

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported):
August 16, 2023

CALIBERCOS INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-41703

(Commission File Number)

47-2426901

(IRS Employer Identification No.)

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

(Address of Principal Executive Offices)

85258

(Zip Code)

(480) 295-7600

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common Stock, par value \$0.001	CWD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Item 7.01 Regulation FD Disclosure.

On August 16, 2023, Chris Loeffler, CEO of CaliberCos Inc., will host investor meetings and present at the Sidoti Micro-Cap Virtual Conference. A copy of the presentation materials to be utilized are attached to this Current Report on Form 8-K as Exhibit 99.1 and are hereby furnished pursuant to this Item 7.01.

The information disclosed under this Item 7.01, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit
99.1	Sidoti Micro-Cap Virtual Conference Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CaliberCos Inc.

Date: August 16, 2023

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



Sidoti Micro Cap Conference

August 2023

NASDAQ: CWD

This presentation includes statements concerning CaliberCos Inc.'s (the "Company," or "Caliber") expectations, beliefs, plans, objectives, goals, strategies, assumptions of future events, future financial performance, or growth and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, readers and the audience can identify these forward-looking statements through the use of words or phrases such as "estimate," "expect," "anticipate," "intend," "plan," "project," "believe," "forecast," "should," "could," and other similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results or outcomes to differ materially from those included in the forward-looking statements. The Company's expectations, beliefs, and projections are expressed in good faith and are believed by the Company to have a reasonable basis, but there can be no assurance that management's expectations, beliefs, or projections will be achieved or accomplished. Factors that may cause actual results to differ materially from those included in the forward-looking statements include, but are not limited to, factors affecting the Company's ability to successfully operate and manage its business, including, among others, title disputes, weather conditions, shortages, delays, or unavailability of equipment and services, property management, brokerage, investment and fund operations, the need to obtain governmental approvals and permits, and compliance with environmental laws and regulations; changes in costs of operations; loss of markets; volatility of asset prices; imprecision of asset valuations; environmental risks; competition; inability to access sufficient capital; general economic conditions; litigation; changes in regulation and legislation; economic disruptions or uninsured losses resulting from major accidents, fires, severe weather, natural disasters, terrorist activities, acts of war, cyber attacks, or pest infestation; increasing costs of insurance, changes in coverage and the ability to obtain insurance; and other presently unknown or unforeseen factors. Other risk factors are detailed from time to time in the Company's reports filed with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update the information contained in any forward-looking statements to reflect developments or circumstances occurring after the statement is made or to reflect the occurrence of unanticipated events. Past performance is not indicative of future results. There is no guarantee that any specific outcome will be achieved. Investment may be speculative and illiquid and there is a total risk of loss. There is no guarantee that any specific investment will be suitable or profitable.

This presentation does not constitute an offering of, nor does it constitute the solicitation of an offer to buy, securities of the Company. This presentation is provided solely to introduce the Company to the recipient and to determine whether the recipient would like additional information regarding the Company and its anticipated plans. Any investment in the Company or sale of its securities will only take place pursuant to an appropriate, private placement memorandum and a detailed subscription agreement. Some of the information contained herein is confidential and proprietary to the Company and the presentation is provided to the recipient with the express understanding that without the prior written permission of the Issuer, such recipient will not distribute or release the information contained herein, make reproductions of, or use it for any purpose other than determining whether the recipient wishes additional information regarding the Company or its plans. By accepting delivery of this presentation, the recipient agrees to return same to the Company if the recipient does not wish to receive any further information regarding the Company. We have filed a registration statement (including a preliminary prospectus) with the SEC for the offering to which this communication relates. The registration statement has not yet become effective. Before you invest, you should read the preliminary prospectus in that registration statement (including the risk factors described therein) and other documents that we have filed with the SEC for more complete information. You may access these documents for free by visiting Edgar on the SEC website at <http://www.sec.gov>

CALIBERCO.COM | 8901 E MOUNTAIN VIEW RD, STE 150, SCOTTSDALE, AZ 85258 | 480.295.7600

- Caliber has a 15-year track record and \$2.9 billion in assets under management and assets under development
- We invest in real estate assets in markets we know, primarily in the Western US
- We create funds and investment strategies for accredited investors who want access to alternative assets
- Public sponsor of private real estate investment strategies
- Expert in distressed real estate investing, opportunity zones, and opportunistic
- Completed our IPO in May of 2023 and listed our stock on Nasdaq: CWD

