of these VIEs.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 4 – Real Estate Investments**

**Real Estate Investments of the Company**

*Asset Acquisitions*

There were no asset acquisitions by the Company during the year ended December 31, 2024. During the year ended December 31, 2023, the Company acquired its headquarters office building for an aggregate purchase price of \$19.5 million with the acquisition being accounted for as an asset acquisition under U.S. GAAP.

The allocation of the purchase price among the assets acquired at their relative fair value as of the acquisition date, consisted of the following for the year ended December 31, 2023 (in thousands):

	<b>Year Ended December 31, 2023</b>
Real estate investments, at cost	
Land and land improvements	\$ 9,131
Building and building improvements	9,332
Furniture, fixtures and equipment	959
Intangible lease assets	398
Intangible lease liabilities	(348)
Total purchase price of assets acquired	<u>\$ 19,472</u>

**Real Estate Investments of the Consolidated Funds**

*Asset Acquisitions by Consolidated Funds*

There were no asset acquisitions by the consolidated funds during the year ended December 31, 2024. During the year ended December 31, 2023, the consolidated funds acquired one multi-family residential property for an aggregate purchase price of \$6.6 million with the acquisition being accounted for as an asset acquisition under U.S. GAAP.

The allocation of the purchase price among the assets acquired at their relative fair value as of the acquisition date, consisted of the following for the year ended December 31, 2023 (in thousands):

	<b>Year Ended December 31, 2023</b>
Real estate investments, at cost	
Land and land improvements	\$ 599
Building and building improvements	3,938
Furniture, fixtures and equipment	2,106
Total purchase price of assets acquired	<u>\$ 6,643</u>

*Dispositions by Consolidated Funds*

There were no investments sold during the year ended December 31, 2024. During the year ended December 31, 2023, the consolidated funds sold its investment in one commercial property located in Scottsdale, Arizona, with a cost basis of \$21.7 million, resulting in a gain of \$5.0 million, which is included in consolidated funds - gain on sale of real estate assets on the accompanying consolidated statements of operations.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 5 – Prepaid and Other Assets**

**Prepaid and Other Assets of the Company**

Prepaid and other assets consisted of the following as of December 31, 2024 and 2023 (in thousands):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Pursuit costs <sup>(1)</sup>	\$ 1,335	\$ 1,081
Prepaid expenses	800	981
Accounts receivable, net	413	205
Deposits	63	63
Other assets	890	451
Total prepaid and other assets	<u>\$ 3,501</u>	<u>\$ 2,781</u>

<sup>(1)</sup> Pursuit costs represent expenses incurred related to new fund formation, primarily for professional, legal, consulting, accounting and tax services. As the funds raise equity investments and operating cash flow, as applicable, these costs are reimbursed by the respective funds to the Company. The Company assesses collectability and expenses any amounts in which collectability is not reasonably assured.

**Prepaid and Other Assets of the Consolidated Funds**

Prepaid and other assets of the consolidated funds consisted of the following as of December 31, 2024 and 2023 (in thousands):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Prepaid expenses	\$ 114	\$ 1,735
Deferred franchise fees, net	62	278
Deposits	57	669
Inventory	51	142
Derivative assets	—	1,216
Pursuit costs <sup>(1)</sup>	—	1,102
Intangibles, net	—	184
Other assets <sup>(2)</sup>	—	6,339
Total prepaid and other assets	<u>\$ 284</u>	<u>\$ 11,665</u>

<sup>(1)</sup> Pursuit costs represent expenses incurred related to new fund formation and potential hospitality asset acquisitions, primarily for professional, legal, consulting, accounting and tax services. As the funds raise equity investments and operating cash flow, as applicable, these costs are reimbursed by the respective funds to the consolidated fund. Management assesses collectability and expenses any amounts in which collectability is not reasonably assured.

<sup>(2)</sup> Other assets as of December 31, 2023, primarily represents incremental costs, including professional, legal, consulting, accounting and tax services, directly attributable to Caliber Hospitality Trust that are deferred and will be charged against the gross proceeds of the offering.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6 – Notes Payable**

**Notes Payable of the Company**

Notes payable consisted of the following as of December 31, 2024 and 2023 (in thousands):

<b>Notes Payable</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Interest Rate <sup>(1)</sup></b>	<b>Maturity Date <sup>(1)</sup></b>
Corporate notes	\$ 31,763	\$ 36,442	11.40%	April 2023 - December 2027
Convertible corporate notes	1,050	1,324	8.25%	April 2024 - May 2025
Real estate and other loans	18,109	16,252	4.30% - 112.01%	December 2024 - November 2029
Total notes payable	50,922	54,018		
Deferred financing costs, net	(243)	(219)		
Discount on corporate note	(229)	—		
<b>Total notes payable, net</b>	<b>\$ 50,450</b>	<b>\$ 53,799</b>		

<sup>(1)</sup> As of December 31, 2024.

***Real Estate Loans***

The terms of the loan agreements described below include, among other things, certain financial covenants, as defined in the respective loan agreements, including key financial ratios and liquidity requirements.

**Gateway II HoldCo, LLC**

On January 31, 2023, Caliber assumed a loan which is secured by the Company's headquarters office building (see Note 4 – Real Estate Investments). The terms of the note require monthly principal and interest payments, with a balloon payment due at maturity. The loan has a fixed interest rate of 4.30% in effect through the maturity date in November 2029. The terms of the loan do not allow the prepayment of the outstanding balance in part or in whole at any time prior to the maturity date. The terms of the loan agreement include covenant clauses, which require certain key financial ratios and liquidity be met. As of December 31, 2024 and 2023, the outstanding principal balance of the loan was \$15.9 million and \$16.2 million, respectively. As of December 31, 2024, the debt service coverage ratio required by the loan agreement was not satisfied, which per the terms of the agreement required the Company to transfer funds to a cash management account.

***Corporate Notes and Convertible Corporate Notes***

The Company has entered into multiple general corporate financing arrangements with third parties. The arrangements are generally evidenced in the form of an unsecured promissory note and require monthly or quarterly interest-only payments until maturity. The loans generally have a 12-month term and may be extended upon the mutual agreement of the lender and the borrower. Management believes it can come to a mutual agreement with each lender to refinance the matured notes into an alternative 3-year unsecured note program or a convertible preferred stock program. Any lender who elects to redeem a matured note will be repaid with available funds.

As of December 31, 2024, there were 202 individual corporate notes outstanding, with an average outstanding principal balance of \$0.2 million, interest rates ranging from 8.25% to 12.00%, with weighted average interest rate of 11.30%, and maturity dates ranging from April 2023 to December 2027. During the year ended December 31, 2024, there were no conversions of debt into common stock. As of March 27, 2025, an aggregate of \$26.6 million of corporate and convertible notes mature within the 12-month period subsequent to when these financial statements were issued.

As of December 31, 2023, there were 222 individual corporate notes outstanding, with an average outstanding principal balance of \$0.2 million, interest rates ranging from 8.25% to 12.00%, with a weighted average interest rate of 11.42%, and maturity dates ranging from January 2024 to March 2025.





**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The Company has issued corporate notes with a conversion feature. The conversion price is \$7.57 per share of common stock. The holders of the convertible corporate notes can elect to convert all or any portion of the balance at any time. As of December 31, 2024 and 2023, the value of the conversion feature was zero.

***Future Minimum Payments***

The following table summarizes the scheduled principal repayments of our indebtedness as of December 31, 2024 (in thousands):

<b>Year</b>	<b>Amount</b>
2025	\$ 33,036
2026	404
2027	2,460
2028	330
2029	14,692
Thereafter	—
<b>Total</b>	<b>\$ 50,922</b>

***Deferred Financing Costs***

Amortization of deferred financing costs for the Company was immaterial during the years ended December 31, 2024 and 2023. There were no deferred financing cost write-offs during each of the years ended December 31, 2024 and 2023.

