

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**OF**  
**ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST**

For the period from formation on September 6, 2024 to December 31, 2024

Dated: April 29, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") outlines the Anthem Citizen Real Estate Development Trust (the "REDT") operating strategies, risk profile considerations, business outlook and analysis of its results of operations and financial conditions for the period ended December 31, 2024. This MD&A should be read in conjunction with the audited consolidated financial statements of the REDT ("Financial Statements") and accompanying notes for the period from formation on September 6, 2024 to December 31, 2024 as well as the REDT's prospectus dated October 16, 2024 (the "Prospectus"). The REDT's Financial Statements and the Prospectus are available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

The REDT's Board of Trustees (the "Board") approved the content of this MD&A on April 29, 2025. Disclosure in this document is current to that date unless otherwise stated.

The REDT was formed for the purpose of indirectly owning an interest in a real estate development project known as Citizen, located in the Metrotown neighbourhood of Burnaby, British Columbia (the "Project"). On October 29, 2024, the REDT invested in the Anthem Metro King Developments LP (the "Project LP") and acquired an indirect interest in the Project. The Project LP was formed as a limited partnership under the laws of British Columbia on May 21, 2019, pursuant to a partnership agreement, as amended on November 29, 2019 and October 29, 2024. The General Partner, Anthem Metro King Developments GP Ltd., has the authority to administer and carry out the day today business and affairs of the Project LP. The Project LP's registered and head office is located at Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver, BC, V7X 1K8, Canada. The REDT is managed by Anthem Properties Group Ltd (the "Manager"). Metro King Developments GP Ltd. engaged the Manager and certain of its affiliates, to manage the project including providing development management, construction management, and sales & marketing services. Property management services will be provided by the Manager following completion of construction of the project.

### CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward looking information may relate to the REDT's future outlook and anticipated events, including expectations regarding the Project, including its disposition, and the timing thereof, future results, performance, achievements, prospects or opportunities for the REDT or the real estate industry and may include statements regarding the financial position, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of, or involving, the REDT. Such forward-looking information in some cases, can be identified by terminology such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the REDT's control, affect the operations, performance and results of the REDT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

Material factors and assumptions used by management of the REDT to develop the forward-looking information include, but are not limited to, the REDT's current expectations about: real property ownership and revenues; construction and development risk; obtaining necessary building permits for the Project; the realization of property value appreciation and timing thereof; the inventory of mixed-use properties; competition from developers of mixed-use properties; the Burnaby, British Columbia real estate market; government legal and regulatory changes; property encumbrances relating to the Project; significant fixed expenditures and fees in connection with the maintenance, operation and administration of the Project; closing and other transaction costs in connection with the disposition of the Project; the availability of financing and current interest rates; revenue shortfalls; assumptions about rental growth rates, hotel occupancy and average daily rates in the Canadian mixed-use real estate market; demographic trends; fluctuations in interest rates; litigation risks; the relative illiquidity of real property investments; the Canadian

economic environment; the geographic concentration of the REDT's business; natural disasters and severe weather; demand levels for mixed-use properties in the Metro Vancouver area and local economic conditions; negative geopolitical events; public health crises; the capital structure of the REDT; distributions; capital depletion; potential conflicts of interest; reliance on the good faith and ability of the Project manager to manage and operate the Project; reliance on property management companies; the limited operating history of the REDT; the limited experience of management of the REDT with respect to managing a reporting issuer; the limited liquidity of the REDT's trust units; and tax laws and policies. While management of the REDT considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although the Manager believes that the expectations reflected in such forward-looking statements are reasonable and represent the REDT's internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the REDT's control, may affect the operations, performance and results of the REDT, and could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include, among other things, the availability of mortgage financing for the Project, and general economic and market factors, including interest rates, prospective purchasers of real estate, the attractiveness of the Project and the ability of the REDT to achieve a liquidity event, business competition, public health crises and disease outbreaks, changes in government regulations or income tax laws, and the further risks identified herein, including at "Risk Factors".

Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information. The forward-looking information included in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Except as specifically required by applicable Canadian securities law, the REDT undertakes no obligation to update or revise publicly any forward-looking information, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

## **BASIS OF PREPARATION**

The Financial Statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board. The Financial Statements have been prepared on a historical cost basis. Unless otherwise stated, amounts expressed in this management's discussion and analysis are in CAD dollars (\$).

The Financial Statements have been prepared for the specific purposes of reporting on the financial position, financial performance, changes in equity and cash flows of the REDT as required by applicable Canadian securities laws.

## **BUSINESS OVERVIEW AND RECENT DEVELOPMENTS**

The REDT is an unincorporated investment trust established and governed by the laws of the Province of British Columbia pursuant to a declaration of trust dated September 6, 2024, which was subsequently amended on October 16, 2024 (the "Declaration of Trust"). The registered and head office of the REDT is Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver, BC, V7X 1K8, Canada. The REDT was established for the purpose of indirectly owning an interest in the Project. The development site is located in the heart of Metrotown, directly across Kingsway Boulevard from the Metropolis at Metrotown shopping centre (British Columbia's largest shopping centre) and within close proximity to the Metrotown SkyTrain station (approximately 650 meters). The development will feature a 66-storey mixed-use tower comprised of 738,712 square feet of gross floor area. The tower will include the following uses: (i) 372 condominium units (top 34 storeys of the building); 200 market rental units; 73 non-market, affordable rental units; 176 hotel suites; and 4,881 square feet of retail space.

On October 29, 2024, the REDT completed an initial public offering of 8,200,000 REDT units for gross proceeds of \$82,000,000. The REDT invested the net proceeds to acquire a controlling, 72% limited partnership interest in the

Project. The previous owners of the Project LP hold Class B units and retained an indirect 28% non-controlling interest in the Project (“Previous Owners”).

The following table represents the net assets acquired by the REDT in connection with the transaction:

Date of acquisition	October 29, 2024
Property under development	\$ 148,826,654
Intangible assets	13,546,360
Deposits held in trust	972,061
Cash	177,694
Debt on property	(45,267,000)
Working capital, net	(32,880,232)
Deposits on real estate sales	(26,822,061)
Loans payable	(13,492,657)
Due to related parties	(7,836,880)
Related party loans payable	(230,000)
Non-controlling interests	(36,993,939)

The Project LP acquired land for \$60,500,000 plus closing costs on November 29, 2019. Following this acquisition, the Project LP completed significant pre-development work including rezoning, permitting, site clearing and demolition. In August 2023, pre-sale activities for the strata residential units commenced, with the Project LP achieving sufficient pre-sales to date to support the requirements of the construction financing facility. On October 31, 2024, the Project LP acquired the Neighbouring Property (as such term is defined in the Prospectus) which was required to obtain the necessary crane swing and underpinning easement rights for the Project. The excavation permit was received on August 9, 2024, allowing excavation and shoring to commence on schedule in October 2024 with expected completion in the summer of 2025. The foundation and underground parkade construction process is underway and is expected to be completed early 2026. Following completion of the foundation and underground parkade, construction of the superstructure will begin and is expected to be completed in 2029. While construction of the superstructure is ongoing, between 2028 and 2029, the building finishes are expected to be installed. Following installation of the building finishes, construction of the Project will be complete. Following construction completion, the Project is expected to achieve the closing of the strata units, the sale of the rental and commercial components and the Liquidity Event (as such term is defined in the Prospectus). The Manager intends to achieve a Liquidity Event within five years of October 29, 2024 (the “Closing Date”). Refer to Article 4.5 The Project - Development Plans within the Prospectus for a further breakdown of the development milestones and costs. The Project is currently on schedule and budget and tracking towards the milestones included in the Prospectus.

### ***Investment Objectives***

The REDT’s investment objectives are to:

- (a) Provide unitholders with an opportunity to indirectly own an interest in the Project, and
- (b) declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent available); and
- (c) achieve a Liquidity Event.

### ***Investment Strategy***

The Manager is seeking to: (i) construct the intended mixed-use tower comprising 372 strata residential units, 73 non-market, affordable rental units, 176 hotel suites and 4,881 square feet of retail space, (ii) occupy and sell all 372 strata residential units, (iii) occupy, lease-up and stabilize intended rental units, (iv) operate and stabilize the intended

commercial component, (v) operate and actively manage the intended commercial and rental building components following occupancy with the intention of maximizing net operating income of the building, and (vi) complete a Liquidity Event. The Manager utilizes its past experience constructing, occupying, leasing, stabilizing, refinancing and ultimately monetizing assets of similar quality and size.