We Invest in Diverse Real Estate Asset Classes in the Middle Market



HOSPITALITY/HOTEL



MULTI-FAMILY HOUSING



BEHAVIORAL HEALTH HOSPITAL



OPPORTUNITY ZONE ASSETS

Middle-Market Assets

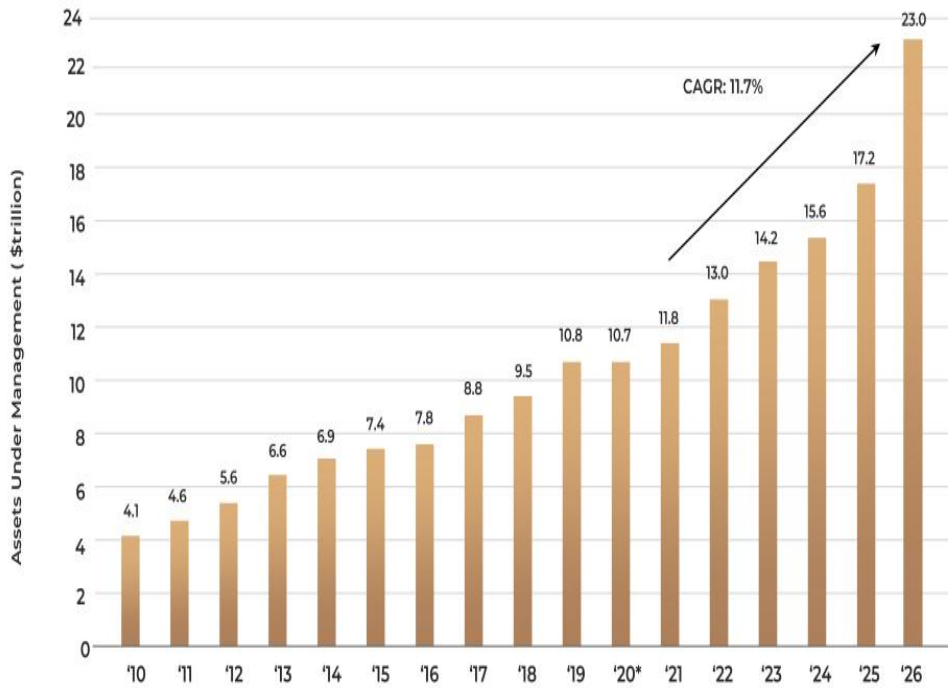
- \$5 to \$50 million per project
- Large opportunity set
- Highly-fragmented market
- Less competition
- Caliber's in-house services model enables access

Middle Market Geographies

- Demonstrated Population & Job Growth
- Underserved in terms of financing options
- Opportunity Zone tax incentives
- Local tax incentives
- Trends post-pandemic

Caliber Serves a Large and Growing Market for Alternative Investments

\$23 Trillion in Alternative Global AUM Forecasted by 2026

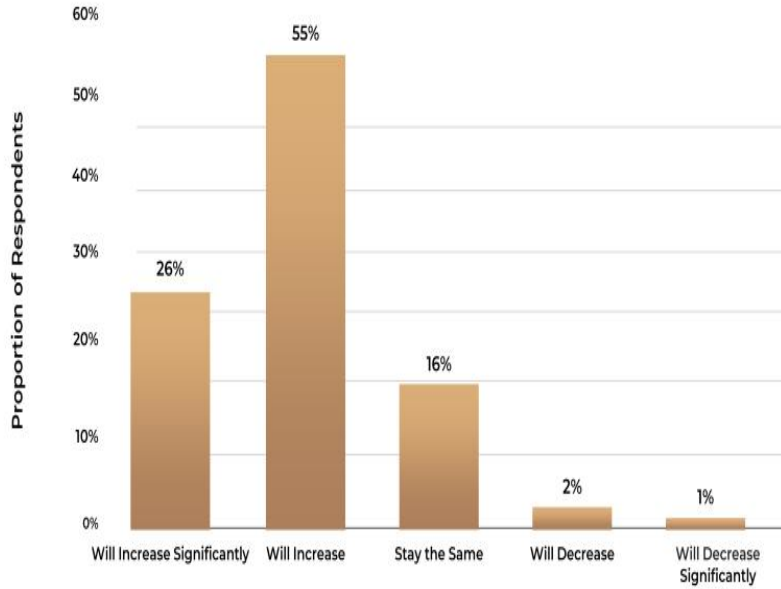


Source: Preqin Investor Survey, August 2020

*2020 figure is annualized on data to October. 2022-2026 are Preqin forecasts.

Majority of Investors Want Greater Access to Alternatives

Investor Intentions Regarding Allocations to Alternatives



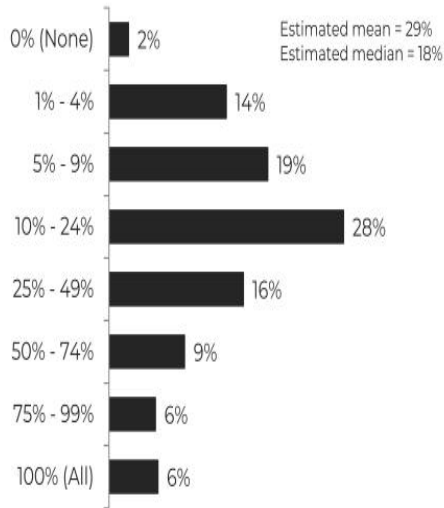
Source: Preqin Investor Survey, August 2020

*2020 figure is annualized on data to October. 2022-2026 are Preqin's forecasted figures. Source: Preqin

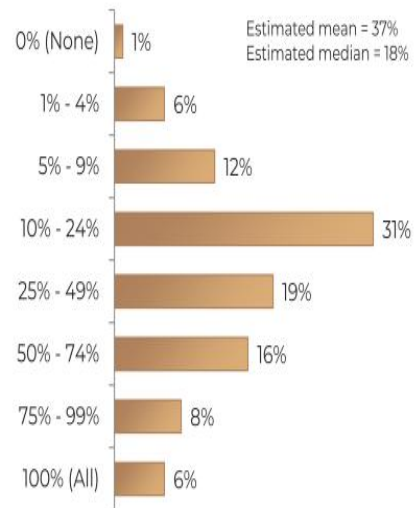
Wealth Managers are Seeking Alternatives

29% of wealth management clients are currently invested in alternatives, a figure expected to rise 27% over the next three years to an estimated mean 37%.