**Notes Payable of the Consolidated Funds**

Notes payable of the consolidated funds consisted of the following as of December 31, 2024 and 2023, respectively (in thousands):

<b>Notes Payable</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Interest Rate <sup>(1)</sup></b>	<b>Maturity date <sup>(1)</sup></b>
<b>Real Estate Loans</b>				
Hampton Inn & Suites Hotel	\$ — <sup>(3)</sup>	\$ 5,939	N/A	N/A
Four Points by Sheraton Hotel <sup>(2)</sup>	— <sup>(3)</sup>	11,000	N/A	N/A
Holiday Inn Ocotillo Hotel	— <sup>(3)</sup>	9,250	N/A	N/A
Airport Hotel Portfolio	— <sup>(3)</sup>	55,631	N/A	N/A
DoubleTree by Hilton Tucson Convention Center	17,962	18,418	7.06%	August 2027
Hilton Tucson East	— <sup>(3)</sup>	11,901	N/A	N/A
DT Mesa Holdco II, LLC	— <sup>(3)</sup>	3,000	N/A	N/A
Southpointe Fundco, LLC	1,050	1,050	11.99%	March 2025
West Frontier Holdco, LLC	4,777	4,636	6.35%	February 2038
<b>Total Real Estate Loans</b>	<b>23,789</b>	<b>120,825</b>		
Revolving line of credit	— <sup>(3)</sup>	4,500	N/A	N/A
Member notes	5,600	5,600	10.00%	June 2025
Economic injury disaster and other loans	19	475	7.96%	September 2025
<b>Total notes payable</b>	<b>29,408</b>	<b>131,400</b>		
Deferred financing costs, net	(236)	(1,716)		
<b>Total notes payable, net</b>	<b>\$ 29,172</b>	<b>\$ 129,684</b>		

<sup>(1)</sup> As of December 31, 2024.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

- <sup>(2)</sup> During the year ended December 31, 2024, the hotel ceased operations as the Company is converting the property into a multi-family residential assets.
- <sup>(3)</sup> During the year ended December 31, 2024, the Company deconsolidated CFIF III, Caliber Hospitality, LP and the Caliber Hospitality Trust, which included activity from six hospitality funds, Elliot, which included activity from the Four Points by Sheraton Hotel, and DT Mesa.

***Real Estate Loans***

The terms of the loan agreements described below include, among other things, certain financial covenants, as defined in the respective loan agreements, including key financial ratios and liquidity requirements. Unless otherwise noted below, the consolidated funds were in compliance with the required financial covenants as of December 31, 2024.

**Hampton Inn & Suites Hotel**

In July 2015, the previously consolidated fund entered into a loan agreement which is secured by a deed of trust and assignment of leases and rents of a hotel property in Scottsdale, Arizona. The terms of the note require monthly principal and interest payments, with a balloon payment due at maturity. The loan has a fixed interest rate of 6.12% in effect through the maturity date in July 2025. The loan is guaranteed by an individual who is an affiliate of the Company. During the year ended December 31, 2024, the Company deconsolidated Hampton Inn & Suites Hotel, a consolidated subsidiary of Caliber Hospitality, LP (as discussed in Note 3 – VIEs).

**Four Points by Sheraton Hotel**

In June 2018, the previously consolidated fund entered into a loan agreement which is secured by a deed of trust and assignment of leases and rents of a hotel property in Phoenix, Arizona. The loan requires monthly interest-only payments until maturity. The loan is guaranteed by the Company and matured in September 2023. Per the terms of this agreement, the interest rate on the loan was equal to US Prime Rate plus 2.25%, with a floor rate of 9.65%, until August 31, 2023, at which time, the interest rate increased to 18%. During the year ended December 31, 2024, the Company deconsolidated Elliot, which included activity from the Four Points by Sheraton Hotel (as discussed in Note 3 – VIEs).

**Holiday Inn Ocotillo Hotel**

In July 2018, the previously consolidated fund entered into a loan agreement which is secured by a deed of trust and assignment of leases and rents of a hotel property in Chandler, Arizona. The loan requires monthly interest-only payments. The interest rate on the loan is equal to 1-month LIBOR plus 6.00%, with a floor rate of 11.00% until maturity in May 2023. In May 2023, the loan agreement was amended and restated with the lender, extending the maturity date to November 2023 and amending the interest rate to SOFR plus 600 basis points, with a floor rate of 11.00%. In November 2023, the loan agreement was amended with the lender, extending the maturity date to February 2024. In February 2024, the loan agreement was amended with the lender, extending the maturity date to May 2024. The loan is guaranteed by the Company. During the year ended December 31, 2024, the Company deconsolidated Holiday Inn Ocotillo Hotel, a consolidated subsidiary of Caliber Hospitality, LP (as discussed in Note 3 – VIEs).

**Airport Hotel Portfolio**

In September 2018, the previously consolidated fund entered into a portfolio loan agreement which was secured by a deed of trust and assignment of leases and rents of the Airport Hotel Portfolio. The loan had a variable interest rate equal to one-month LIBOR plus 3.75% and the loan required interest-only payments until maturity. The loan was guaranteed by the Company and individuals who are affiliates of the Company. In January 2023, the consolidated fund paid the loan amount outstanding in full.

In January 2023, the previously consolidated fund entered into a loan agreement which is secured by a deed of trust and assignment of leases and rents of the Airport Hotel Portfolio. Per the terms of the loan agreement, the loan has a variable interest rate equal to SOFR plus 8.75% and matures in January 2025. In connection with the loan, the previously consolidated fund entered into an interest rate cap agreement, which sets the maximum SOFR rate for the loan at 5.00% through January 2024. The loan requires interest-only payments until maturity. The terms of the loan do not allow the prepayment of the outstanding balance in part prior to the maturity date but can be prepaid in whole subject to certain conditions, terms and fees outlined in the loan agreement. The terms of the loan agreement require an exit fee equal to 1.25% of the original principal amount of the loan and a minimum return equal to 30.0% of the

original principal amount of the loan less any interest payments made at the time the loan is repaid in full. The exit fee was accrued upon entering into the loan and recorded as a deferred financing cost to be amortized

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

over the life of the loan. The loan is guaranteed by the Company and individuals who are affiliates of the Company. During the year ended December 31, 2024, the Company deconsolidated the Airport Hotel Portfolio, consolidated subsidiaries of Caliber Hospitality, LP (as discussed in Note 3 – VIEs).

**DoubleTree by Hilton Tucson Convention Center**

In August 2019, the consolidated fund entered into a loan agreement which is secured by a deed of trust and assignment of rents of the DoubleTree by Hilton Tucson Convention Center located in Tucson, Arizona. The loan has a variable interest rate per annum equal to LIBOR plus 2.50%. In connection with the loan, the consolidated fund entered into an interest rate swap agreement, which sets the interest at a fixed rate of 4.22% from September 2022 through August 2027. The loan required interest-only payments until September 2022 and principal and interest payments thereafter until maturity. The terms of the loan allow for the prepayment of the outstanding balance in whole or in part at any time prior to the maturity date. The loan matures in August 2027 and is guaranteed by the Company. In May 2024, the consolidated fund terminated the interest rate swap agreement and received \$1.6 million.

**Hilton Tucson East**

In November 2021, the previously consolidated fund entered into a loan agreement which is secured by the deed of trust and assignment of rents of the Hilton Tucson East hotel located in Tucson, AZ. The loan has a fixed interest rate of 6.25% and matures in November 2025. The loan required interest-only payments until June 1, 2023 and principal and interest payments thereafter until maturity. The loan amount may be prepaid prior to maturity subject to certain conditions and terms and a prepayment fee as outlined in the agreement. During the year ended December 31, 2024, the Company deconsolidated the Hilton Tucson East, a consolidated subsidiary of Caliber Hospitality, LP (as discussed in Note 3 – VIEs).

**DT Mesa Holdco II, LLC**

In November 2019, the previously consolidated fund entered into a loan agreement which is secured by the deed of trust of a commercial building in Mesa, Arizona. The loan requires interest-only payments until maturity and the terms of the loan allow the prepayment of the outstanding balance in part or in whole at any time prior to the maturity date with no prepayment penalty. In December 2022, the terms of the loan agreement were renegotiated, extending the maturity date of the loan to November 2023 and amending the interest rate to the greater of (i) the federal home loan bank rate plus 2.75% or (ii) 6.50%. In November 2023, the loan agreement was amended with the lender, extending the maturity date to February 2024. In February 2024, the loan agreement was amended with the lender, extending the maturity date to May 2024 and waiving the minimum liquidity covenant default. In May 2024, the loan agreement was amended with the lender, extending the maturity date to August 2024 and removed the minimum liquidity covenant. During the year ended December 31, 2024, the Company deconsolidated DT Mesa (as discussed in Note 3 – VIEs) when the loan was refinanced with a new lender.