### ***Investment Restrictions***

The Declaration of Trust provides certain restrictions on investments that may be made directly or indirectly by the REDT. The assets of the REDT may be invested only with the approval of the Board and only in accordance with the following restrictions:

- (a) the REDT may invest, indirectly through the Project LP, in the Project and assets ancillary thereto necessary for the operation of the Project, including following completion of development of the Project, and such other activities as are consistent with the other investment restrictions;
- (b) other than investments in the Project LP and its subsidiaries for purposes of investing in the Project, as described herein, the REDT shall not, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the REDT, including for greater certainty, joint venture arrangements with Anthem (as such term is defined in the Prospectus). For purposes hereof, a “joint venture arrangement” is an arrangement between the REDT and one or more other persons (including for greater certainty, Anthem) pursuant to which the REDT, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the REDT and in respect of which the REDT may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity, or through a tenancy-in-common at a Project level;
- (c) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment restrictions and operating policies of the REDT, the REDT may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Board);
- (d) the REDT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (e) notwithstanding any other provisions of the Declaration of Trust, the REDT shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the REDT not qualifying as a “unit trust” and a “mutual fund trust”, that would result in the REDT, the Project LP or any other investee of the REDT being a “SIFT trust” or a “SIFT partnership”; or that would result in any Units not being “qualified investments” for trusts governed by Plans, in each case within the meaning of the Tax Act;
- (f) the REDT shall not invest the Net Subscription Proceeds (as such term is defined in the Prospectus) in securities of a publicly traded entity; and
- (g) if the REDT invests, directly or indirectly, in securities of an issuer managed by the Manager or any of its affiliates, there will be no duplication of fees chargeable in connection with such investment.

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

### *Financial Performance*

The REDT's financial performance for the period from formation on September 6, 2024 to December 31, 2024 is summarized below:

	Period from formation on September 6, 2024 to December 31, 2024
General and administrative	\$168,135
Asset management fee	136,667
Sales and marketing	6,628
Loss and comprehensive loss	\$311,430
Loss and comprehensive loss attributable to:	
Non-controlling interests	\$(311,430)

The REDT's financial position as at December 31, 2024 is summarized below:

	December 31, 2024
Property under development	168,121,708
Other assets	29,964,017
Current liabilities	50,894,456
Non-current liabilities	34,949,451

### *Discussion of Operations*

#### *Results of Operations*

The Project is currently in the construction phase with excavation and shoring having commenced in October and November of 2024, respectively. With the exception of costs associated with sales and marketing of the Project, certain pre-construction costs, and general and administrative expenses of the REDT and the Project LP, all of the costs incurred during the period ended December 31, 2024, have been capitalized to the property under development.

#### *Asset Management Fee*

Pursuant to the management agreement signed on October 29, 2024 (the "Management Agreement"), the Manager is entitled to receive an annual fee in the amount of 1% of the gross subscription proceeds per annum. A total fee of \$136,667 has been accrued as at December 31, 2024, and will be paid upon a Liquidity Event, assuming the Minimum Returns (as such term is defined in the Prospectus) is achieved.

#### *General and Administrative*

Other expenses for the period from formation on September 6, 2024 to December 31, 2024 primarily consisted of accounting fees and miscellaneous general expenses.

### ***Loss and Comprehensive Loss***

As the Project is in the construction phase, the majority of the costs incurred are capitalized to the property under development. The loss and comprehensive loss of \$311,430 for the period from formation on September 6, 2024 to December 31, 2024 was primarily due to the asset management fee, accounting costs and other expenses.

### ***Property Under Development***

The following table highlights key changes to the property under development since October 29, 2024, the date of acquisition:

	December 31, 2024
Balance, beginning of period	\$ -
Acquisition of property under development	148,826,654
Acquisition of Neighbouring Property	12,392,826
Development costs	6,362,302
Capitalized borrowing costs	539,926
Balance, end of period	\$ 168,121,708

The Project comprises two adjacent land parcels. The first parcel was included in the property under development indirectly acquired by the REDT on October 29, 2024. This parcel is the location of the Project. The second parcel of land is the Neighbouring Property, acquired by the REDT on October 31, 2024 for \$12,000,000 plus closing costs, which does not form the lands required for construction of the Project. The Neighbouring Property was acquired by the REDT to obtain necessary crane swing and underpinning rights for the Project. The Neighbouring Property will be sold at market value prior to the Closing Date.

Additions to the property under development in the amount of \$6,362,302 have been incurred from the date of acquisition on October 29, 2024 to December 31, 2024. These costs primarily related to construction costs, including excavation, shoring and shotcrete, demolition, miscellaneous permits, and construction management fees. Additional soft costs incurred include development management fees, consultant costs, and insurance costs.

### ***Annual Cash Flows***

The following table details the changes in cash for the period from the date of formation, September 6, 2024, to December 31, 2024.

	December 31, 2024
Cash (used in) operations	\$ (46,966,489)
Cash from financing	61,296,726
Cash from investments	177,694
Increase in cash, being cash, end of period	\$ 14,507,931

Cash on hand at December 31, 2024 was \$14,507,931.

Cash used in operations for the period ended December 31, 2024 was \$46,966,489, primarily pertaining to additions to the property under development from the date of acquisition and changes in operating cost working capital. Included in changes in working capital were the payments of the bonus density of \$26,132,950 and development management fees of \$5,224,261, both of which were accrued in accounts payable and accrued liabilities and capitalized to the property under development that were acquired on October 29, 2024. Remaining additions from the date of acquisition to December 31, 2024 included the acquisition of the Neighbouring Property for \$12,000,000 plus

closing costs and construction costs including excavation, shoring and shotcrete and additional soft costs funded of \$3,890,342.

Cash proceeds from financing activities for the period ended December 31, 2024 was \$61,296,726. The cash flow was a result of the \$82,000,000 of proceeds from the initial public offering on October 29, 2024, net of issuance costs of \$6,440,691. The proceeds were partially used to repay loans payable assumed as part of the acquisition of the Project LP and other finance costs totalling \$14,262,583.

Cash from investing activities for the period ended December 31, 2024 was \$177,694, relating to cash acquired in connection with the investment.

### ***Liquidity and Capital Resources***

The REDT expects to be able to meet all of its obligations, including distributions to Unitholders, as they become due. The REDT has capital sources to fulfill its commitments including reserves from the proceeds of the initial public offering and a committed construction financing facility. Specifically, during the period ended December 31, 2024, the REDT entered into a \$458,560,000 construction financing facility to fund the construction of the Project. The construction financing facility bears interest only payments at an interest rate of prime + 1.00% or CORRA + 2.80% per annum. Included in the construction financing facility is a letter of credit facility of \$8,000,000 bearing a fee of 1.20% per annum, based on the face amount of each letter of credit issues. The construction financing facility is due on demand with a maturity date of February 28, 2030. Subsequent to December 31, 2024, the initial draw on the construction financing facility was funded.

The REDT does not expect to have cost overruns in respect of the Project and the Manager has budgeted contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, Anthem has committed to provide the equity for such cost overruns by acquiring Cost Overrun Units (as such term is defined in the Prospectus).

### ***Material Accounting Policies***

A summary of the material accounting policies is available in Note 2 of the Financial Statements.

### ***Use of Estimates and Judgements***

The preparation of Financial Statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. A full list of critical judgements and estimates can be found in Note 2(c) of the Financial Statements.

### ***Equity Attributable to Unitholders***

The REDT is authorized to issue two classes of REDT interests. Initially, an unlimited number of Class A units (the "Class A units") and Class F units ("Class F units", and collective, with the Class A units, the "Units") have been authorized for issuance. The Class A Units and Class F Units are denominated in CAD. As of the date of this MD&A, the REDT had 5,658,870 Class A Units and 2,541,130 Class F units issued and outstanding, all of which were issued in connection with the initial public offering.

Each Unitholder is entitled to one vote per unit and votes of Unitholders will be conducted with holders of Class A Units and Class F Units voting together as a single class. Notwithstanding the foregoing, if the Board determines that the nature of the business to be transacted at a meeting affects Unitholders of one class of units in a manner materially different from its effect on Unitholders of another class of units, the Units of such affected class will be voted separately as a class.

### ***Financial Instruments***

Pursuant to the initial public offering, the REDT received cash for issuance of Units. Management believes the REDT is not exposed to significant interest, currency or credit risks from the cash. The cash is carried at amortized cost.

### **RELATED PARTY TRANSACTIONS AND ARRANGEMENTS**

For the period from formation on September 6, 2024 to December 31, 2024, the REDT entered into various transactions with related parties which are described below. The REDT's related parties are all entities related by virtue of common control with one of the Previous Owners.

#### ***Development Management Agreement***

Pursuant to the amended and restated development management agreement, the Manager, has been retained to provide development management services to the Project. The Manager is entitled to a development management fee equivalent to 3.0% of the total hard and soft costs of the Project, inclusive of previously spent costs which have been capitalized to the Project, but excluding land, financing, administrative and equity raising costs (including legal expenses relating thereto). The development management fee is a customary fee charged on market terms that is considered a project cost. Development management fees are capitalized to the property under development. Included in due to related parties and accounts payable and accrued liabilities is \$142,480 and \$142,480, respectively, related to unpaid fees as at December 31, 2024.

#### ***Construction Management Agreement***

Pursuant to the construction management agreement, APG Construction Ltd. provides construction management services to the Project. APG Construction Ltd. is entitled to a construction management fee equivalent to 3.0% of the Total Construction Cost (as such term is defined in the Prospectus). The construction management fee is a customary fee charged on market terms that is considered a project cost. Construction management fees are capitalized to the property under development. Included in accounts payable and accrued liabilities as at December 31, 2024 is \$45,085 due to unpaid fees.