% of Clients Currently Invested in Alternatives



% of Clients Expected to be Invested in Alternatives Three Years from Now



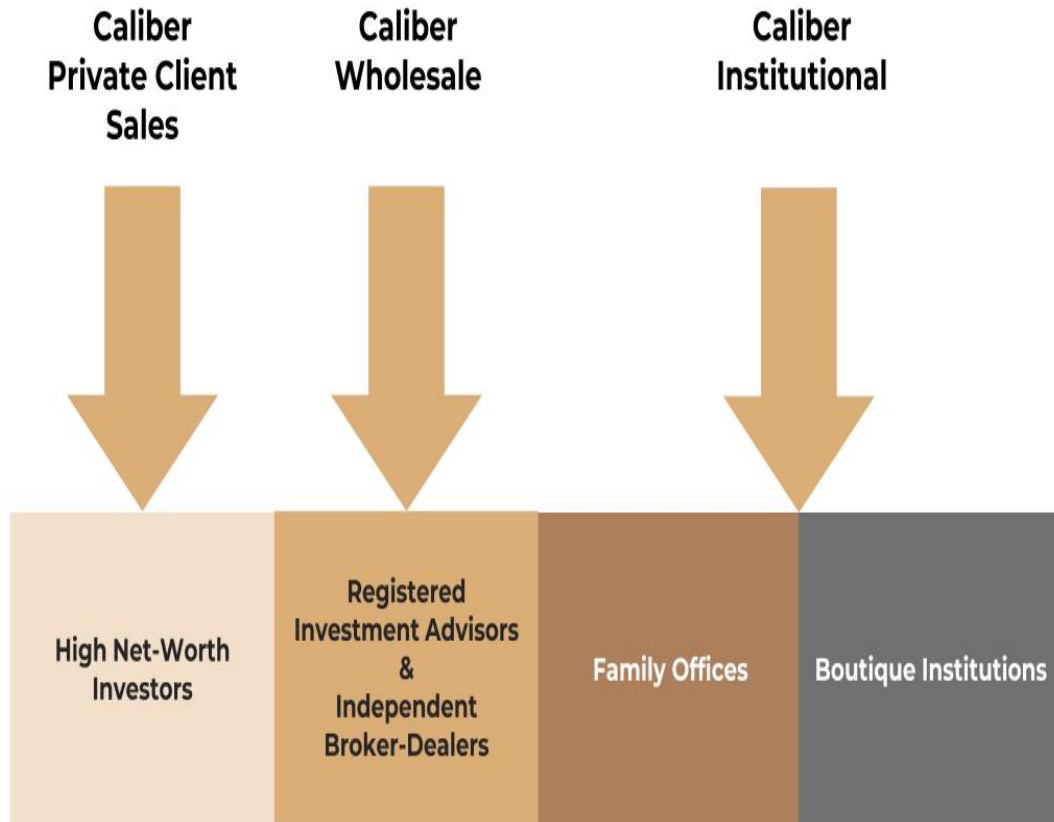
¶ WealthManagement.com survey

Our Products Solve Customer Needs

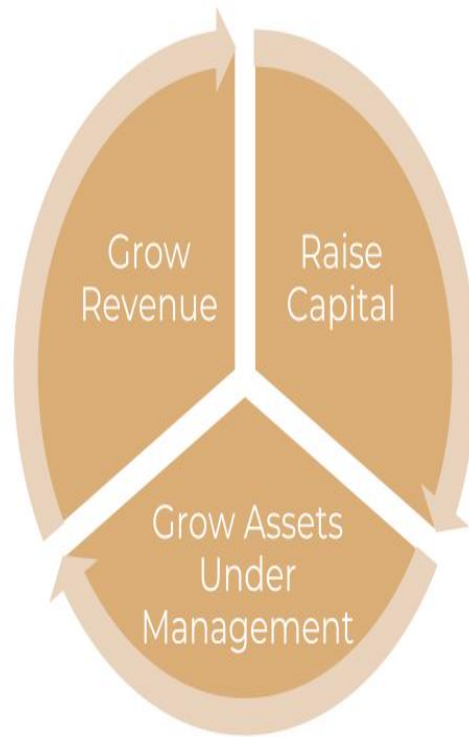
Desired Outcome	Caliber Product
Income	Lending, CORE Plus, Value Add
Growth	Distressed and Special Situations, Adaptive Re-Use & Development
Tax Planning/Reduction	Opportunity Zone Funds, 1031 Investments

Caliber seeks to build trust with our customers once and serve their real estate investment needs decade after decade, generation after generation

Caliber Has Multiple Fundraising Channels



Caliber is Designed to Deliver Sustained Growth



Caliber's model utilizes fundraising in its products to grow the tangible value of Caliber without dilutive corporate financings