**Southpointe Fundco, LLC**

In June 2022, the consolidated fund entered into a loan agreement which is secured by a deed of trust and assignment of rents of a residential development property in Phoenix, Arizona. The loan initially had a fixed rate per annum equal to 9.99%. In May 2023, an extension agreement was executed with the lender, extending the maturity date to December 2023. In November 2023, an extension agreement was executed with the lender, extending the maturity date to March 2024 and amending the interest to a fixed rate of 11.99%. In February 2024 and August 2024, extension agreements were executed with the lender, extending the maturity date to September 2024 and then March 2025, respectively. The terms of the loan allow the prepayment of the outstanding balance in part or in whole at any time prior to the maturity date with no prepayment penalty. The loan is guaranteed by an individual who is an affiliate of the Company.

**West Frontier Holdco, LLC**

In March 2023, the consolidated fund entered into a construction loan agreement which is secured by a deed of trust and assignment of rents of a multi-family residential property in Payson, Arizona. Upon completion of the construction project, subject to conditions in the agreement, the loan converts to a term loan. The loan requires interest-only payments until March 2025 and principal and interest payments until March 2028, at a fixed interest rate of 6.35%. In April 2028, the loan requires principal and interest payments until maturity in February 2038, at a rate of the five year Treasury Constant Federal Reserve Index plus 2.50%. The terms of the loan allow the prepayment of the outstanding balance in part or in whole at any time prior to the maturity date with no prepayment penalty. The loan is guaranteed by individuals who are affiliates of the Company.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Revolving Line of Credit and Commercial Loan***

In August 2019, CFIF III entered into a revolving line of credit (“LOC”) with a maximum borrowing amount of \$4.5 million. The LOC was secured by CFIF III’s assets and was guaranteed by the Company. The LOC had a variable interest rate equal to the greater of (i) Wall Street Journal Prime Rate plus 0.25% per annum or (ii) 4.75%. The Company was required to pay a fee of 0.20% of the unused revolving balance. In August 2023, the agreement was amended extending the maturity date of the LOC to October 2024 and removing certain restrictive covenants. In October 2024, the LOC was terminated, and CFIF III entered into a \$4.5 million term loan, which is secured by CFIF III’s assets and is guaranteed by the Company, and matures in October 2029. The term loan has a variable interest rate equal to the sum of: (i) 3.30% plus (ii) the greater of: (a) 2.00% or (b) the forward-looking term rate based on SOFR for a one-month period. During the year ended December 31, 2024, the Company deconsolidated CFIF III when CFIF III was officially declared in wind-down.

***Member Notes***

During 2022 and 2023, the consolidated fund, Southpointe Fundco, LLC, (“Southpointe”), entered into 10.0% unsecured promissory notes with individual investors. The notes mature in June 2025 and may be extended up to two additional 12-month periods by the fund manager. The notes require quarterly interest-only payments. The terms of the notes allow the prepayment of the outstanding balance in part or in whole at any time prior to the maturity date with no prepayment penalty.

***Economic Injury Disaster Loans***

In June 2020, the consolidated funds were granted Economic Injury Disaster Loans, which are secured by the assets of the respective funds and have a fixed interest rate of 3.75% and mature in June 2050. At December 31, 2024, there was an immaterial outstanding principal balance. At December 31, 2023, the outstanding principal balance was \$0.5 million. Fixed monthly installment payments began in December 2022 with payments applied first to accrued interest and then the balance, if any, will be applied to principal outstanding. The loans allow for prepayment of principal plus accrued interest prior to maturity. The loan agreements contain certain usual and customary restrictions and covenants relating to, among other things, insurance, and other indebtedness. In addition, the terms of the loans include a cross-default provision whereby the Small Business Administration may, in its discretion, without notice or demand require immediate payment of all amounts outstanding under the loans.

***Future Debt Maturities***

As of December 31, 2024, the future aggregate principal repayments due on the Company’s notes payable are as follows (in thousands):

<b>Year</b>	<b>Amount</b>
2025	\$ 7,189
2026	557
2027	17,046
2028	64
2029	69
Thereafter	4,483
<b>Total</b>	<b>\$ 29,408</b>

***Deferred Financing Costs***

Amortization of deferred financing costs was \$0.4 million and \$1.5 million during the years ended December 31, 2024 and 2023, respectively. During the year ended December 31, 2024, there were no deferred financing cost write-offs. There was \$0.4 million deferred financing cost write-offs during the year ended December 31, 2023.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 7 – Related Party Transactions**

**Related Party Transactions of the Company**

***Platform Revenues***

The table below shows the total revenues earned for providing services under the Platform as described in the Revenue Recognition section of Note 2 – Summary of Significant Accounting Policies for the years ended December 31, 2024 and 2023.

	Years Ended December 31,	
	2024	2023
Fund management fees	9,219	5,485
Financing fees	396	221
Development and construction fees	6,420	4,025
Brokerage fees	844	840
Total asset management	16,879	10,571
Performance allocations	358	3,639
Total related party Platform revenue	<u>\$ 17,237</u>	<u>\$ 14,210</u>

As of December 31, 2024 and 2023, amounts due to the Company from related parties for services performed under the Platform was \$6.2 million and \$7.8 million, respectively, which is included in due from related parties on the accompanying consolidated balance sheets.

The Company had an allowance for doubtful accounts of \$4.0 million as of December 31, 2024. The Company did not record an allowance for doubtful accounts as of December 31, 2023.

***Notes Receivable***

The Company entered into unsecured promissory notes with related parties. No payments are required prior to the maturity of the notes. The notes may be prepaid in whole, or in part, without penalty.

The following table summarizes the notes receivable – related parties as of December 31, 2024 and 2023 (in thousands):

Notes Receivable - Related Parties	December 31, 2024	December 31, 2023	Interest Rate <sup>(1)</sup>	Maturity Date <sup>(1)</sup>
Caliber Hospitality LP <sup>(2)</sup>	\$ —	\$ —	12.00%	September 2025
Olathe Behavioral Health	—	25	12.00%	May 2025
DFW Behavioral Health LLC	22	25	14.00%	May 2025
Blue Spruce Ridge MezzCo, LLC	13	—	12.00%	December 2026
West Ridge MezzCo, LLC	70	—	12.00%	December 2026
Total Notes Receivable - Related Parties	<u>\$ 105</u>	<u>\$ 50</u>		

<sup>(1)</sup> As of December 31, 2024.

<sup>(2)</sup> During the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP and Caliber Hospitality Trust, which included activity from six hospitality funds, Elliot, and Caliber Fixed Income Fund III. This note is included in the table above despite having a \$0 balance at both of the years ended December 31, 2024 and 2023, as Caliber Hospitality LP has the ability to borrow on this note up to a maximum of \$12.0 million up until it matures.

During the years ended December 31, 2024 and 2023, the Company earned \$0.2 million and an immaterial amount of interest in connection with the notes, which is included in interest income on the accompanying consolidated statements of operations. Interest that accrues on certain related party notes receivable can be added to the principal outstanding balance, due at the





**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

respective loan maturity date and incurs interest at the respective interest rate. There was an immaterial amount of interest due to the Company as of December 31, 2024 and 2023.

***Other***

In the normal course of business, the Company has various amounts due from and/or due to related parties, including affiliate entities and individuals, for various expenses paid for by the Company on their behalf and other charges. These amounts are generally unsecured, interest-free, and due on demand. As of December 31, 2024 and 2023, other amounts due from related parties was \$0.8 million and \$1.9 million, respectively, which is included in due from related parties on the accompanying consolidated balance sheets. As of December 31, 2024 and 2023, other amounts due to related parties from the Company were \$0.3 million and \$0.3 million, respectively, which are included in due to related parties on the accompanying consolidated balance sheets.

**Related Party Transactions of the Consolidated Funds**

***Notes Receivable***

The consolidated funds entered into unsecured promissory notes with related parties. The notes may be repaid in whole, or in part, without penalty. The notes receivable – related parties consisted of the following as of December 31, 2024 and 2023 (in thousands):

<b>Notes Receivable - Related Parties</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Interest Rate<sup>(1)</sup></b>	<b>Maturity Date<sup>(1)</sup></b>
SF Alaska, LP	\$ —	\$ 14,976	12.00%	May 2025
The Ketch, LLC	—	7,198	12.00%	May 2026
Circle Lofts, LLC	—	1,797	12.00%	May 2026
Elliot & 51st Street, LLC <sup>(2)</sup>	1,198	—	12.00%	April 2026
J-25 Development Group, LLC	—	4,804	12.00%	May 2026
Caliber Diversified Opportunity Fund II, LP	—	109	12.00%	September 2025
Ridge II, LLC	—	846	12.00%	December 2024
Ironwood, LLC	—	2,703	13.00%	September 2025
Southridge, LLC	—	2,187	13.00%	July 2025
Caliber Hospitality, LP <sup>(2)</sup>	5,650	—	12.00%	September 2026
<b>Total Notes Receivable - Related Parties</b>	<b>\$ 6,848</b>	<b>\$ 34,620</b>		

<sup>(1)</sup> As of December 31, 2024.