#### ***Sales and Marketing Agreement***

Pursuant to the sales and marketing agreement, Anthem Realty Ltd. ("Anthem Realty") provides sales and marketing management services for the benefit of the Project LP in exchange for a commission of 2.0% of the net selling price for each unit sold. As at December 31, 2024, \$5,293,184, is recorded as an intangible asset related to sales commissions contracts acquired as at the acquisition date, all of which were charged by Anthem Realty prior to October 29, 2024. Included in due to related parties as at December 31, 2024 is \$2,646,592 due to unpaid sales commissions to be settled upon closing of the respective strata residential unit.

#### ***Property Management Agreements (Commercial)***

Pursuant to the property management agreement in connection with the commercial component, the Manager and Anthem Realty provide property management services for the benefits of the Project LP. The property manager is entitled to a fee equivalent to the greater of (i) 4.0% of the Gross Rents (as such term is defined in the respective property management agreement) and (ii) a \$4,000 per month minimum fee applicable only during the lease-up period; and (b) leasing fees as follows where no third-party broker is involved, 5% of the first year's net rent, 3% thereafter for the initial ten year term, and 50% of such fee for renewals; or (ii) where a third party broker is involved, \$1.75 per square foot of the leasable premises as an override fee. During the period ended December 31, 2024, no amounts were charged to the Project LP pursuant to this agreement.

#### ***Property Management Agreements (Residential Rental)***

Pursuant to the property management agreement in connection with the residential rental component, the Manager and Anthem Realty provide property management services for the benefits of the Project LP. The property manager is entitled to a fee equivalent to the greater of (i) 4.0% of the Gross Rents (as such term is defined in the respective

property management agreement) and (ii) a \$4,000 per month minimum fee applicable only during the lease-up period; and (b) a leasing fee equal to the first month's rent for each leased unit, and \$225 for any renewal thereafter. During the period ended December 31, 2024, no amounts were charged to the Project LP pursuant to this agreement.

### ***Management Agreement***

The REDT has entered into a Management Agreement with the Manager. The Manager provides the REDT with the strategic, advisory, asset management, and administrative services necessary to manage the day-to-day operations of the REDT.

The services provided by the Manager under the terms of the Management Agreement include, without limitation: (a) liaising with legal and tax counsel, (b) conducting continuous analysis of market conditions to monitor the REDT's indirect investment in the Project, (c) advising the REDT with respect to a disposition of the Project, (d) providing investor communication and reporting services to the REDT, and (e) doing all such other acts or things and entering into agreements or documents on behalf of the REDT to seek to achieve the investment objectives of the REDT.

In consideration for the Manager's services, the REDT pays the Manager an asset management fee (the "Asset Management Fee") equal to 1% per annum of the Gross Subscription Proceeds (as such term is defined in the Prospectus). The Asset Management Fee accrues on a monthly basis until the earlier of the occurrence of a Liquidity Event and the date which is five years following the Closing Date, but will only be payable following the completion of a Liquidity Event and provided that the Minimum Return is achieved. The Manager does not receive payment of the Asset Management Fee during the development phase of the Project. In the event that a Liquidity Event is proposed by the Manager that would result in the Minimum Return being achieved but is not approved by Unitholders, the Asset Management Fee will continue to accrue until such time as a Liquidity Event is achieved. As of December 31, 2024, asset management fees of \$136,667 have been accrued. Asset management fees are expensed and not capitalized to the property under development.

The following table details the fees incurred for the period from formation on September 6, 2024 to December 31, 2024.

	2024
Development management fees <sup>(1)</sup>	\$ 5,509,221
Construction management fees	96,199
Asset management fees	136,667
	<b>\$ 5,742,087</b>

<sup>(1)</sup> The development management fees paid by the Project during the period ended December 31, 2024, included \$5,224,261 that was accrued in due to related parties and capitalized in property under development, as at the date of acquisition. The remaining fee of \$284,960, was charged to the Project following the date of acquisition to December 31, 2024.

### ***Due to Related Parties***

During the period ended December 31, 2024 the REDT repaid a loan, provided to the Project LP by an entity related by virtue of common ownership of the Previous Owners, of \$230,000. The amounts were due on demand, non-interest bearing and were used to fund ongoing development costs of the Project.

As at December 31, 2024, due to related parties includes \$324,870 owed to the Manager related to unpaid fees of \$279,147 and development costs paid on behalf of the REDT. The amounts are due on demand and are non-interest bearing. Due to related parties as at December 31, 2024 also includes \$2,646,592 due to Anthem Realty related to unpaid sales commissions to be settled upon closing of the respective strata residential unit

All of the above transactions are measured in terms of the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

The REDT does not employ key management personnel. Management services, strategic oversight, accounting and administrative duties of managing the Project are managed through the Development Management Agreement and Construction Management Agreement.

### **CARRIED INTEREST**

The holders of Class B units of Project LP are entitled to a carried interest, being the distribution after payment of Minimum Return of 15% per annum on Gross Subscription Proceeds by the REDT to the Unitholders and an equivalent minimum return (including, for greater certainty, the return of invested capital) to Anthem as the holder of Cost Overrun Units, if any, and the payment of an equivalent minimum return (including, for greater certainty, a return of invested capital) to the Previous Owners, and, for greater certainty, the payment of the Asset Management Fee, as applicable, a distribution of 70% of all further distributions made by the Project LP to the Previous Owners, wherein the Carried Interest calculation is calculated at a Unit class level after having allocated the appropriate amounts to the Unit class based on the proportionate class interest (as such terms are defined in the Prospectus).

As at December 31, 2024, the REDT did not recognize a provision for carried interest.

### **RISK MANAGEMENT**

The REDT's activities expose it to financial risk including interest rate risk, credit risk and liquidity risk. The responsibility to manage risk rests with the Project GP, in conjunction with the Manager. The overall risk management strategy seeks to minimize potential adverse effects on the financial performance of the Project.

#### **(a) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The REDT's debt on property bears interest at floating rates. As such, fluctuations in interest rates will impact the cost of financing in the future. The REDT would be negatively impacted if interest rates were to increase beyond currently forecasted future interest rates.

The REDT includes forecasted future interest rates in its budgeting and forecasting process and monitors its interest rate exposure on an ongoing basis.

#### **(b) Credit risk:**

Credit risk is the risk of financial loss to the REDT if a customer or counterparty to a financial asset fails to meet its contractual obligation. The REDT is exposed to credit risk relating to non-performance of purchasers on presales. The REDT mitigates its credit risk by requiring graduated deposits from buyers and withholding real estate title until final payments are received.

#### **(c) Liquidity risk:**

Liquidity risk is the risk that the REDT will not be able to meet its financial obligations as they fall due in the normal course of business. The financial liabilities of the REDT consist of debt on property, due to related parties and accounts payable and accrued liabilities.

The following were the contractual maturities of financial liabilities and other commitments as at December 31, 2024:

	< 1 year	> 1 year	Total
Debt on property	\$ 45,267,000	\$ -	\$ 45,267,000
Due to related parties	188,203	2,783,259	2,971,462
Accounts payable and accrued liabilities	5,439,253	4,612,911	10,052,164
	\$ 50,894,456	\$ 7,396,170	\$ 58,290,626

Due to related parties and accounts payable and accrued liabilities that have contractual maturities beyond one year pertain to construction holdback payables, an environmental provision for soil remediation and sales commissions payable at closing of the respective strata residential unit.

As at December 31, 2024, the REDT continues to meet its contractual obligation with normal payment terms.

Cash flow from financing activities represents the primary source of liquidity to the entity. The entity's cash flow from financing activities is dependent upon equity invested by its investors and receipt of construction financing from a lender. The REDT manages this risk through detailed monitoring of budgeted and projected Project costs and cash requirements. The Manager has formal monthly meetings addressing the expected cash inflows and outflows to reduce any potential liquidity risk and is also in constant discussions with lenders regarding renewal terms in the normal course of business. The acquisition loan matured on December 31, 2024, and was fully repaid through the initial draw on the construction financing facility, subsequent to December 31, 2024. The construction financing facility is due on demand and does not include any financial covenants. Based on the nature of the financing, the borrowers long history and relationship with the lenders, and the fact that the Project is on schedule and on budget, management's view is that the liquidity risk arising from a potential demand repayment is remote. Management believes that future funding of operations will be satisfied from current cash on hand, funding of construction financing, or additional contributions pursuant to the cost overrun units, if required.

As at December 31, 2024, the REDT continues to meet its contractual obligations with normal payment terms.

## **OFF-BALANCE SHEET ARRANGEMENTS**

In the normal course of development, the REDT is required to issue letters of credit to the City of Burnaby (or other beneficiaries). These letters of credit are to secure the Projects obligations pursuant to development agreements signed with the beneficiaries and include a wide range of works and services, such as those related to off-site civil works, street lighting, on-site and off-site landscaping, public art, energy standards, and various public amenities. The beneficiaries have the right to call on the letters of credit if the Project LP defaults on its obligations, which obligates the REDT to pay money to the beneficiaries based on terms outlined in the letters of credit. Under IFRS, these letters of credit are disclosed as commitments of the REDT and only recorded on the audited consolidated financial statements if they are drawn upon.