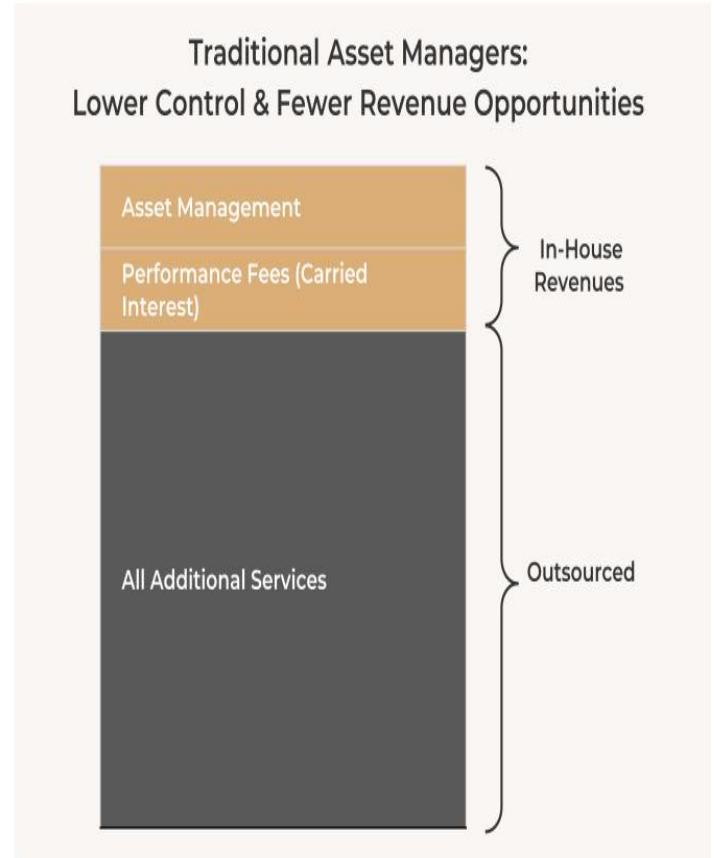
We Have Multiple Revenue Streams



Note: asset services performed in-house at market rates.

Caliber Earns More Per Dollar in AUM

Caliber has optimized in-house and third-party services to maximize control and profitability



Source: Caliber's estimates and internal research reviewing comparable business models

Revenue Growth Driven by Annual Recurring Fees

Annual
Run Rate

Caliber uses the Run Rate to demonstrate how annualized asset management fees change as compared to prior periods

Asset
Management
Revenue
Run Rate

Asset
Management
Fees
(for month ended 6/30/23)
\$0.8M

X

Months in
the Year

12

=

Annualized
Revenue

\$9.6M

Increase
vs FY22

+15%¹⁾

For Every \$100M Invested Caliber Earns
1% to 1.5% in Asset Management Fees²⁾ or \$1M to \$1.5M

1) Fiscal 2022 asset management fees = \$8.3M

2) Asset Management Fees from funds 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. The Company earns an asset 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.