<sup>(2)</sup> During the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP and the Caliber Hospitality Trust, which included activity from six hospitality funds, Elliot, and Caliber Fixed Income Fund III.

During the years ended December 31, 2024 and 2023, the consolidated funds earned \$5.9 million and \$3.7 million, respectively, of interest in connection with the notes, which is included in consolidated funds – other revenues on the accompanying consolidated statements of operations. Interest that accrues on certain related party notes receivable, in which the consolidated fund and respective borrower mutually agreed, is added to the principal outstanding balance, due at the respective loan maturity date and incurs interest at the respective interest rate. \$0.3 million and no interest was due to the Company as of December 31, 2024 and 2023, respectively, which is included in due from related parties on the accompanying consolidated balance sheets.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Notes Payable***

The consolidated funds entered into unsecured promissory notes with related parties. The notes may be repaid in whole, or in part, without penalty. The notes payable – related parties consisted of the following as of December 31, 2024 and 2023 (in thousands):

<b>Notes Payable - Related Parties</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Interest Rate<sup>(1)</sup></b>	<b>Maturity Date<sup>(1)</sup></b>
Caliber Tax Advantaged Opportunity Zone Fund, LP	\$ —	\$ 8,012	N/A	N/A
Caliber Tax Advantaged Opportunity Zone Fund II, LP	—	4,043	N/A	N/A
Caliber Fixed Income Fund III	2,047	—	13.00%	September 2025
Total Notes Payable - Related Parties	<u>\$ 2,047</u>	<u>\$ 12,055</u>		

<sup>(1)</sup> As of December 31, 2024.

During the years ended December 31, 2024 and 2023, the consolidated funds incurred \$0.3 million and \$1.2 million, respectively, of interest expense in connection with the notes payable – related parties, which is included in consolidated funds – hospitality expenses and consolidated funds – other expenses on the accompanying consolidated statements of operations. No interest was payable as of December 31, 2024. As of December 31, 2023, there was \$0.1 million of interest expense payable which is included in due to related parties on the accompanying consolidated balance sheets. Management expects to extend these notes at maturity.

***Other***

In the normal course of business, the consolidated funds have various amounts due from and/or due to related parties, including affiliate entities and individuals, for various expenses paid by the funds on their behalf and other charges. These amounts are generally unsecured, interest-free, and due on demand. As of December 31, 2024 and 2023, there was an immaterial amount of other amounts due from related parties. As of December 31, 2024 and 2023, there was \$0.1 million and an immaterial amount, respectively, of other amounts due to related parties.

**Note 8 – Leases**

**Lessee - Company**

As of December 31, 2024, the Company is the lessee under one corporate office lease which meets the criteria of an operating lease. The operating lease has a remaining lease term of 2.8 years and a 9.4% discount rate as of December 31, 2024. As of December 31, 2023, the Company is the lessee under one corporate office lease which meets the criteria of an operating lease. The operating lease has a remaining lease term of 3.8 years and a 9.4% discount rate as of December 31, 2023. As the Company's lease does not specifically state an implicit rate, the Company uses a discount rate indicative of synthetic credit rate based on a market-specific analysis, and applied based on the lease term as of the lease commencement date or upon a remeasurement event when calculating the present value of the remaining lease payments. Therefore, the incremental borrowing rate used reflects the cost to borrow on a securitized basis. The remaining lease term does not reflect all renewal options available to the Company, only those renewal options that the Company has assessed as reasonably certain of being exercised. The operating lease agreement does not contain any material residual value guarantees or material restrictive covenants. As of December 31, 2024, the Company does not have any material operating or financing leases with related parties or that have not yet commenced, or any sale-leaseback arrangements. Variable lease expense is primarily costs reimbursed related to common area maintenance. Fixed and variable leasing costs incurred by the Company were \$0.1 million and \$0.1 million, during the years ended December 31, 2024 and 2023, respectively.

During the years ended December 31, 2024 and 2023, cash paid for amounts included in the measurement of operating lease liabilities and future maturities of operating lease liabilities are immaterial.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Lessee - Consolidated Funds**

As of December 31, 2024, the consolidated funds are the lessee under zero ground lease arrangements that meet the criteria of an operating lease. As of December 31, 2024, the consolidated funds do not have any material operating or financing leases with related parties or that have not yet commenced, or any sale-leaseback arrangements. As of December 31, 2023, the consolidated funds are the lessee under two ground lease arrangements that meet the criteria of an operating lease. The operating leases have a weighted average remaining lease term of 55.7 years and a 9.6% weighted average discount rate as of December 31, 2023. As the consolidated funds leases do not specifically state an implicit rate, the consolidated funds use discount rates indicative of synthetic credit rate based on a market-specific analysis, and applied based on the lease term as of the lease commencement date or upon a remeasurement event when calculating the present value of the remaining lease payments. Therefore, the incremental borrowing rate used reflects the cost to borrow on a securitized basis. The remaining lease term does not reflect all renewal options available to the consolidated funds, only those renewal options that the consolidated funds has assessed as reasonably certain of being exercised. The operating lease agreements do not contain any material residual value guarantees or material restrictive covenants. There was no fixed lease expense for the consolidated funds for the year ended December 31, 2024. Fixed lease expense for the consolidated funds for the year ended December 31, 2023 was \$1.4 million. There was \$0.1 million variable lease expense for the years ended December 31, 2024 and 2023.

During the year ended December 31, 2024, there was no cash paid for operating lease liabilities or lease liabilities arising from lease modifications. During the year ended December 31, 2023, there was \$1.3 million of cash paid for amounts included in the measurement of operating lease liabilities and \$1.5 million of lease liabilities arising from lease modifications.

**Lessor - Company**

Rental revenue of the Company includes the revenues generated by the rental operations of one commercial office property, which was acquired in January 2023. As of December 31, 2024, the leases have non-cancelable remaining lease terms from 1.2 years to 9.6 years. Certain leases contain options to extend the term of the lease and impose financial penalties, including paying all future payments required under the remaining term of the lease, if the tenant terminates the lease. The leases do not contain any lessee purchase options. As of December 31, 2024, the Company does not have any material related party leases as a lessor. The components of rental revenue for the years ended December 31, 2024 and 2023, are presented in the table below (in thousands). Variable rental revenue is primarily costs reimbursed related to common area maintenance.

	Year Ended December 31,	
	2024	2023
Fixed	\$ 1,859	\$ 1,568
Variable	211	6
Total	<u>\$ 2,070</u>	<u>\$ 1,574</u>

Future minimum lease payments due to the Company under non-cancellable operating leases over the next five years and thereafter as of December 31, 2024 are as follows (in thousands):

Year	Amount
2025	\$ 1,627
2026	1,574
2027	950
2028	363
2029	256
Thereafter	1,113
Total	<u>\$ 5,883</u>

**Lessor - Consolidated Funds**

Rental revenue of the consolidated funds includes the revenues generated primarily by the rental operations of two multi-family residential properties, including Circle Lofts which was deconsolidated during the year ended December 31, 2023 and two commercial properties, including Northsight Crossing which was sold in October 2023 and DT Mesa, which was deconsolidated



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

in September 2024. As of December 31, 2024, the leases have non-cancelable remaining lease terms from 0.1 years to 1.0 years. Certain leases contain options to extend the term of the lease and impose financial penalties, including paying all future payments required under the remaining term of the lease, if the tenant terminates the lease. The leases do not contain any lessee purchase options. As of December 31, 2024, the consolidated funds do not have any material related party leases as a lessor. The components of rental revenue for the years ended December 31, 2024 and 2023 (in thousands) are presented in the table below. Variable rental revenue are primarily costs reimbursed related to common area maintenance.