Under the terms of the REDT's acquisition loan, a letter of credit facility is available to fund these obligations up to \$7,000,000, bearing fees at 1.20% per annum, as at December 31, 2024. As at December 31, 2024, the REDT has total outstanding letters of credit of \$6,295,563.

## **RISK FACTORS**

There are certain risks inherent in an investment in the Units and in the activities of the REDT, including the factors listed below and other events and factors which are beyond the control of the REDT. Risks and uncertainties are disclosed in the REDT's Prospectus, in the Risk Factors section that is available at [www.sedarplus.com](http://www.sedarplus.com). If any of the following risks, or if others occur, the REDT's business, operating results and financial condition could be seriously harmed, and investors may lose all of their investment. Risks affecting the REDT will affect its ability to make distributions on its Units. Investors should consider the following risks associated with an investment in Units:

### **Risks Related to Real Estate Industry, the Projects and the REDT's Business**

An investment in Units is an investment in Canadian real estate through the REDT's direct interest in the Project. Investment in real estate is subject to numerous risks, including the factors listed below and other events and factors which are beyond the control of the REDT:

#### ***Real Property Ownership and Revenue Risks***

All real property investments are subject to a degree of risk and uncertainty. There can be no assurance that the Project will be developed or operated successfully, that the operations of the REDT will be profitable or that cash from operations will be available to make distributions to Unitholders. Because real estate, like many other types of long-

term investments, experiences significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Project that even the combination of experience and knowledge may not be able to avoid. The REDT's revenues as well as the marketability and value of the Project will depend on many factors beyond the control of the REDT, including, without limitation: (i) changes in general economic conditions (such as the availability, terms and cost of financing or developments with respect to global trade policies); (ii) local economic conditions (such as business layoffs, industry slowdowns, changing demographics, neighbourhood characteristics and other factors); (iii) local real estate conditions (such as an oversupply of properties or a reduction in demand for real estate in the area); (iv) changes in occupancy rates; (v) competition from other available properties; (vi) the ability of the REDT to provide adequate maintenance at competitive costs; (vii) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (viii) changes in governmental rules and fiscal policies; (vii) various uninsured or uninsurable risks; (ix) civil unrest; (x) acts of God and natural disasters; and (xi) acts of war or terrorism. In the event that the Project experiences any of the foregoing events or occurrences, the value of, and return on, the Project would be negatively impacted.

There can be no assurance of profitable operations once development of the Project is complete because the costs of operating the Project, including debt service, may exceed gross rental income therefrom, particularly since certain expenses related to real estate, such as property taxes, utility costs, maintenance costs, insurance, certain professional services and all related charges, must be made regardless of whether the Project is producing sufficient income to service such expenses, and such costs even tend to increase even if there is a decrease in the REDT's income from its investment in the Project. Any financing procured for the Project could or will require debt service payments. There is also no assurance that there will be a ready market for the Project because, as outlined below, investments in real estate generally are not liquid. Future profits, if any, will depend upon various factors, including the growth of the Metro Vancouver area and the regions around the Project, the success, if any, of the development and marketability of the Project, the receipt of applicable government approvals, the application of government regulations and enforcement of such regulations and general political and economic conditions.

In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the REDT's investment may be incurred. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the REDT's financial condition.

The likelihood of success of the REDT must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any real estate investment. If the REDT fails to address any of these risks or difficulties adequately, its investment performance likely will suffer. There is no assurance that the REDT can operate profitably or that the REDT will successfully implement its plans.

### ***Construction and Development Risk***

The Project will be subject to a number of risks inherent in the development, marketing, sale and construction of mixed-use development projects, including: (i) the potential that the REDT may fail to recover expenses already incurred if it abandons the development of the Project; (ii) construction or development costs may exceed original estimates, possibly making the Project less profitable than originally estimated, or unprofitable; (iii) the time required to complete the construction or development of the Project may be greater than anticipated, thereby adversely affecting the REDT's cash flow and liquidity projections; (iv) the cost and timely completion of construction (including risks beyond the REDT's control, such as weather, labour conditions, labour and material shortages and increased labour and materials costs); (v) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (vi) the failure to achieve expected occupancy levels within the projected time frame, if at all; (vii) delays with respect to obtaining additional required permits and governmental approvals; (viii) changes in real estate, tax, zoning, environmental and land use laws; (ix) occupancy rates and rents of the completed Project may not be sufficient to make it profitable; (x) environmental risks, including environmental conditions not identified in due diligence and future environmental concerns; (xi) the REDT's ability to dispose of the Project could be impacted by the ability of prospective buyers to obtain financing; (xii) the potential for undisclosed liabilities relating to the Project; and (xiii) the availability and pricing of financing to fund the REDT's development activities on favourable terms or at all.

The Project's viability and profitability are also dependent on a certain construction timeline being met. If there should be a significant delay in the provision of services to meet the construction timeline or construction of the Project, the Project's viability and/or profitability may be materially adversely affected.

The above risks could result in substantial unanticipated delays or increased costs and expenses and, under certain circumstances, could prevent the initiation of development activities or the completion of development activities once undertaken and affect the operation, profitability and viability of the Project. In addition, development projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have an adverse effect on the REDT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders in the future.

### ***Financing Risks***

Although the Construction Loan Lenders (as such term is defined in the Prospectus) have committed to provide debt financing to the Project, the Manager may not be able to complete the construction of the Project or refinance such debt financing. If a default occurs under any debt financing, the Construction Loan Lenders could exercise their rights including, without limitation, foreclosure or sale of the Project.

### ***Rental Income Risks***

The Project is expected to generate income primarily through rent payments made by the tenants thereof pursuant to standard form leases which are in place for each developed mixed-use unit. Upon expiry of any lease, there can be no assurance that it will be renewed or that the tenant will be replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. If a significant number of tenants of the Project are unable to meet their obligations under their leases or if a significant amount of available space in the Project becomes vacant and cannot be re-leased out to tenants on economically favourable terms, the Project may not generate revenues sufficient to meet Operating Expenses, including debt service and capital expenditures, and Distributable Cash will be adversely affected (as such terms are defined in the Prospectus).

There is also a risk that net operating income for the Project will not reach targeted levels and thus will impact the valuation on sale of the rental components of the Project.

### ***Project Risk***

The Manager has estimated that the total cost necessary to carry out the proposed development of the Project will be \$621,712,000. If the Project is unable to be developed, there could be a material adverse effect on the REDT's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholder in the future. The REDT does not expect to have cost overruns and the Manager has budgeted contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, Anthem Developments has agreed that Anthem will subscribe for Cost Overrun Units. However, there can be no guarantee that the Previous Owners will comply with this obligation or that such funds will be available, or that if available, that the cost overrun will be satisfied in full (as such terms are defined in the Prospectus).

There is no assurance that the Project will be successful. The potential return to investors depends on the revenues generated by the Project, expenses incurred, costs and time to construct the Project, as well as the price achieved through a Liquidity Event, and/or the ability of the REDT to consummate a Liquidity Event (as such term is defined in the Prospectus). However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the REDT.

The Project will be subject to the risks inherent in the marketing, construction and sale of mixed-use buildings in Burnaby, British Columbia, including, but not limited to, the inability to obtain construction financing (if needed) on reasonable terms or at all, the inability or failure or unwillingness, when and if required, to provide or procure guarantees, security and other credit support to secure project financing, fluctuations in interest rates, fluctuations in or volatility of real estate markets (particularly the mixed-use property market in Burnaby, British Columbia) and

general economic conditions, construction delays due to force majeure, strikes, shortages of materials or labour, competition from other properties, limits on insurance coverage, and increases in construction costs caused by general economic conditions.

### ***Requirements Under Municipal Affordable Housing and Rent Control Policies***

The Project is subject to the City of Burnaby rental use zoning policy (“RUZP”) and will provide 73 nonmarket, affordable rental units. The RUZP requires 20% of the total strata unit count to be nonmarket, affordable rental units. Affordability levels of these rental units are to be set at 20% below Canada Mortgage and Housing Corporation (“CMHC”) market median rates for the applicable CMHC Market Rental Survey Zone. Rents can be increased annually according to BC Residential Tenancy Act maximums and can be readjusted to 20% below CMHC market median rents when tenants change.

### ***Negative Cash Flow from Operating Activities***

During the period from formation on September 6, 2024 to December 31, 2024, the REDT incurred negative cash flow from operating activities. To the extent the Project has negative cash flow from operating activities in future periods, the Project may be required to seek alternative forms of debt or equity financing, including Anthem acquiring Cost Overrun Units (as such terms are defined in the Prospectus). There can be no assurance that debt or equity financing will be available to the Project or, if available, will be on terms acceptable to the Project. In addition, to the extent that the Project has negative cash flow from operating activities in future periods, it may be required to deploy a portion of its existing working capital to fund such negative cash flow from operating activities. The REDT does not anticipate that the Project will generate positive cash flows from operations until its completion.