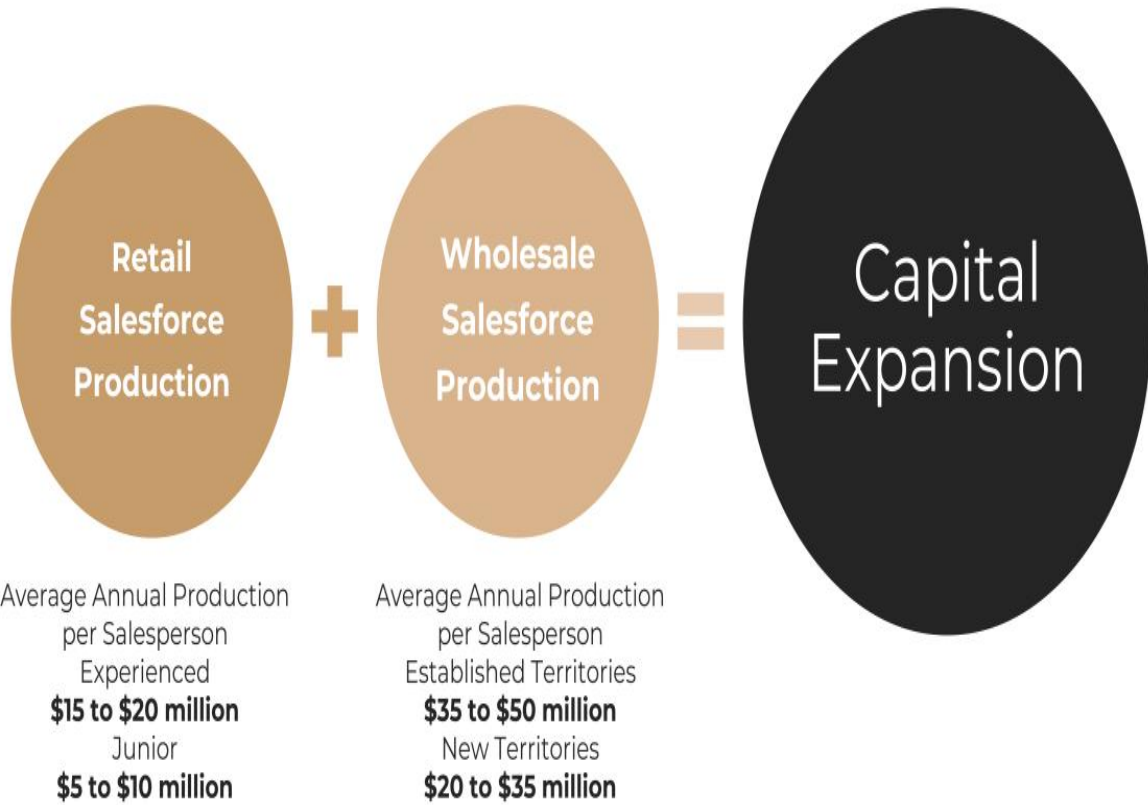
CALIBER

HOSPITALITY TRUST

Using the Caliber infrastructure to launch public investment products

- Externally advised private hospitality real estate investment trust (“CHT”)
- \$186M in Caliber-managed hotel assets contributed in Q1 2023 to seed CHT
- \$220m in 2nd Contribution signed with LTD, taking portfolio to \$400m+
- Target portfolio value of \$1b+ prior to a planned public offering
- Caliber seeks to build a “middle-market” public hospitality company that offers a viable alternative to asset sales for third party contributors
- Trust offers contributors a tax-deferred exchange, debt reduction, capital for renovations, and enhanced liquidity

Caliber Could Expand Fundraising by Growing Sales Distribution



Source: Caliber's estimates and internal research

Caliber formally expands its national wholesaling team

National Wholesaling Team



- Skyway Capital Markets to serve as a managing broker-dealer for our funds' primary investment products
- Skyway is an independent managing broker dealer offering a comprehensive platform for the distribution of investment offerings to broker-dealers and registered investment advisors
- Skyway will assist Caliber to build an internal wholesaling team that will lead distribution for the primary investment products of our funds under management

Experienced & Aligned Executive Leaders



Chris Loeffler – CEO & Co-Founder

Jennifer Schrader – President and COO & Co-Founder

Jade Leung – CFO

Roy Bade – Chief Development Officer

John Hartman – CIO

Yaron Ashkenazi – Head of Hospitality

George Pace – EVP Revenue

- ✓ Scaled Caliber to \$2.9 billion in AUM and AUD, more than 2,000 customers and nearly 100 employees
- ✓ Broad expertise spanning strategy, capital raising, new product development, real estate investment and development, strategic partnerships, operations, capital markets, and sales & marketing
- ✓ Entrepreneurial, growth mindset coupled with a contrarian approach
- ✓ Aligned with shareholders - ~50% stock ownership, including Co-Founders

Note: AUD represents our current estimated costs to complete the development and construction of Assets Under Development projects.

Track Record of Innovation

- ✓ 2008-2012 led on distressed real estate investing, auctions, non-performing notes, and special situations
- ✓ Early leaders in Public Fundraising following the 2013 JOBS Act
- ✓ Developed a fundraising engine that has amassed more than \$600m in equity capital directly from high net worth investors
- ✓ First to market in 2018 with a Qualified Opportunity Zone Fund
- ✓ Launch of the Caliber Hospitality Trust (CHT) – the first new UPREIT at scale for hotels since the 2009-2011 era
- ✓ Uniquely offering a publicly listed sponsor of private funds via CWD, a growing need for RIAs & BDs



Our Directors

Public Company, Asset Management, Real Estate and Public Company Experience

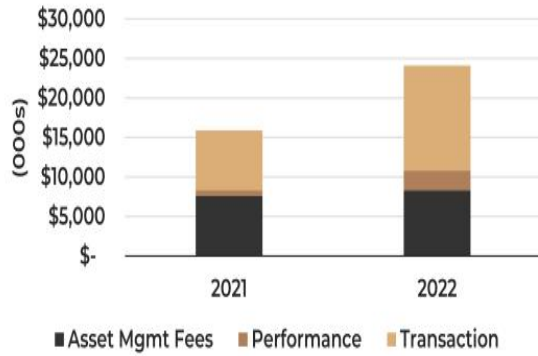
- **Chris Loeffler** – Chief Executive Officer & Co-Founder
- **Jennifer Schrader** – President, Chief Operating Officer & Co-Founder
- **Dan Hansen** – Lead Independent Director
- **William J. Gerber** – Director
- **Michael Trzupsek** – Director
- **Lawrence X. Taylor** – Director

Commitment to Corporate Governance

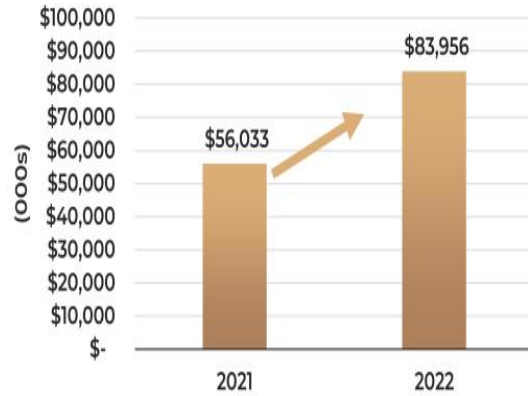
- ✓ 5+ year history of public company reporting; Big 4 auditor
- ✓ Established Board Committees and Charters
- ✓ Commitment to sustainable business practices