	Years Ended December 31,	
	2024	2023
Fixed	\$ 870	\$ 3,520
Variable	558	525
Total	<u>\$ 1,428</u>	<u>\$ 4,045</u>

Future minimum lease payments due to the consolidated funds under non-cancellable operating leases over the next five years and thereafter as of December 31, 2024 are as follows (in thousands):

Year	Amount
2025	\$ 257
2026	—
2027	—
2028	—
2029	—
Thereafter	—
Total	<u>\$ 257</u>

## Note 9 – Other Liabilities

### Other Liabilities of the Company

Other liabilities consisted of the following as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Below market leases, net	\$ 20	\$ 171
Tenant improvement allowance	103	99
Deposits <sup>(1)</sup>	154	113
Other	473	37
Total other liabilities	<u>\$ 750</u>	<u>\$ 420</u>

<sup>(1)</sup> Includes tenant security deposits.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Other Liabilities of the Consolidated Funds**

Other liabilities of the consolidated funds consisted of the following as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Advance key money, net	\$ —	\$ 825
Deposits <sup>(1)</sup>	171	531
Sales tax payable	97	674
Other	371	370
Total other liabilities	<u>\$ 639</u>	<u>\$ 2,400</u>

<sup>(1)</sup> Includes hotel advance deposits and tenant security and pet deposits.

**Note 10 – Income Taxes**

The following table shows the components of the income tax provision (benefit) from total operations for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	2023
Current income tax provision (benefit)		
Federal	\$ —	\$ —
State	—	—
Total	—	—
Deferred income tax provision (benefit)		
Federal	(4,023)	(2,887)
State	(708)	(451)
Total	(4,731)	(3,338)
Adjustment to valuation allowance	4,731	3,338
Total income tax provision (benefit)	<u>\$ —</u>	<u>\$ —</u>

The following table reconciles the U.S. federal statutory tax rate to the effective income tax rate for the years ended December 31, 2024 and 2023:

	Years Ended December 31,	
	2024	2023
U.S. federal statutory tax rate	21.0 %	21.0 %
State taxes, net of federal benefit	3.7 %	3.6 %
Income passed through to noncontrolling interest, federal tax	(1.7)%	(11.3)%
Income passed through to noncontrolling interest, state tax	(0.3)%	(2.0)%
Permanent differences, VIEs	(0.1)%	(0.8)%
Prior period return-to-provision adjustments	0.0 %	1.9 %
Nondeductible expenses	(0.5)%	(0.3)%
Change in valuation allowance	(22.1)%	(12.1)%
Effective income tax rate	<u>0.0 %</u>	<u>0.0 %</u>





**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following table summarizes the components of the Company's deferred tax assets and liabilities as of December 31, 2024 and 2023 (in thousands):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 17,837	\$ 13,632
Sec 362 basis Step-up	439	439
Deferred compensation	1,929	1,780
Fixed assets	17	—
Employee stock based compensation	1,299	820
Allowance for doubtful accounts	1,018	—
Realized gain/loss on investments	1,001	—
Other	682	1,769
Total deferred tax assets	<u>24,222</u>	<u>18,440</u>
<b>Deferred tax liabilities:</b>		
Passthrough income/loss from partnerships	(12,196)	(9,399)
Fixed assets	—	(447)
Other	(323)	(1,622)
Total deferred tax liabilities	<u>(12,519)</u>	<u>(11,468)</u>
Valuation allowance	(11,703)	(6,972)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2024, the Company had approximately \$72.3 million and \$71.3 million of federal and state net operating losses ("NOL"), respectively, available to offset future taxable income. As of December 31, 2023, the Company had approximately \$59.5 million and \$59.8 million of federal and state NOL, respectively, available to offset future taxable income. The federal NOLs arising in 2017 and prior, if not utilized, begin expiring in the year 2035. Federal NOLs arising in tax years ending after December 31, 2017 can be carried forward indefinitely but are subject to an 80% of taxable income limitation. The Arizona state NOLs arising in 2015, if not utilized, begin expiring in the year 2035. In accordance with Section 382 of the Internal Revenue Code, deductibility of the Company's federal NOL carryovers may be limited in the event of a change in control of ownership.

In assessing the need for a valuation allowance against its net deferred tax assets, the Company considers both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more-likely-than-not that some or all of the deferred tax assets will not be realized. In evaluating the need for a valuation allowance, the Company considered cumulative tax losses as a significant piece of negative evidence and established a full valuation allowance of \$11.7 million and \$7.0 million against the Company's net deferred tax assets as of December 31, 2024 and 2023, respectively.

The changes to the Company's valuation allowance during the years ended December 31, 2024 and 2023 were as follows (in thousands):

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Valuation allowance at the beginning of the year	\$ 6,972	\$ 3,634
Changes in valuation allowance recorded during the year	4,731	3,338
Valuation allowance at the end of the year	<u>\$ 11,703</u>	<u>\$ 6,972</u>

The Company and its subsidiaries are subject to the following significant taxing jurisdictions: U.S., Alaska, Arizona, California, Colorado, Florida, Missouri, Oregon, and Texas. The Company is currently not under income tax examination in any tax jurisdiction.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Although we believe our tax returns are correct, the final determination of tax examinations and any related litigation could be different from what was reported on the tax returns. We are currently open to audit under the statute of limitations by the United States Internal Revenue Service as well as state taxing authorities for the past four years (three years in some states). However, due to NOL carryforwards not being utilized, all periods are open to potential examinations. Any penalties and interest related to unrecognized tax benefits would be classified as income tax expense in the accompanying consolidated statements of operations.

We apply U.S. GAAP related to accounting for uncertainty in income taxes, which prescribes a recognition threshold that a tax position is required to meet before recognition in the financial statements and provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition issues. We do not believe that there are any positions taken by the Company which would require recognition or disclosure in these financial statements for the years ended December 31, 2024 and 2023.

**Note 11 – Supplemental Cash Flow Disclosures**

Supplemental cash flow information consisted of the following for the years ended December 31, 2024 and 2023 (in thousands):

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest, none of which was capitalized for the years ended December 31, 2024 and 2023, respectively	\$ 5,277	\$ 4,875
<b>Supplemental Disclosure of Cash Flow Information of Consolidated Funds</b>		
Cash paid for interest, net of capitalized interest of \$3 and \$33 for the years ended December 31, 2024 and 2023, respectively	6,190	14,731

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities</b>		
Decrease in notes receivable - related party due to return of capital from investments	500	—
Decrease in notes receivable - related party due the payment of accounts payable	107	—
Increase in notes receivable - related party due to deconsolidation of VIEs	7,531	—
Decrease in due from related party due to non-cash investment rollover	200	—
Increase in accounts receivable - related party due to deconsolidation of VIEs	3,752	—
Accounts receivable - related party eliminated in consolidation of VIEs	—	1,853
Increase in investments in unconsolidated entities due to deconsolidation of VIEs	15,710	—
Assumption of note payable	—	16,457
Corporate note rollover	1,948	—
Extinguishment of operating lease right-of-use assets	—	1,059
Extinguishment of operating lease liabilities	—	1,340
Cost of real estate investments included in accounts payable	2	242
Cost of real estate investments included in due to related parties	1	—
Investments in unconsolidated entities included in due to related parties	66	—
Investments in unconsolidated entities included in accrued expenses	41	1,339
Issuance of common stock in lieu of cash payment for accounts payable	194	—
<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities of Consolidated Funds</b>		
Note receivable eliminated in consolidation	—	2,946
Increase in notes receivable - related party due to transfer of pursuit costs	1,151	—
Decrease in notes receivable - related party due to return of capital from investments	1,300	—
Decrease in notes receivable related party due to payment of accounts payable	263	—
Contributions from noncontrolling interest in connection with settlement of notes - related parties	—	1,831
Increase in notes receivable - related party due to deconsolidation of VIEs	22,746	—
Increase in notes payable - related party due to deconsolidation of VIEs	2,047	—
Conversion of line of credit to term loan	4,500	—
Cost of real estate investments included in accounts payable	40	382
Cost of real estate investments included in due to related parties	—	10
Contributions from noncontrolling interests in connection with settlement of notes payable - related party	2,531	—
Establishment of operating right-of-use assets or increase from lease modifications	—	1,516
Establishment of operating lease liabilities or increase from lease modifications	—	1,516
<b>Consolidation of VIEs</b>		
Real estate investments, net	—	86,402
Accounts receivable, net	—	4,348
Due from related parties	—	2
Operating lease - right of use assets	—	8,775
Prepaid and other assets	—	2,042
Notes payable, net	—	80,449
Notes payable - related parties	—	6,589
Accounts payable and accrued expenses	—	8,148
Due to related parties	—	28
Operating lease liabilities	—	12,441

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Other liabilities	—	2,158
Noncontrolling interests	—	33,732
Deconsolidation of VIEs		
Real estate investments, net	137,571	85,239
Accounts receivable, net	3,071	4,973
Notes receivable - related parties	54,496	—
Operating lease - right of use assets	10,324	8,775
Prepaid and other assets	9,579	1,658
Due from related parties	20	2
Due to related parties	1,049	1,218
Notes payable, net	98,639	74,643
Notes payable - related parties	12,055	6,882
Accounts payable and accrued expenses	11,338	7,139
Operating lease liabilities	13,957	12,441
Other liabilities	1,293	1,980
Noncontrolling interests	29,041	23,777

**Note 12 – Commitments and Contingencies**

**Commitments and Contingencies of the Company**

***Environmental Matters***

In connection with the ownership and operation of real estate assets, the Company may potentially be liable for costs and damages related to environmental matters. The Company believes it is in material compliance with current laws and regulations and do not know of any existing environmental condition nor has it not been notified by any governmental authority of any non-compliance, liability or other claim, in each case, that could result in a material effect on our financial condition or results of operations.