### ***General Competition from Other Real Property Developers***

The market for mixed-use projects in Burnaby, British Columbia is competitive, and the Project faces competition with numerous developers continuously undertaking and marketing projects in such market. In the future, this level of competition may increase if and as existing developers and/or operators become more successful and new developers and/or operators enter the market. Competing developers may in the future develop and/or own developments that compete directly with the Project, or otherwise offer lower prices, better locations, better services or other attractive features, which may heighten competition. Maintaining a competitive position may require continued investment in the Project. In the face of competition, the Project may lose existing and potential condominium buyers, and there may be pressure to discount sale prices below what would otherwise be charged in order to attract buyers. As a result, the Project’s revenues may decrease, which could impair the REDT’s ability to satisfy debt service obligations and its ability to pay distributions.

### ***Environmental Matters***

Under various environmental laws, the Project LP could become liable for the costs of abatement, removal or remediation of certain hazardous substances that may have been or may in the future be located on, in, under or released from the Project, or may have liability for offsite migration of such substances. The failure to deal effectively with such substances may adversely affect the Manager’s ability to sell the Project or to borrow using the Project as collateral, and could potentially also result in claims against the Project LP by third parties. In addition, if hazardous substances are located on, in, under or released from, the Project, the Project LP could incur substantial liabilities through a private party personal injury claim, a claim by an adjacent property owner for property damage or a claim by a governmental entity, including fines and penalties. The costs of defending these claims, conducting environmental remediation, complying with orders by governmental authorities for the Project LP to study, contain, stop and/or remedy any contamination, resolving liabilities to third parties or responding to changed conditions, could have a material adverse effect on the REDT’s business, financial condition and results of operations which may impact the REDT’s ability to meet its investment objectives.

The Environmental Assessment (as such term is defined in the Prospectus) is based solely on (i) data and information collected during the preparation of the Environmental Assessment, and (ii) site conditions encountered at the time of the site visits by the environmental consultant who prepared the Environmental Assessment. Based on the results of

the Environmental Assessment, and in accordance with the terms of the agreement with the City of Burnaby, the REDT has accrued \$1.58 million as at December 31, 2024, to complete the necessary environmental remediation work.

Despite the conclusions of the Environmental Assessment as discussed in the Prospectus, there is a risk that unforeseen contamination requiring abatement, remediation or containment may be discovered. Additional material costs could also arise as a result of the discovery of unforeseen or unknown adverse environmental conditions.

### ***The Metro Vancouver Real Estate Market***

The Project is subject to the risks associated with fluctuations in or the volatility of the Metro Vancouver real estate market. The demand for newly constructed condominium units in the Metro Vancouver area is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, rates of immigration to Canada (and to Metro Vancouver in particular), the supply of new units, and general economic conditions. The Metro Vancouver real estate market is subject to change, and there can be no assurance that demand for the remaining unsold newly constructed condominium units in the Metro Vancouver area will not decline. A decrease in demand for, or increase in the supply of, condominium units in the Metro Vancouver area could materially adversely affect the Project's profitability. Some of the same factors that impact demand for new condominium in the Metro Vancouver area also impact the new purpose built rental apartment market. Demand and rental rates for new rental apartments can also be affected by the supply of new units and general economic conditions. Any significant increase in supply of new rental apartments, a reduction in immigration to Canada (with corresponding decreases of immigrants moving to the Metro Vancouver area) or a deterioration in general economic conditions that, in either case, results in lower demand for rental apartments could have a negative impact on achievable rents and therefore, the Project's profitability. New government policy that limits rent increases or constrains a landlord's ability to manage tenancies could also adversely affect profitability of the rental apartments in the Project. In addition, potential changes to federal immigration policy that reduce the number of immigrants permitted entry to Canada, or the number of residents granted permanent residency, could also adversely affect the profitability of rental apartments in the Project. Profitability of the Project as it relates to its commercial component is most impacted by competition of nearby commercial/retail operations and general economic conditions. Any extended period of poor economic conditions in the Metro Vancouver area that impact consumer spending could reduce demand for the commercial space, which in turn would negatively affect the Project's profitability.

### ***Geographic Concentration and Local Economic Conditions***

The Project is located in Burnaby, British Columbia. As such, the REDT is susceptible to local economic conditions, which impact the supply of and demand for mixed-use properties in this area. If there is a downturn in the local economy, the Project could be materially adversely affected to a greater extent than if the REDT owned a more geographically diversified real estate portfolio. An important part of the REDT's business plan is based on the belief that property values for mixed-use properties in such market will continue to improve over the next several years. There can be no assurance as to the extent property values in such market will remain high or continue to grow. If this market experiences economic downturn in the future, the value of the Project could decline and the REDT's ability to execute its business plan may be adversely affected, which could adversely affect the REDT's financial condition and operating results.

### ***Natural Disasters and Severe Weather***

The Project may be impacted by natural disasters and severe weather, including floods, hurricanes, fires, earthquakes, storms, rising temperatures and other climate-related events, beyond the REDT's control. Depending on their severity, these events could cause significant damage to the Project, interruptions to the construction and development of the Project and increased insurance costs to insure the Project. There may be adverse impacts to the REDT's business if there is disruption or destruction in connection with any of these events, regardless of cause, and the REDT may, as a result, require additional time to complete the construction and/or monetize the various components of the Project and may also be required to incur significant unanticipated costs to manage the impact of these events. There is also a possibility that the REDT's ability to generate revenues from the Project could be significantly impaired by any disruption or destruction due to any such natural disasters and severe weather-related events.

### ***Regulation and Changes in Applicable Laws***

The Project is subject to laws and regulations at the federal, provincial and local level governing the ownership and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in Applicable Laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Project (including with retroactive effect). Any changes in the laws to which the Project is subject to could materially adversely affect the Project's rights and title to its assets. It is not possible to predict whether there will be any further changes in the regulatory regimes to which the REDT is subject or the effect of any such changes on its investments in the Project. Lower revenue growth or significant unanticipated expenditures may result from the Project's need to comply with changes in Applicable Laws or the enactment of new laws, including: (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on the Project or the restrictions on discharges or other conditions; or (ii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Project, including changes to building codes and fire and life-safety codes. As a result, the Project may, in the future, incur capital expenditures which may not be fully recoverable from purchasers.

### ***Property Encumbrances***

The Project may be or may become subject to various easements and charges including, without limitation, gas, water, electricity and other utility easements and rights of access and conduits to and across the Project. Where such encumbrances exist, the REDT may be required to grant or obtain additional easement area and could be responsible for the cost of moving infrastructure. In the event that the owner of an easement damages an improvement while working within the easement, the REDT could be responsible for the cost of repairs. Further, in certain circumstances if an owner of an adjoining property were to take action to block certain rights of access, the REDT may be required to seek a court order to maintain access to and from the applicable property.

### ***Access to Capital***

The real estate industry is highly capital intensive. Although the Project expects to have access to debt financing, there can be no assurances that the Project will otherwise have access to sufficient capital or access to capital on terms favourable to the Project to complete its development. Further, in certain circumstances, the Project may not be able to borrow additional funds. Market conditions and unexpected volatility or illiquidity in financial markets may inhibit the Project's access to capital. As a result, it is possible that financing which the Project may require in order to develop, may not be available or, if it is available, may not be available on favourable terms to the Project LP. Failure by the Project LP to access required capital could have a material adverse effect on the REDT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

### ***Fluctuations in Interest Rates and Capitalization Rates***

Debt financing may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Project's cost of borrowing.

As interest rates fluctuate in the lending market, generally capitalization rates will as well, which affects the underlying value of real estate. As such, when interest rates rise, capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

### ***Limited Recourse Against Property Vendor***

Unitholders will not have a direct statutory right or any other rights against the Previous Owners. The sole remedy of the REDT and any of its securityholders will be through the REDT bringing an action against the Previous Owners for any breach under the Project LP Interest Subscription Agreement (as such term is defined in the Prospectus). The Previous Owners' liability to the REDT under the purchase agreement for breach of representations and warranties is capped at \$1.4 million and no claim under such indemnity may be made until the aggregate losses for all claims arising from a breach of a representation and warranty that is the subject of the indemnity exceed \$75 thousand.

### ***Litigation at the Project Level***

The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to the Project in relation to activities that took place prior to the REDT's acquisition of an interest in the Project.

### ***Liquidity***

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. If the Project was required to be quickly liquidated, the proceeds to the REDT may be significantly less than the aggregate carrying or net asset value of the Project or less than what would be expected to be received under normal circumstances which could have an adverse effect on the REDT's financial condition and results of operations and decrease the amount of cash available for distribution. Illiquidity may result from the absence of an established market for real property investments, as well as from legal or contractual restrictions on their resale. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable, and during an economic recession the Project may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the Project to be disposed of. There can be no assurance that the fair market value of the Project will not decrease in the future.