Scaling Topline Growth (Fiscal 2022)

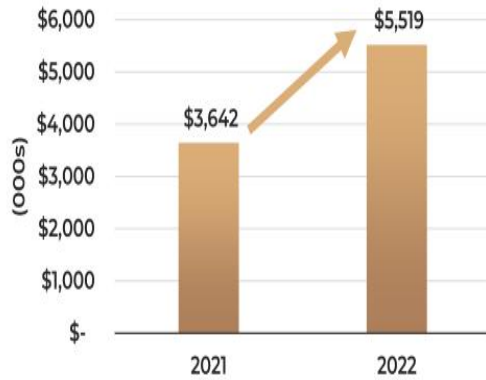
50% YoY Total Segment Revenue Growth



50% YoY Consolidated Revenue Growth

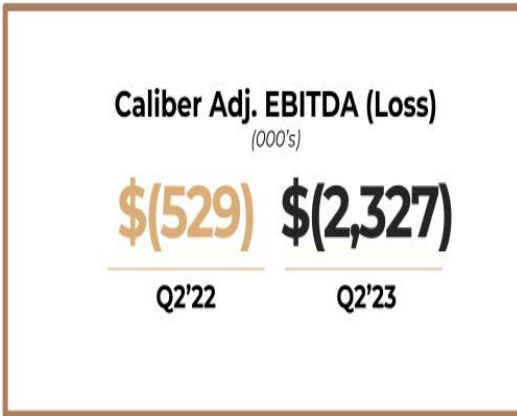
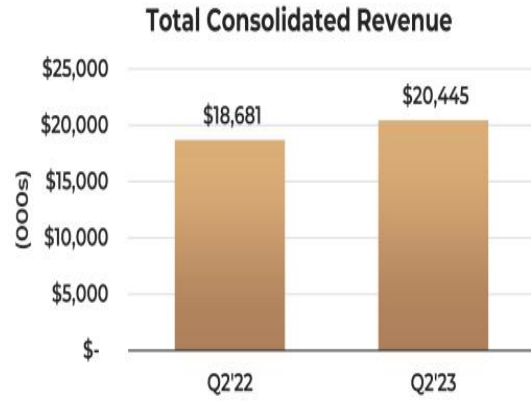
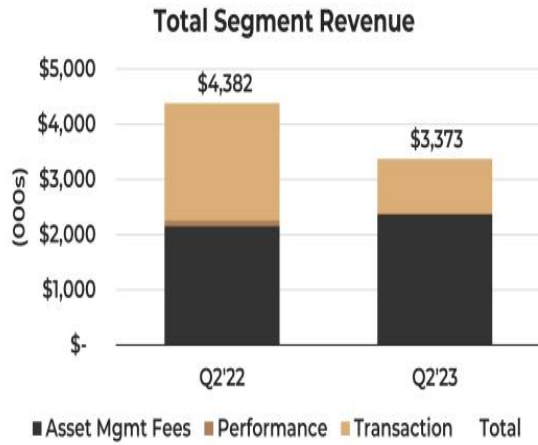


52% Growth in Adjusted EBITDA



Source: Caliber reports

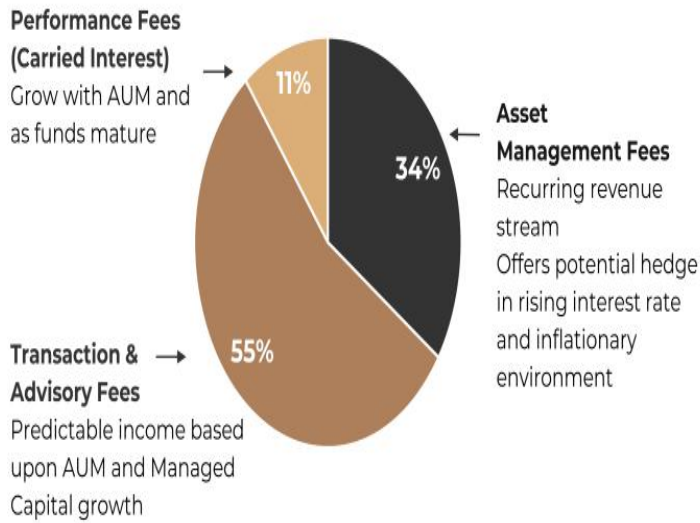
2nd Quarter Summary Results



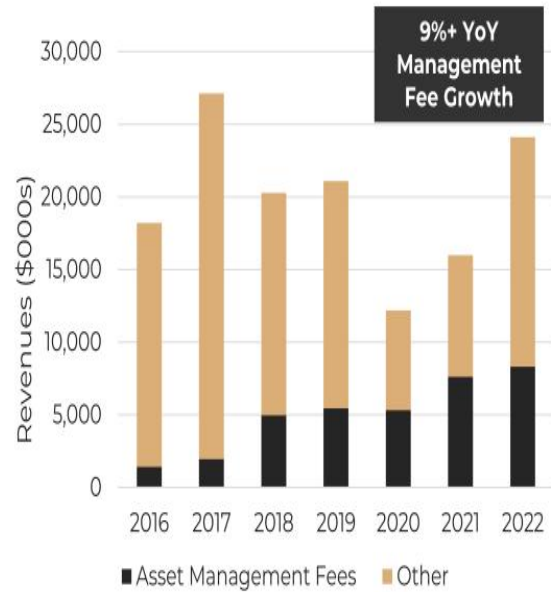
Source: Caliber reports

Revenue Growth Focused on Asset Management Fees

Diversified Revenue Streams
(2022 Revenue Share)



Management Fee Revenue Growing Steadily



Source: Caliber reports



Why Invest in Caliber?