***Caliber Tax Advantaged Opportunity Fund LP***

Caliber O-Zone Fund Manager, LLC (the “CTAF Fund Manager”) is a wholly-owned subsidiary of the Company and general partner and manager of Caliber Tax Advantaged Opportunity Fund LP (“CTAF”). In the event of a dissolution, winding-up, or termination, if the aggregate amount received by the CTAF limited partners does not equal or exceed an amount equal to a 6% IRR for the limited partners, the CTAF Fund Manager shall immediately contribute to CTAF funds in order to meet this minimum requirement for payment to the CTAF limited partners. As of December 31, 2024 and 2023, the Company estimated the fair value of CTAF was less than the 6% IRR for the limited partners.

***Caliber Tax Advantaged Opportunity Fund II LLC***

Caliber O-Zone Fund II Manager, LLC (the “CTAF II Fund Manager”) is a wholly-owned subsidiary of the Company and general partner and manager of Caliber Tax Advantaged Opportunity Zone Fund II LLC (“CTAF II”). In the event of a dissolution, winding-up, or termination, if the aggregate amount received by the CTAF II investor members does not equal or exceed an amount equal to a 6% IRR for the investor members, the CTAF II Fund Manager shall immediately contribute to CTAF II funds in order to meet this minimum requirement for payment to the CTAF II investor members. As of December 31, 2024 and 2023, the Company estimated the fair value of CTAF II was less than the 6% IRR for the investor members.

**Commitments and Contingencies of the Consolidated Funds**

***Franchise Agreements and Advance Key Money***

The consolidated funds consolidated during the years ended December 31, 2024 and 2023, are parties to franchise agreements where the fund is required to pay monthly fees, generally consisting of royalty, program, and food and beverage fees. At



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2024, the consolidated hospitality fund is a party to a franchise agreement that expires in November 2026. The consolidated funds recognized total franchise fees of \$2.9 million and \$5.0 million for the years ended December 31, 2024 and 2023, respectively.

**Note 13 – Net Income (Loss) Per Share**

Basic earnings per common share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average common shares outstanding during the period. Diluted earnings per share is calculated by dividing net income attributable to common shareholders by the weighted-average number of shares outstanding plus the dilutive impact of all potential dilutive common shares, consisting of stock options and warrants using the treasury stock method, and convertible debt and preferred stock using the if-converted method.

The Company considered the two-class method in calculating the basic and diluted earnings per share, however, it was determined that there was no impact to the calculation of basic and diluted net income (loss) per share attributable to common stockholders as Class A and Class B common stock share in the same earnings and profits, thus, having no impact on the calculation.

The Company has calculated the basic and diluted earnings per share during the years ended December 31, 2024 and 2023 as follows (in thousands, except per share data):

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Numerator:</b>		
Net loss attributable to CaliberCos Inc.	\$ (19,777)	\$ (12,703)
Convertible debt interest	82	88
Net loss attributable to common shareholders of CaliberCos Inc.	<u>\$ (19,695)</u>	<u>\$ (12,615)</u>
<b>Denominator:</b>		
Weighted average shares outstanding - basic	21,986	20,087
Dilutive shares - options, net	—	—
Dilutive shares - warrants, net	—	—
Dilutive shares - preferred shares	—	—
Dilutive shares - convertible debt, net	—	—
Weighted average shares outstanding - diluted	<u>21,986</u>	<u>20,087</u>
Basic net loss per share attributable to common shareholders	<u>\$ (0.90)</u>	<u>\$ (0.63)</u>
Diluted net loss per share attributable to common shareholders	<u>\$ (0.90)</u>	<u>\$ (0.63)</u>

The number of antidilutive shares consisted of the potential exercise of stock options and potential conversion of convertible debt. The following table summarizes these potential exercises and conversions during the years ended December 31, 2024 and 2023, which have been excluded from the computation of diluted earnings per share attributable to common shareholders (in thousands):

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Additional common shares, if stock options were exercised	2,537	2,267
Additional common shares, if warrants were exercised	12	—
Additional common shares, if preferred shares were converted	2,507	—
Additional common shares, if convertible debt were converted	139	175
	<u>5,195</u>	<u>2,442</u>



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 14 – Fair Value of Financial Instruments**

**Fair Value of Financial Instruments of the Company**

Fair values of financial instruments held by the Company are estimated using available market information and established valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair value amounts.

Financial instruments that approximate fair value due to the short-term nature of the instruments consist of cash, restricted cash, accounts receivable, and accounts payable. The fair values of debt have been estimated based on current rates available for similar instruments with similar terms, maturities, and collateral. The fair value of the Company's fixed rate debt were measured with Level 2 inputs. The estimated fair value of the Company's real estate loan was determined by management based on a discounted future cash-flow model. As of December 31, 2024 the Company's real estate loan had a carrying value of \$15.9 million and a fair value of \$12.6 million. As of December 31, 2023, the Company's real estate loan had a carrying value of \$16.2 million and a fair value of \$9.5 million.

**Fair Value of Financial Instruments of the Consolidated Funds**

Fair values of financial instruments held by consolidated funds are estimated using available market information and established valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts the consolidated funds could realize on disposition of the financial instruments. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair value amounts.

Financial instruments that approximate fair value due to the short-term nature of the instruments consist of cash, restricted cash, accounts receivable, and accounts payable. The fair values of debt, advance key money, and interest rate caps have been estimated based on current rates available for similar instruments with similar terms, maturities, and collateral. The carrying values of the consolidated funds' variable rate debt and advance key money as of December 31, 2024 and 2023 approximated fair value. The fair value of the consolidated funds' fixed rate debt were measured with Level 2 inputs. The estimated fair values for the instruments below were determined by management based on a discounted future cash-flow model (in thousands).

Note Payable	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Hampton Inn & Suites Hotel <sup>(1)</sup>	\$ —	\$ —	\$ 5,939	\$ 4,762
Southpointe Fundco, LLC	1,050	1,023	1,050	1,050
Tucson East, LLC <sup>(1)</sup>	—	—	11,901	11,067
West Frontier, LLC	4,796	3,701	4,636	3,795

<sup>(1)</sup> During the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP and the Caliber Hospitality Trust, which included activity from six hospitality funds, and Caliber Fixed Income Fund III.

**Note 15 – Derivative Instruments**

**Risk Management Objective of Using Derivatives**

The consolidated funds utilize derivative instruments, including interest rate caps and swaps, to reduce interest rate risk associated with its borrowings. Our consolidated funds do not intend to utilize derivatives for purposes other than interest rate risk management.

**Derivatives Designated as Hedging Instruments**

As of December 31, 2024 and 2023, the Company did not have any derivatives designated as hedging instruments.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Derivatives Not Designated as Hedging Instruments**

The consolidated funds have entered into interest rate caps and swaps. The following table summarizes the consolidated funds non-designated derivatives as of December 31, 2024 and 2023 (dollar amounts in thousands):

Type of Derivative	December 31, 2024		December 31, 2023	
	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount
Interest rate swap	—	\$ —	1	\$ 18,418
Interest rate cap	—	—	1	55,000
Total		<u>\$ —</u>		<u>\$ 73,418</u>

The following table presents the fair value of the consolidated funds' non-designated derivatives, as well as their classification in the consolidated balance sheets, as of December 31, 2024 and 2023 (in thousands):

Type of Derivative	Balance Sheet Location	December 31, 2024	December 31, 2023
Interest rate swap	Consolidated funds - Prepaid and other assets	\$ —	\$ 1,206
Interest rate cap	Consolidated funds - Prepaid and other assets	—	10
Total		<u>\$ —</u>	<u>\$ 1,216</u>

The following table presents the gain or loss recognized in consolidated funds – hospitality expenses in the consolidated statements of operations for years ended December 31, 2024 and 2023 (in thousands):

Type of Derivative	Statement of Operations Location	Years Ended December 31,	
		2024	2023
Interest rate swap <sup>(1)</sup>	Consolidated funds - hospitality expenses	\$ 346	\$ (440)
Interest rate cap <sup>(2)</sup>	Consolidated funds - hospitality expenses	(35)	(75)
Total		<u>\$ 311</u>	<u>\$ (515)</u>

<sup>(1)</sup> During the year ended December 31, 2024, the interest rate swap was terminated.