### ***Economic Environment***

The REDT is subject to risks involving the economy in general, including inflation, deflation or stagflation, unemployment, supply chain pressures and negative geopolitical issues such as sanctions, tariffs, trade disputes, trade tensions, conflicts, the imposition of exchange controls or other cross-border trade barriers. Poor economic conditions could adversely affect the development of the Project, thereby impacting the Project's ability to generate revenues, thereby reducing its operating income and earnings. Such conditions could also have an adverse impact on the ability of the Project to maintain occupancy rates in the future which could harm the REDT's financial condition. In weak economic environments, the Project's tenants may be unable to meet their rental payments and other obligations due to the Project, which could have a material and adverse effect on the REDT. In addition, fluctuation in interest rates or other financial market volatility may restrict the availability of financing for future prospective purchasers and could potentially reduce the value of the Project or the Project's ability to generate revenues, thereby reducing its operating income and earnings.

### ***Negative Geopolitical Events May Cause Increased Economic Volatility***

Events such as war and occupation, terrorism and related geopolitical risks may lead to increased economic volatility and may have adverse short-term and long-term effects on world economies and securities markets generally, including Canadian, U.S., European and other economies and securities markets. The effects of disruptive geopolitical events could affect economies and securities markets, including in Canada and the U.S., in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks.

### ***Public Health Crises***

Public health crises relating to any virus, flu or any other similar disease or illness (each a "Health Crisis") could adversely impact the REDT, including through: a general or acute decline in economic activity in the region in which the Project is located; increased unemployment; reduced immigration; closure of college and university campuses; household consolidation (young adults moving back in with their parents); supply shortages; temporary service disruptions due to illness; government-imposed isolation programs and restrictions on the movement of personnel; and other mobility restrictions and quarantine measures; increased government regulation; inability to access governmental programs or processes on a timely basis; efficacy of governmental relief efforts; and the quarantine or contamination of the Project. Contagion in the market in which the Project is located could negatively impact the reputation or attractiveness of that market. All of these occurrences may have a material adverse effect on the business,

cash flows, financial condition and results of operations of the Project, including the valuation of the Project in connection with a Liquidity Event (as such term is defined in the Prospectus).

## **Risks Related to the REDT**

### ***Holding Entity Structure***

As a holding entity, the REDT's ability to meet its obligations, including payment of Operating Expenses (as such term is defined in the Prospectus) and distributions, depends on the receipt by the REDT of distributions from the Project LP as the principal source of Cash Flow (as such term is defined in the Prospectus). As a result, the Cash Flow (as such term is defined in the Prospectus) and ability to pay distributions on the Units are dependent upon the earnings of the Project LP and the distribution of those earnings and other funds to the REDT. The payment of distributions by the Project LP may be subject to restrictions set out in relevant tax or corporate laws and regulations, constating or constitutional documents or other governing provisions, which may require that certain Subsidiaries (as such term is defined in the Prospectus) remain solvent following payment of any such distributions. Substantially all of the REDT's business will be conducted through the Project LP.

### ***Distributions May be Reduced or Suspended***

Although the REDT intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended.

The Minimum Return (as such term is defined in the Prospectus) payable to holders of Class A Units and Class F Units is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions. Moreover, while the Minimum Return (as such term is defined in the Prospectus) is 15.0% compounded per annum, it may not be equal to 15.0% and does not mean that Unitholders should expect to receive a 15.0% compounded return per annum and return of their Gross Subscription Proceeds (as such term is defined in the Prospectus) before the Carried Interest (as such term is defined in the Prospectus) becomes payable.

### ***Reliance on Assumptions***

The REDT's investment objectives and the Manager's strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in Canada and the future of the Canadian real estate market generally. Such analysis may be incorrect and such expectations may not be realized.

### ***Payment of Minimum Return and Carried Interest***

The amounts calculated as being distributable to Unitholders for purposes of determining the Carried Interest (as such term is defined in the Prospectus) are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust.

### ***General Litigation***

In the normal course of the REDT's operations, whether directly or indirectly, it may become involved in, named as a party to, or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions in relation to, among other things, personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the REDT and, as a result, could have a material adverse effect of the REDT's assets, liabilities, business, financial condition and results of operations. Even if the REDT prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the REDT's business operations, which could have a material adverse effect on the REDT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

### ***Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the REDT***

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REDT may be dealing or may be seeking investments similar to those desired by the REDT. The interests of these persons could conflict with those of the REDT. Pursuant to the Declaration of Trust, all decisions to be made by the Board which involve the REDT are required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the REDT and its Unitholders. In addition, the Declaration of Trust contains provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. Conflicts may also exist as certain Trustees and executive officers of the REDT, namely, Eric Carlson, Elva Kim, Rob McJunkin, Rob Blackwell and Kate Ayoubi, have interests in or are otherwise affiliated with the Manager and/or its affiliates. While the executive officers of the REDT also owe fiduciary and legal duties to the REDT and its Unitholders, there can be no assurance that the provisions of the Declaration of Trust, the provisions of the Management Agreement or any internal corporate policies of the REDT, as applicable, will adequately address actual or potential conflicts of interest with respect to the Trustees and the executive officers of the REDT or that such actual or potential conflicts of interest will be resolved in favour of the REDT.

### ***Potential Conflicts of Interest with Respect to the Manager and the other Project Manager entities***

The services of the Manager as manager of the REDT, and the services of the Project Manager (as such term is defined in the Prospectus) as manager of the Project, are not exclusive. The Manager, the Project Manager (as such term is defined in the Prospectus) or any of their affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties, as well as engage in other services, as applicable.

The Manager will not have any obligation to account to the REDT, Project LP or the Unitholders for profits made in such other activities. While the Manager owes fiduciary, legal and financial duties to the REDT and its Unitholders, the Manager's continuing businesses, including its role in providing asset management services to other development projects other than the REDT, may lead to conflicts of interest between the Manager and the REDT, including in connection with a Liquidity Event, the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, or any other potential exit event with respect to the Project (as such terms are defined in the Prospectus). The REDT may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the REDT than if it were dealing with a party that was not a significant holder of an interest in the Project LP and was not a provider of asset management services to investment vehicles other than the REDT.

In addition, the Project Manager's continuing businesses, including their roles in providing construction, development and other services to Anthem (as such term is defined in the Prospectus), as applicable, may lead to conflicts of interest between the Project Manager (as such term is defined in the Prospectus) and the REDT. The REDT may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the REDT than if it were dealing with a party whose affiliates were not a significant holder of an interest in the Project LP.

### ***Insurance Coverage May be Inadequate***

The REDT will attempt to obtain adequate insurance of the type and coverage customarily obtained for properties similar to that of the Project to cover significant areas of risk to it as an entity and to the Project. However, there are types of losses at the property level, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, tornadoes, hurricanes, pollution or environmental matters, which are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. The REDT may not have adequate coverage for such losses. If the Project incurs a casualty loss that is not fully insured or the insurer is unable to pay due to insolvency, the value of the REDT's assets will be reduced by any such uninsured loss. In addition, other than any working capital reserve or other reserves the REDT may establish, it has no source of funding to contribute to repairing or reconstructing any uninsured damaged property.

### ***Reliance on the Manager***

Unitholders assessing the risks and rewards of this investment will, in large part, be relying on the good faith and expertise of the Manager and its senior executives. Moreover, the historical performance of other projects managed

by the Manager is not intended to be, nor should be construed as, an indication as to future value, success or returns in respect of the Units, the REDT or the Project.

### ***Reliance on Third-Party Property Management***

The Manager may later on rely upon independent management companies to perform property management functions in respect of the Project. To the extent the Manager relies upon such management companies, the employees of such management companies will devote as much of their time to the management of the Project as in their judgment is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Project and their other development, investment and/or management activities.

### ***Limited Operating History***

The REDT is a newly organized entity with no operating history. There is no assurance that the REDT will be able to successfully implement its business plans or operate profitably over the short term or an extended period.

### **Risks Related to Redemptions**

#### ***Use of Available Cash***

The payment in cash by the REDT of the redemption price of Units will reduce the amount of cash available to the REDT for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of such cash distributions.

#### ***Limitation on Payment of Redemption Price in Cash***

Unless the Trustees otherwise determine, the total cash amount payable on the redemption of Units by the REDT is limited to \$150,000 in the aggregate in each calendar quarter.

#### ***Payment of Redemption Price in Kind***

The redemption price of Units in excess of the cash limit described above may be paid and satisfied by way of an in specie distribution of unsecured subordinated promissory notes of the REDT or a Subsidiary of the REDT (as such term is defined in the Prospectus), as determined by the Board in its sole discretion, to the redeeming Unitholder. Such promissory notes may be illiquid and generally will not be a qualified investment for trusts governed by Plans (as such term is defined in the Prospectus). Adverse tax consequences may apply to a trust governed by a Plan (as such term is defined in the Prospectus) and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan (as such term is defined in the Prospectus). Accordingly, investors that propose to invest in Units through Plans (as such term is defined in the Prospectus) should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

### **Risks Related to Canadian Tax**

#### ***Mutual Fund Trust Status***

For the REDT to qualify as a “mutual fund trust” within the meaning of the Tax Act, it must comply on a continuous basis with certain requirements relating to the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of a particular class of its Units. The REDT intends to comply with the requirements under the Tax Act such that it will qualify at all times as a “mutual fund trust” for purposes of the Tax Act, however, no assurances can be given in this regard. Should the REDT cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Certain Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects.