1. Large and growing addressable market opportunity - alternative asset management
2. Unique focus on attractive and overlooked middle-market real estate investment opportunities
3. In-house fundraising drives growth with non-dilutive capital
4. Multiple revenue streams and value creation at each step in real estate investment process
5. Demonstrated ability to drive revenue and EBITDA
6. Aligned, experienced management team and board members

Building on a 15-year track record of profitable growth and success to deliver sustained growth and returns to shareholders



Contacts:

Chris Loeffler, CEO
Chris.Loeffler@CaliberCo.com

Investor Relations
Tamara Gonzalez, Financial Profiles
Tgonzalez@finprofiles.com

CaliberCos
NASDAQ: CWD

<https://www.caliberco.com/>



Appendix

2nd Quarter – Summary Highlights

Financial Measures

- Total revenues of \$20.4 million, a 9.4% increase
- Net loss attributable to Caliber of \$5.7 million, or \$0.29 per diluted share, compared to a net loss of \$0.5 million or \$0.03 per diluted share
- Caliber Adjusted EBITDA loss of \$2.3 million, compared to \$0.5 million

Metrics

- Asset management (“AM”) revenue of \$2.4 million, a 9.8% increase; asset management revenue run rate⁽¹⁾ increases to \$9.6 million, a 15.3% increase as compared to the full year results in 2022
- Fair value assets under management (“FV AUM”) of \$825.3 million, a 29.4% year-over-year increase
- Managed capital of \$401.8 million, a 24.1% year-over-year increase

Business Update

- On May 19, 2023, Caliber successfully completed its initial public offering raising \$4.8 million through the issuance of 1,200,000 Class A common shares at an offering price of \$4.00 per share
- On June 30, 2023, Caliber reached an agreement with L.T.D. Hospitality Group LLC (“L.T.D.”) in which L.T.D. will contribute nine hotel properties to its subsidiary, Caliber Hospitality Trust. The transaction is subject to customary closing conditions and is expected to close before the end of the year
- As of June 30, 2023, Caliber is actively developing 2,460 multifamily units, 2,300 single family units, 2.5 million square feet of commercial and industrial, and 1.3 million square feet of office and retail
- On July 19, 2023, Caliber sold 38 lots in its Ridge at Johnstown, CO project for \$3.8 million. The lots were part of Caliber’s holdings where it owns over 600 acres of land through various funds

Note: Refer to Definitions and Non-GAAP Measures.

⁽¹⁾ Asset management run rate is based on the AM Revenue for the month ended June 30, 2023.



Consolidated Statements of Operations

CALIBER COS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues				
Asset management fees	\$ 1,229	\$ 1,135	\$ 2,511	\$ 2,066
Performance allocations	12	103	2,438	2,405
Transaction and advisory fees	665	1,750	1,419	2,371
Consolidated funds – hospitality revenue	16,273	14,242	39,482	32,813
Consolidated funds – other revenue	2,266	1,451	4,117	3,328
Total revenues	20,445	18,681	49,967	42,983
Expenses				
Operating costs	6,820	2,829	11,324	5,218
General and administrative	1,426	2,149	3,242	4,137
Marketing and advertising	325	765	678	1,005
Depreciation and amortization	137	7	269	16
Consolidated funds – hospitality expenses	20,749	12,685	41,032	29,826
Consolidated funds – other expenses	1,949	2,030	3,874	4,469
Total expenses	31,406	20,465	60,419	44,671



Consolidated Statements of Operations (Cont.)

CALIBER COS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Consolidated funds - gain on sale of real estate investments	—	—	—	21,530
Other income (loss), net	546	(3)	1,065	216
Interest income	96	3	194	3
Interest expense	(1,261)	(175)	(2,092)	(344)
Net (loss) income before income taxes	(11,580)	(1,959)	(11,285)	19,717
Provision for income taxes	—	—	—	—
Net (loss) income	(11,580)	(1,959)	(11,285)	19,717
Net (loss) income attributable to noncontrolling interests	(5,854)	(1,499)	(4,352)	19,628
Net (loss) income attributable to CaliberCos Inc.	(5,726)	(460)	(6,933)	89
Basic net (loss) income per share attributable to common stockholders	\$ (0.29)	\$ (0.03)	\$ (0.37)	\$ 0.01
Diluted net (loss) income per share attributable to common stockholders	\$ (0.29)	\$ (0.03)	\$ (0.37)	\$ 0.01
Weighted average common shares outstanding:				
Basic	19,612	17,791	18,901	17,873
Diluted	19,612	17,791	18,901	19,750



Consolidated Balance Sheet

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash	\$ 1,335	\$ 1,921
Restricted cash	2,330	23
Real estate investments, net	21,411	2,065
Due from related parties	7,675	9,646
Investments in unconsolidated entities	3,246	3,156
Operating lease - right of use assets	215	1,411
Prepaid and other assets	2,722	5,861
Assets of consolidated funds		
Cash	7,220	5,736
Restricted cash	10,527	8,254
Real estate investments, net	219,834	196,177
Accounts receivable, net	1,700	2,228
Notes receivable - related parties	31,657	28,229
Due from related parties	4	15
Operating lease - right of use assets	8,780	8,769
Prepaid and other assets	10,356	5,343
Total assets	<u>\$ 329,012</u>	<u>\$ 278,834</u>



Consolidated Balance Sheet (Cont.)