<sup>(2)</sup> During the year ended December 31, 2024, the Company deconsolidated Caliber Hospitality, LP and the Caliber Hospitality Trust, which included activity from six hospitality funds.

**Note 16 – Stockholders' Equity and Share-Based Payments**

In May 2023, the Company filed a third amended and restated certificate of incorporation. The Company is authorized to issue 137,500,000 shares consisting of: (a) 115,000,000 shares of common stock consisting of (i) 100,000,000 shares of Class A common stock with a par value of \$0.001 per share, (ii) 15,000,000 shares of Class B common stock with a par value of \$0.001 per share; and (b) 22,500,000 shares of preferred stock with a par value of \$0.001 per share.

The Class B common stock is identical in all respects to Class A common stock, except it is entitled to 10 votes per share and is convertible at any time on a one-for-one basis into shares of Class A common stock. All other rights, privileges, and rank will be shared equally and be identical in all respects as to all matters.

**Common Stock**

The holders of common stock shall be entitled to receive dividends when, as, and if declared by the board of directors. The holders of common stock shall at all times vote together as one class on all matters. Class A common stock shall be entitled to one vote for each share of common stock and Class B common stock shall be entitled to 10 votes for each share of common stock. No holder of shares of

common stock shall have the right to cumulate votes. In the event of liquidation, subject to the prior rights of holders of preferred stock to share ratably in the Company's assets, the holders of common stock and holders of any shares of preferred stock which are not entitled to any preference in liquidation shall share equally and ratably in the Company's assets

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

available for distribution after giving effect to any liquidation preference of shares of preferred stock. The holders of Class A common stock shall not have any conversion, redemption, or other preemptive rights. The holders of Class B common stock are entitled to a conversion upon notice or an automatic conversion upon transfer at which time the Class B Common stockholder will be entitled to one fully paid and nonassessable share of Class A common stock. In addition, Class B common stock shall not have any redemption or other preemptive rights.

***Warrants***

Beginning in 2024, the Company began issuing warrants for the purchase of its Class A Common Stock, either as stand-alone transactions or combined with other debt and/or equity instruments. The warrants may be exercised up to the fifth anniversary of their origination date and transferred independently at any time. Using the Black-Scholes model, the Company estimates the relative fair value of warrants on the date of issuance. The relative fair value of warrants is included in Paid-in capital on the consolidated balance sheets dated December 31, 2024. As of December 31, 2024, the Company had 1,058,790 warrants outstanding with a weighted average exercise price per share and weighted average remaining exercise period of \$0.82 and 4.9 years, respectively.

***2017 Incentive Stock Plan***

The Company may award stock options to employees under the Amended and Restated 2017 Incentive Stock Plan (“2017 Plan”). The 2017 Plan allows the Company to: (i) grant stock awards, (ii) grant stock options, and (iii) offer restricted stock purchases to directors, executives and selected employees, consultants, and advisors. Options will vest if the recipient maintains constant employment through the end of the requisite service period. The following inputs and assumptions were used to calculate the weighted average fair values of the options granted for the years ended December 31, 2024 and 2023:

	December 31,	
	2024	2023
Expected term (in years)	6.13	6.13
Volatility	35% - 36%	36% - 40%
Dividend Yield	0.00 %	0.00 %
Risk-free rate	3.63% - 4.52%	4.42% - 4.61%
Grant date fair value	\$ 0.32	\$ 0.38

Compensation expense is recognized on a straight-line basis over the service period. During the years ended December 31, 2024 and 2023, the Company recognized \$2.4 million and \$3.7 million, respectively, in compensation expense, related to the 2017 Plan. As of December 31, 2024 and 2023, there was \$5.2 million and \$0.6 million, respectively, of unrecognized compensation expense related to the 2017 Plan stock options.

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following tables detail the activity of the 2017 Plan during the years ended December 31, 2024 and 2023:

***Stock Options***

	<b>Stock Options</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Contractual Term (in Years)</b>	<b>Aggregate Intrinsic Value (in thousands)</b>
Outstanding December 31, 2022	2,003,088	\$ 4.58	5.15	\$ 2,098
Granted - Employee	330,967	2.47	—	—
Forfeited	(25,046)	6.40	—	—
Expired	(23,408)	6.47	—	—
Outstanding December 31, 2023	2,285,601	4.23	4.89	535
Granted - Employee	237,798	0.74	—	—
Granted - Nonemployee	607,851	0.74	—	—
Forfeited	(72,341)	5.40	—	—
Expired	(211,657)	5.01	—	—
Outstanding December 31, 2024	2,847,252	\$ 3.11	5.26	\$ 52,479

***Restricted Stock Units***

	<b>Restricted Stock Units</b>	<b>Weighted Average Fair Value</b>
Unvested restricted stock units at December 31, 2022	396,955	\$ 6.73
Granted - Employee	2,282,086	1.36
Vested	(272,197)	6.57
Forfeited	(20,058)	1.49
Unvested restricted stock units at December 31, 2023	2,386,786	1.66
Granted - Employee	4,971,181	0.86
Vested	(1,246,972)	1.52
Forfeited	(656,423)	1.21
Unvested restricted stock units at December 31, 2024	5,454,572	\$ 1.02

The restricted stock units are subject to forfeiture if the participant does not meet certain conditions such as continued employment and/or the attainment of the specified performance target over the specified service period. The performance target related to the outstanding restricted stock units is the completion of an initial public offering or exchange listing. As of December 31, 2024, there was \$4.9 million of unrecognized compensation expense related to the restricted stock units. The restricted stock units have a remaining term of 2.9 years as of December 31, 2024.

***2024 Incentive Stock Plan***

In July 2024, the Board of Directors approved the 2024 Incentive Stock Plan (the “2024 Plan”) which will be used for future share-based compensation arrangements going forward. As of December 31, 2024, a limited number of awards have been issued under the new plan.

**Note 17 – Preferred Stock**

In November 2024, the Company entered in to an offering agreement to issue up to \$15.0 million, of Series A Convertible Preferred Stock (“Series A Preferred”) and warrants to purchase its Class A Common Stock (“Common Stock”), with a stated value of \$20 per share and a 12% annual, non-cumulative dividend payable annually in cash or shares of common stock, at the Company’s discretion.



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The Series A Preferred is convertible anytime at the option of the stockholder, in four sequential tranches. Each tranche allows the stockholder to convert up to 25% of its initial investment, beginning at a conversion price \$0.51 per share of Common Stock, and increasing in 50% increments for each successive tranche. Each tranche of Series A Preferred is mandatorily convertible if the market price of Common Stock is 200% higher than any respective tranche's conversion price for twenty of thirty consecutive Trading Days.

As of the year ended December 31, 2024, the Company had issued 100,000 of its Series A Preferred shares.

**Note 18 – Segments**

Historically, the Company's operations were organized into three reportable segments, fund management, development, and brokerage. During the year ended December 31, 2023, the Company reevaluated its reportable segments, considering (i) the evolution of the Company after closing its initial public offering and how the Company's chief operating decision maker ("CODM"), the Company's Chief Executive Officer, John C. Loeffler, assesses performance and allocates resources, (ii) changes to the budgeting process and in key personnel driven by the Company's growth initiatives, and (iii) how management reports ongoing company performance to the Board of Directors. With the evolution and growth of the Company, the Company's CODM assesses performance and resource allocation on an aggregate basis under the Company's asset management platform ("Platform"), and no longer reviews operating results for development or brokerage activity separately. As such, management concluded that the Company operates through one operating segment, which it refers to as Platform.