#### ***Restrictions on Non-Resident Ownership***

A trust will be deemed not to be a “mutual fund trust” for purposes of the Tax Act if it is established or maintained primarily for the benefit of “non-residents”, except in limited circumstances. The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

In order to comply with the limitations on ownership by Non-Residents, the Declaration of Trust includes restrictions on the ownership of Units intended to limit the number of Units held by Non-Residents. Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units (on a number of Units or fair market value basis).

The restrictions on the issuance of Units by the REDT to Non-Residents may negatively affect the REDT’s ability to raise financing for future operations. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the Units and the price at which Units can be sold.

### ***Non-Resident Holders***

The Tax Act may impose additional withholding or other taxes on distributions made by the REDT to Unitholders who are Non-Residents. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time.

### ***Investment Eligibility***

There can be no assurance that the Units will continue to be “qualified investments” under the Tax Act for trusts governed by Plans (as such term is defined in the Prospectus). Promissory notes which may be received in connection with an in specie redemption of Units generally will not be “qualified investments” under the Tax Act for trusts governed by Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments by Plans (as such term is defined in the Prospectus).

### ***The SIFT Rules***

The SIFT Rules apply to a trust that is a “SIFT trust” or a partnership that is a “SIFT partnership”, each as defined in the Tax Act. Although, as of the date hereof, management expects that the REDT will not be a SIFT trust, and that the Project LP will not be a SIFT partnership, because investments in such entities are not, and at all relevant times will not be, listed or traded on a stock exchange or other public market (within the meaning of the SIFT Rules), there can be no assurance that the REDT will not become subject to the tax imposed by the SIFT Rules in 2024 or future years.

If the SIFT Rules were to apply to a REDT Entity, they may have an adverse impact on the REDT and the Unitholders, on the value of the Units and on the ability of the REDT to undertake financing, and Distributable Cash Flow may be materially reduced. The effect of the SIFT Rules on the market for the Units is uncertain.

### ***Taxable Income Exceeding Cash Distributions***

Whether or not the REDT pays cash distributions in a particular year, it is expected that the REDT will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that the REDT is not subject to nonrefundable tax under Part I of the Tax Act for the year. In particular, to the extent that the Project LP generates income for purposes of the Tax Act without positive cash flow (due to such income being used to fund the repayment of loans or other non-deductible expenses), then it is expected that the REDT's allocated share of such income will be made payable to Unitholders in the form of additional Units. Accordingly, Unitholders may be subject to tax under the Tax Act on their share of the REDT’s income regardless of whether cash distributions are paid.

### ***Loss Restriction Event***

Pursuant to rules in the Tax Act, if the REDT experiences a “loss restriction event”, (i) it will be deemed to have a year-end for tax purposes (which would generally result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary so that the REDT is not liable for nonrefundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization

of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the REDT will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the REDT, as such terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interest in the income or capital of the trust, together with the beneficial interests in the income or capital of the trust, as the case may be, of all persons or partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represents greater than 50% of the fair market value of all the beneficial interests in the income or capital of the trust, as the case may be. A majority-interest group of beneficiaries of a trust is generally a group of beneficiaries of the trust where, if one person held all the beneficial interests held by such group, such person would be a majority-interest beneficiary of the trust.

### ***Change of Law***

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the REDT or Unitholders. Any such change could increase the amount of tax payable by the REDT or the other REDT Entities or could otherwise adversely affect Unitholders by reducing Distributable Cash Flow (as such term is defined in the Prospectus) available for distribution to the Unitholders, or changing the tax treatment applicable to Unitholders in respect of distributions from the REDT or the sale of Units.

### **TRUSTEES AND EXECUTIVE OFFICERS**

The following are the names, city, province or state and country of residence of each of the individuals who are the Trustees and executive officers of the REDT and their principal occupations.

<b>Name, Province or State and Country of Residence</b>	<b>Position/Title<sup>(1)</sup></b>	<b>Principal Occupation</b>	<b>Term as Trustee</b>
Eric Carlson (British Columbia, Canada)	Trustee, Chief Executive Officer	Core-Founder and Chief Executive Officer of Anthem Properties Group	September 6, 2024 to present
Elva Kim (British Columbia, Canada)	Trustee, Chief Operating Officer	Chief Operating Officer of Anthem Properties Group and the President of Anthem Realty	September 6, 2024 to present
Barry Guld (British Columbia, Canada)	Independent Trustee	President of Ladaz Technologies, Inc.	September 6, 2024 to present
Paolo Kalaw (British Columbia, Canada)	Independent Trustee	Founder, Chairman and Chief Executive Officer of nimbyx	September 6, 2024 to present
Brooke Wade (British Columbia, Canada)	Independent Trustee	President of Wade Capital Corporation	September 6, 2024 to present

<b>Name, Province or State and Country of Residence</b>	<b>Position/Title<sup>(1)</sup></b>	<b>Principal Occupation</b>	<b>Term as Trustee</b>
Rob McJunkin (British Columbia, Canada)	Chief Financial Officer	Chief Financial Officer of Anthem	–
Rob Blackwell (British Columbia, Canada)	Executive Vice President, Development	Executive Vice President of Development of Anthem	-
Kate Ayoubi (British Columbia, Canada)	Senior Vice President, Financial Operations	Senior Vice President of Financial Operations of Anthem	-

<sup>(1)</sup> The individuals acting in the capacity of the REDT’s executive officers are not employed by the REDT or any of its subsidiaries, but rather are employees of the Manager or an affiliate of the Manager and provide services to the REDT and the Project LP on behalf of the Manager, pursuant to the Management Agreement.

## **REMUNERATION OF THE MANAGEMENT AND BOARD OF THE TRUST**

### ***Overview***

As of the date hereof, the REDT does not directly employ any persons who would be considered a named executive officer (“NEO”) of the REDT as such term is defined in Form 51-102F6V – Statement of Executive Compensation – Venture Issuers and the individuals acting in the capacity of the REDT’s executive officers are not employed by the REDT or any of its subsidiaries, but rather are employees of an affiliate of the Manager (in the case of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer) and provide services to the REDT, on behalf of the Manager. No compensation is paid by the REDT or its subsidiaries to these persons provided by the Manager as officers of the REDT, and the compensation received by such persons from the Manager is not within or subject to the discretion of the Trustees. The compensation paid by the REDT or its subsidiaries to the Manager for services rendered is calculated in accordance with the Management Agreement. The Manager provides such administrative, executive and management personnel as may be reasonably necessary to perform its obligations by using its own employees and consultants and is therefore responsible for all matters with respect to such employees and consultants.

### ***Compensation Discussion and Analysis***

The Independent Trustees (as such term is defined in the Prospectus) of the REDT receive annual compensation of \$15,000. The non-independent Trustees are not compensated for serving as Trustees. Eric Carlson and Elva Kim were not compensated for servings as Trustees.

No compensation was paid by the REDT to the executive officers of the REDT. Eric Carlson, Elva Kim and Rob McJunkin were not compensated by the REDT as Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, respectively.

The REDT does not and will not have a long-term incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any Trustee or executive officer of the REDT. The REDT does not and will not have any stock appreciation rights or incentive plans. The REDT has not issued and will not issue any stock options to any executive officer of the REDT or Trustee.

The REDT does not have and will not implement a pension plan for its executive officers or Trustees.

The REDT has not entered into and will not enter into any employment contracts or arrangements with its executive officers or Trustees.

### ***Table of Compensation***

The following table sets out compensation information concerning the persons determined to be NEOs and Trustees of the REDT pursuant to applicable securities laws. All amounts below are set out in Canadian dollars.

<b>Name</b>	<b>Position</b>	<b>Year</b>	<b>Salary/ Trustee fee</b>	<b>Bonus</b>	<b>Committee or meeting fees</b>	<b>Value of perquisites</b>	<b>Value of all other compensation</b>	<b>Total compensation</b>
Eric Carlson	Chief Executive Officer	2024 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil <sup>(3)(4)</sup>
Elva Kim	Chief Operating Officer	2024 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil <sup>(3)(4)</sup>
Rob McJunkin	Chief Financial Officer	2024 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil <sup>(3)</sup>
Barry Guld	Independent Trustee	2024 <sup>(1)</sup>	\$2,500 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$2,500
Paolo Kalaw	Independent Trustee	2024 <sup>(1)</sup>	\$2,500 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$2,500
Brooke Wade	Independent Trustee	2024 <sup>(1)</sup>	\$2,500 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$2,500

<sup>(1)</sup> The REDT completed its initial public offering on October 29, 2024, and accordingly, information in 2024 is presented for the period from formation on September 6, 2024 to December 31, 2024.

<sup>(2)</sup> On an annualized basis, salary/trustee fees paid to the independent Trustees for the period ended December 31, 2024 would have been equivalent to \$15,000 each.

<sup>(3)</sup> Eric Carlson, Elva Kim and Rob McJunkin are each employed by the Manager or an affiliate of the Manager. Each such NEO receives compensation from the Manager for services provided to the REDT. Compensation is paid by the Manager and there is no charge back to the REDT for such compensation.