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Liabilities and Stockholders' Equity		
Notes payable	\$ 54,964	\$ 14,653
Notes payable - related parties	—	365
Accounts payable and accrued expenses	7,784	6,374
Buyback obligation	—	12,391
Due to related parties	101	171
Operating lease liabilities	131	1,587
Other liabilities	560	64
Liabilities of consolidated funds		
Notes payable, net	147,277	134,256
Notes payable - related parties	10,391	6,973
Accounts payable and accrued expenses	9,792	9,252
Due to related parties	129	68
Operating lease liabilities	12,419	12,461
Other liabilities	2,852	3,030
Total liabilities	<u>246,400</u>	<u>201,645</u>



Consolidated Balance Sheet (Cont.)

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Liabilities and Stockholders' Equity		
Preferred stock Series B, \$0.001 par value; 12,500,000 shares authorized, no shares issued and outstanding as of June 30, 2023 and 1,651,302 shares issued and outstanding as of December 31, 2022	—	—
Common stock Class A, \$0.001 par value; 100,000,000 shares authorized, 13,820,978 and 10,790,787 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	14	11
Common stock Class B, \$0.001 par value; 15,000,000 shares authorized, 7,416,414 shares issued and outstanding as June 30, 2023 and December 31, 2022	7	7
Paid-in capital	38,979	33,108
Less treasury stock, at cost, 277,342 shares repurchased and 3,432,351 forward repurchase shares as of December 31, 2022. As of June 30, 2023, there was no treasury stock or forward repurchase shares	—	(13,626)
Accumulated deficit	(31,060)	(22,709)
Stockholders' equity (deficit) attributable to CaliberCos Inc.	7,940	(3,209)
Stockholders' equity attributable to noncontrolling interests	74,672	80,398
Total stockholders' equity	82,612	77,189
Total liabilities and stockholders' equity	<u>\$ 329,012</u>	<u>\$ 278,834</u>

EBITDA and Adjusted EBITDA Reconciliation

The following table presents a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA for periods presented (in thousands)

	Three Months Ended June 30,	
	2023	2022
Net loss	\$ (11,580)	\$ (1,959)
Interest expense	1,261	175
Depreciation expense	137	7
Consolidated funds' EBITDA adjustments	7,003	4,906
Consolidated EBITDA	(3,179)	3,129
Share buy-back	—	79
Stock-based compensation	1,922	75
Public registration costs	—	779
Consolidated Adjusted EBITDA	(1,257)	4,062
Intercompany eliminations	1,781	1,293
Non-controlling interest Adjusted EBITDA eliminations	(2,851)	(5,884)
Caliber Adjusted EBITDA	\$ (2,327)	\$ (529)

Asset Management Revenue Run Rate. This is an estimate that annualizes asset management revenue, which are on a basis that deconsolidates the consolidated funds.

Assets Under Development. We define development, redevelopment, construction, and entitlement projects that are underway or are in the planning stages as Assets Under Development (“AUD”). This category includes projects we are planning to build on undeveloped land. 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, is \$2.2 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 assets under development 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.

Consolidated EBITDA and Consolidated Adjusted EBITDA. We present **EBITDA** and **Adjusted EBITDA**, which are not recognized financial measures under U.S. GAAP, as supplemental disclosures because we regularly review these measures to evaluate our funds, measure our performance, identify trends, formulate financial projections and make strategic decisions.

Consolidated EBITDA represents the Company’s and the consolidated funds’ earnings before net interest expense, income taxes, depreciation and amortization. Consolidated Adjusted EBITDA represents Consolidated EBITDA as 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.

Caliber Adjusted EBITDA represents Consolidated Adjusted EBITDA 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.

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. We generally use these non-U.S. GAAP financial measures to evaluate operating performance 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 eliminate the impact of selected charges that may obscure trends in the underlying performance of our business. Because not all companies use identical calculations, our presentation of Consolidated EBITDA, Consolidated Adjusted EBITDA, and Caliber Adjusted EBITDA may not be comparable to similarly identified measures of other companies.

Consolidated EBITDA, Consolidated Adjusted EBITDA, and Caliber Adjusted EBITDA are not intended to be measures of free cash flow for our discretionary use because they do not consider certain cash requirements such as tax and debt service payments. 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.

Definitions and Non-GAAP Measures

Fair Value Assets Under Management ("FV AUM"). FV AUM is defined as the aggregate fair value of the real estate assets the Company manages from which it derives 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.

Managed Capital. We define managed capital as the total equity capital raised by the Company from investors for its investment 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 asset management fees are based on a percentage of managed capital and monitoring the change and composition of managed capital provides relevant data points for Caliber management to further calculate and predict future earnings.