The Company's CODM assesses revenue, operating costs and key operating statistics to evaluate performance and allocate resources on a basis that eliminates the impact of the consolidated investment funds (intercompany eliminations required by U.S. GAAP) and noncontrolling interests. Operating costs consist primarily of payroll related costs that are provided quarterly to the CODM. Platform payroll and payroll related costs were \$17.8 million and \$19.4 million for the years ended December 31, 2024 and 2023, respectively. Management concluded that the consolidated investment funds do not meet the requirements in ASC 280, Segment Reporting, of operating segments, as the Company's CODM does not review, nor is he provided with the operating results of these investment funds for the purposes of allocating resources, assessing performance or determining whether additional investments or advances will be made to these funds. The investment funds are consolidated based on the requirement in ASC 810, Consolidation, as the Company was determined to be the primary beneficiary of each of these variable interest entities since it has the power to direct the activities of the entities and the right to absorb losses, generally in the form of guarantees of indebtedness that are significant to the individual investment funds.

For the years ended December 31, 2024 and 2023, total revenues were \$20.9 million and \$20.6 million, respectively, representing a period-over-period increase of 1.5%. The table below (in thousands) compares the revenues earned for providing services under the Company's asset management Platform as described in the Revenue Recognition section of Note 2 – Summary of Significant Accounting Policies for the year ended December 31, 2024, to the revenues earned for the same period in 2023.

	Year Ended December 31, 2024		
	Platform	Impact of Consolidated Funds	Consolidated
<b>Revenues</b>			
Fund management fees	\$ 12,318	\$ (3,109)	\$ 9,209
Financing fees	650	(254)	396
Development and construction fees	6,751	(331)	6,420
Brokerage fees	844	10	854
Total asset management	20,563	(3,684)	16,879
Performance allocations	379	(21)	358
Total Platform revenue	\$ 20,942	\$ (3,705)	\$ 17,237



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	<b>Year Ended December 31, 2023</b>		
	<b>Platform</b>	<b>Impact of Consolidated Funds</b>	<b>Consolidated</b>
<b>Revenues</b>			
Fund management fees	\$ 10,120	\$ (4,635)	\$ 5,485
Financing fees	629	(408)	221
Development and construction fees	4,984	(959)	4,025
Brokerage fees	1,249	(409)	840
Total asset management	16,982	(6,411)	10,571
Performance allocations	3,656	(17)	3,639
Total Platform revenue	<u>\$ 20,638</u>	<u>\$ (6,428)</u>	<u>\$ 14,210</u>

The following tables present a reconciliation of Platform revenues, expenses and net loss to the most comparable GAAP measure for the years ended December 31, 2024 and 2023 (in thousands):

	<b>Year Ended December 31, 2024</b>		
	<b>Unconsolidated</b>	<b>Impact of Consolidated Funds</b>	<b>Consolidated</b>
<b>Revenues</b>			
Asset management	\$ 20,563	\$ (3,684)	\$ 16,879
Performance allocations	379	(21)	358
Consolidated funds – hospitality revenue	—	26,476	26,476
Consolidated funds – other revenue	—	7,406	7,406
Total revenues	<u>20,942</u>	<u>30,177</u>	<u>51,119</u>
<b>Expenses</b>			
Operating costs	7,136	(964)	6,172
Payroll and payroll related costs	17,768	(1)	17,767
General and administrative	6,817	(41)	6,776
Marketing and advertising	751	—	751
Depreciation and amortization	598	(5)	593
Consolidated funds – hospitality expenses	—	26,503	26,503
Consolidated funds – other expenses	—	5,870	5,870
Total expenses	<u>33,070</u>	<u>31,362</u>	<u>64,432</u>
Other income (loss), net	(2,654)	(439)	(3,093)
Interest income	559	(199)	360
Interest expense	(5,424)	—	(5,424)
<b>Net loss before income taxes</b>	<u>(19,647)</u>	<u>(1,823)</u>	<u>(21,470)</u>
Provision for income taxes	—	—	—
<b>Net loss</b>	<u>(19,647)</u>	<u>(1,823)</u>	<u>(21,470)</u>
Net loss attributable to noncontrolling interests	—	(1,693)	(1,693)
<b>Net loss attributable to CaliberCos Inc.</b>	<u>\$ (19,647)</u>	<u>\$ (130)</u>	<u>\$ (19,777)</u>



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	Year Ended December 31, 2023		
	Platform	Impact of Consolidated Funds	Consolidated
<b>Revenues</b>			
Asset management	\$ 16,982	\$ (6,411)	\$ 10,571
Performance allocations	3,656	(17)	3,639
Consolidated funds – hospitality revenue	—	68,905	68,905
Consolidated funds – other revenue	—	7,822	7,822
Total revenues	20,638	70,299	90,937
<b>Expenses</b>			
Operating costs	2,387	(497)	1,890
Payroll and payroll related costs	19,421	—	19,421
General and administrative	6,807	(37)	6,770
Marketing and advertising	1,053	(1)	1,052
Depreciation and amortization	551	(1)	550
Consolidated funds – hospitality expenses	—	80,669	80,669
Consolidated funds – other expenses	—	9,162	9,162
Total expenses	30,219	89,295	119,514
Consolidated funds – gain on sale of real estate investments	—	4,976	4,976
Other income, net	649	(275)	374
Interest income	1,863	(1,513)	350
Interest expense	(4,716)	(1)	(4,717)
<b>Net loss before income taxes</b>	(11,785)	(15,809)	(27,594)
Provision for income taxes	—	—	—
<b>Net loss</b>	(11,785)	(15,809)	(27,594)
Net loss attributable to noncontrolling interests	—	(14,891)	(14,891)
<b>Net loss attributable to CaliberCos Inc.</b>	<u>\$ (11,785)</u>	<u>\$ (918)</u>	<u>\$ (12,703)</u>

**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following tables present a reconciliation of Platform assets to the most comparable GAAP measure for the years ended December 31, 2024 and 2023 (in thousands):

	December 31, 2024		
	Platform	Impact of Consolidated Funds	Consolidated
<b>Assets</b>			
Cash	\$ 1,766	\$ —	\$ 1,766
Restricted cash	2,582	—	2,582
Real estate investments, net	21,782	(210)	21,572
Due from related parties	11,373	(4,303)	7,070
Investments in unconsolidated entities	16,061	(418)	15,643
Operating lease - right of use assets	4,042	(3,895)	147
Prepaid and other assets	(529)	4,030	3,501
Total assets	<u>\$ 57,077</u>	<u>\$ (4,796)</u>	<u>\$ 52,281</u>

	December 31, 2023		
	Platform	Impact of Consolidated Funds	Consolidated
<b>Assets</b>			
Cash	\$ 940	\$ —	\$ 940
Restricted cash	2,569	—	2,569
Real estate investments, net	21,571	(79)	21,492
Due from related parties	23,934	(14,175)	9,759
Investments in unconsolidated entities	18,377	(15,039)	3,338
Operating lease - right of use assets	4,348	(4,155)	193
Prepaid and other assets	2,972	(191)	2,781
Total assets	<u>\$ 74,711</u>	<u>\$ (33,639)</u>	<u>\$ 41,072</u>

**Note 19 – Subsequent Events**

Management has evaluated events and transactions that occurred after December 31, 2024 through March 31, 2025, the date these consolidated financial statement were available to be issued. The following events are in addition to those matters discussed in Note 6 – Notes Payable.

On March 12, 2025, the Company was qualified to sell up to \$20.0 million of Series AA cumulative redeemable preferred stock under Regulation A, which includes 800,000 shares at a stated value of \$25. The Series AA offers a cumulative monthly dividend at a rate of 9.5% per annum. The preferred stock is convertible into shares of Class A Common stock. The proceeds raised by this offering will be used to retire outstanding promissory notes and for general corporate purposes.

On March 20, 2025, the Company entered into a securities purchase agreement with Mast Hill Fund, L.P. (“Mast”), issuing a senior secured promissory note worth up to \$1.7 million, a warrant for 200,000 shares of Class A common stock at \$0.75 per share, and 200,000 shares of common stock. Simultaneously, the Company also entered into an equity purchase agreement with Mast to sell up to \$25.0 million of common stock. This agreement also includes a common stock purchase warrant for an additional 200,000 shares at \$1.50 per share. The Company proceeds were \$1.2 million in cash, net of discounts.

On March 27, 2025 the Company announced the launch of the Caliber 1031 Exchange program which allows accredited investors to participate in the program either by investing \$1.0 million or more from proceeds generated from a sale of real estate, or by the Company sponsoring the sale of the investors existing asset and investing those proceeds generated. In its first transaction, the Caliber 1031 Exchange executed a \$10.2 million acquisition of a 602-unit self-storage facility in Rifle, Colorado,



**CALIBERCOS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

on behalf of a group of investors through a Tenants-in-Common arrangement. The Company received a real estate commission in the amount of \$0.2 million as a result of the transaction.