<sup>(4)</sup> Eric Carlson and Elva Kim are not compensated by the REDT or the Manager for serving as a non-independent Trustee of the REDT.

### **AUDIT COMMITTEE**

The Board has adopted a written charter for the audit committee of the REDT which sets out the audit committee's responsibility in accordance with applicable laws including reviewing the Financial Statements and public disclosure documents containing financial information and reporting on such review to the Board, oversight of the work and review of the independence of the external auditors of the REDT and reviewing, evaluating and approving internal control procedures that are implemented and maintained by management. A copy of the audit committee charter is attached to this MD&A as "Schedule A".

The audit committee of the REDT is comprised of Barry Guld, Paolo Kalaw and Brooke Wade, all of which are “independent” and “financially literate” within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”).

**Barry Guld, Independent Trustee, Member of the Audit Committee**

Mr. Guld is the President of Ladaz Technologies, Inc. (since 1996), an investment company. He is an entrepreneur, advisor, founder and investor in healthcare and technology companies. Mr. Guld was the Founder and Chief Executive Officer of Methylation Sciences Inc., a clinical-stage pharmaceutical company, from 2007 to 2016, and was a director until 2022. Mr. Guld currently serves as a director of: the Mark Anthony Group (since January 2007), owner of brands such as White Claw; Prescriptive Health, Inc. (since April 2019), a Seattlebased Health IT platform; and Veridify Security (since January 2010), an early-stage cyber security technology company. Previously, Mr. Guld founded Zadall Systems (now part of McKesson Corporation) and was a co-founder or investor in several HealthIT companies after starting his career at IBM. Mr. Guld holds a Bachelor of Commerce Degree from the University of Manitoba.

**Paolo Kalaw, Independent Trustee, Member of the Audit Committee**

Mr. Kalaw is a Canadian entrepreneur with extensive experience in healthcare technology and business transformation. Mr. Kalaw is the Founder, Chairman and Chief Executive Officer of nimbyx (since June 2015), a private technology-focused family investment office dedicated to partnering with traditional lower mid-market healthcare and technology companies. Mr. Kalaw also currently serves as the Chairman of: Alina Aligner (since January 2022), a digital dental lifestyle brand and EVA Digital Clinic (since June 2021), a digital clinic application and telemedicine service.

Prior to his current roles, Mr. Kalaw was the Chairman of Evident Healthcare Software (from June 2015 to February 2022), a technology-enabled healthcare company focused on digital dentistry; and Frontier Dental Laboratories (from January 2013 to July 2019), a dental prosthetics provider and industry investor.

Mr. Kalaw has a Bachelor of Science from The University of British Columbia and has completed further education in strategy and execution at the London School of Business and MIT Sloan School of Management.

**Brooke Wade, Independent Trustee, Member of the Audit Committee**

Mr. Wade is the President of Wade Capital Corporation (since 1994), a private investment company active in private equity, oil and gas, real estate and industrial businesses, and energy storage technology. Having served as chief executive officer of two public companies, Mr. Wade has deep knowledge of key business issues, including finance and capital markets.

Mr. Wade was the co-founder and Chairman and Chief Executive Officer of Acetex Corporation (from 1994 to 2005), a publicly traded chemical company specializing in acetyls, specialty polymers, and films, which was acquired by Blackstone. Previously, Mr. Wade was the founding President and Chief Executive Officer of Methanex Corporation. Mr. Wade serves on the boards of Gran Tierra Energy Inc. (since 2015), an international energy company, and several private companies, including Atlas Power Technologies Inc. (a supercapacitor manufacturer), Belkin Enterprises Ltd. (an investment entity), and Big Bold Health Corporation (a health products company).

Mr. Wade earned a Bachelor of Commerce Degree from the University of Calgary, holds the Chartered Accountant designation and is a Fellow of the Institute of Chartered Accountants of British Columbia

The audit committee assists the REDT in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the audit committee is responsible for directing the auditors’ examination of specific areas, for the selection of the REDT’s independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

The audit committee will determine the Net Asset Value (as such term is defined in the Prospectus) no less frequently than quarterly based on such information as the audit committee deems appropriate, including, but not limited to, appraisals, valuations, market comparables, any notional Carried Interest (as such term is defined in the Prospectus) and other data available to the REDT. The Net Asset Value and Net Asset Value per Unit (as such terms are defined in the Prospectus) of a class or series may or may not be equal to the fair market value of the REDT or such class, or the fair market value per Unit or such class or series, as applicable, and may or may not be equal to any net asset value or net asset value per unit determined in accordance with IFRS.

The audit committee is required to review and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The audit committee has the ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan. The audit committee is also required to approve in advance any retainer of the auditors to perform any non-audit service to the REDT that it deems advisable. The audit committee is authorized to delegate pre-approval authority to any member of the audit committee. The decisions of any member of the audit committee to whom this authority has been delegated must be presented to the full audit committee at its next scheduled audit committee meeting.

At no time since the establishment of the REDT has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the Board. The audit committee has not yet adopted specific policies and procedures for the engagement of non-audit services.

#### *External Auditor Services Fee*

The following table sets forth the approximate amount of fees paid and accrued to the REDT's auditors, KPMG Canada LLP, for services rendered during the period presented in this MD&A:

<b>Fee category</b>	<b>2024</b>	
Audit fees <sup>(1)</sup>	\$	547,300
Tax fees <sup>(2)</sup>		-
<b>Total external auditor fees</b>	<b>\$</b>	<b>547,300</b>

<sup>(1)</sup>Audit fees include the aggregate professional fees billed and accrued for the audit of the annual financial statements as well as the fees paid for Prospectus and related assistance with regulatory filings and public offerings of REDT Units.

<sup>(2)</sup>Tax fees include the aggregate professional fees billed for tax compliance, tax advice, and tax planning matters.

#### **FUTURE OUTLOOK**

The objective of the Manager is to successfully develop the Property into a mixed-use tower including condominium units, market and non-market rental units, hotel suites and retail space. Following construction completion, the Project is expected to achieve the closing of the strata units, the sale of the rental and commercial components and the Liquidity Event within five years of the Closing Date.

#### **ADDITIONAL INFORMATION**

Additional information relating to the REDT can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

**SCHEDULE A  
AUDIT COMMITTEE CHARTER**

**ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST (THE “TRUST”)**

**1. Mandate**

The primary function of the audit committee (the “Committee”) is to assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements.

The Committee’s primary duties and responsibilities are to:

serve as an objective party to monitor the Trust’s financial reporting and internal control system and review the Trust’s financial statements;

review the performance of the Trust’s external auditors; and

provide an open avenue of communication among the Trust’s auditors, the trustees of the Trust and senior management of the Trust and Anthem Properties Group Ltd., in its capacity as manager of the Trust (the “Manager”).

**2. Composition**

The Committee shall be composed of three trustees of the Trust as determined by the trustees of the Trust, two of whom shall be free from any relationship that, in the opinion of the trustees, would interfere with the exercise of their independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Trust’s financial statements.

The members of the Committee shall be appointed by the trustees of the Trust. Unless a Chair is elected by the trustees, the members of the Committee may designate a Chair. The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the trustees.

**3. Meetings**

The Committee shall meet four times annually, or more frequently as circumstances dictate. If so requested by a member of the Committee, the external auditor shall attend any meeting of the committee held during the term of office of the external auditor.

**4. Authority**

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Trust. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties.

## **5. Duties and Responsibilities**

The Committee shall:

### **(a) Documents/Reports Review**

- (1) Review the Trust's financial statements, management's discussion and analysis of financial results ("MD&A") and any financial press releases before the Trust publicly discloses this information and report on such review to the trustees.
- (2) Review and assess the adequacy of procedures in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements, other than the Trust's financial statements, MD&A and financial press releases.

### **(b) External Auditor**

- (1) Oversee the work of the external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, including reviewing with management of the Manager and the external auditor the overall scope and plans for the audit.
- (2) Review annually the performance of the external auditors, who shall be ultimately accountable to the trustees of the Trust and the Committee as representatives of the unitholders of the Trust.
- (3) Recommend to the trustees of the Trust the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit review services for the Trust.
- (4) Consult with the external auditor, without the presence of management of the Manager about the quality of the Trust's accounting principles, internal controls and the completeness and accuracy of the Trust's financial statements.
- (5) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Trust's external auditors.

### **(c) Financial Reporting Processes**

- (1) In consultation with the external auditor, review with management of the Manager the integrity of the Trust's accounting and financial reporting practices and procedures, both internal and external, and approve, if appropriate, changes to the Trust's auditing and accounting practices.
- (2) Review and assist with the resolution of any significant disagreement among management of the Manager and the external auditor in connection with the preparation of the financial statements.
- (3) Establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential anonymous submission by the Manager's employees of concerns regarding questionable accounting or auditing matters.

### **(d) Risk Management**

- (1) Be aware of the risks of the business and ensure management of the Manager has adequate processes in place to monitor, manage and mitigate these risks as they arise.

## **6. Other**

The Committee shall review any related-party transactions not in the ordinary course of business in the absence of a special committee of the board of trustees designated for such purpose.