

Interim Financial Statements

# **ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST**

For the three months ended March 31, 2025

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, if an auditor has not performed a review of an entity's condensed consolidated interim financial statements, they must be accompanied by a notice indicating that such condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Anthem Citizen Real Estate Development Trust have been prepared by and are the responsibility of Anthem Citizen Real Estate Development Trust's management.

Anthem Citizen Real Estate Development Trust's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Condensed Consolidated Interim Statement of Financial Position  
(Unaudited)

	March 31, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash	\$ 1,472,937	\$ 14,507,931
Deposits held in trust	507,320	1,703,281
Other assets	263,212	206,445
	2,243,469	16,417,657
Non-current assets:		
Property under development (note 3)	173,010,363	168,121,708
Intangible assets (note 8(a))	13,546,360	13,546,360
	186,556,723	181,668,068
	<b>\$ 188,800,192</b>	<b>\$ 198,085,725</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Debt on property (note 4)	\$ 26,056,479	\$ 45,267,000
Accounts payable and accrued liabilities	4,001,930	5,439,253
Due to related parties (note 8(b))	415,805	188,203
	30,474,214	50,894,456
Non-current liabilities:		
Due to related parties (note 8(a) and 8(b))	2,988,259	2,783,259
Accounts payable and accrued liabilities	4,958,938	4,612,911
Deposits on real estate sales (note 5)	38,305,966	27,553,281
	46,253,163	34,949,451
Equity:		
Equity attributable to unitholders (note 6)	75,559,309	75,559,309
Non-controlling interests	36,513,506	36,682,509
	112,072,815	112,241,818
	<b>\$ 188,800,192</b>	<b>\$ 198,085,725</b>

Commitments and contingencies (note 11)

See accompanying notes to condensed consolidated interim financial statements.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss  
(Unaudited)

Three months ended March 31, 2025

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Expenses:		
General and administrative	\$	58,774
Asset management fee (note 8(a))		205,000
Sales and marketing		5,907
		<hr/>
		269,681
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Loss before finance income		(269,681)
Finance income		100,678
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Loss and comprehensive loss	\$	(169,003)
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Loss and comprehensive loss attributable to:		
Non-controlling interests	\$	(169,003)
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See accompanying notes to condensed consolidated interim financial statements.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Condensed Consolidated Interim Statement of Changes in Equity  
(Unaudited)

Three months ended March 31, 2025

	Equity attributable to unitholders	Non-controlling interests	Total
Balance, January 1, 2025	\$ 75,559,309	\$ 36,682,509	\$ 112,241,818
Loss and comprehensive loss	-	(169,003)	(169,003)
Balance, March 31, 2025	\$ 75,559,309	\$ 36,513,506	\$ 112,072,815

See accompanying notes to condensed consolidated interim financial statements.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Condensed Consolidated Interim Statement of Cash Flows  
(Unaudited)

Three months ended March 31, 2025

Cash provided by (used in):

Operations:

Loss for the period	\$	(169,003)
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Items not involving cash:

Asset management fees (note 8(a))		205,000
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Additions to property under development		(4,653,056)
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Deposits on real estate sales		10,752,685
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Deposits held in trust		1,195,961
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Change in non-cash operating working capital:

Other assets		(56,767)
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Accounts payable and accrued liabilities		(745,269)
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Due from related party		227,602
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6,757,153

Financing:

Proceeds from debt on real estate asset		28,519,546
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Repayment of debt on real estate asset		(45,267,000)
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Borrowing costs paid		(541,676)
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Finance costs paid		(2,503,017)
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(19,792,147)

Decrease in cash		(13,034,994)
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Cash, beginning of period		14,507,931
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Cash, end of period	\$	1,472,937
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See accompanying notes to the condensed consolidated interim financial statements.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended March 31, 2025  
(Unaudited)

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Anthem Citizen Real Estate Development Trust (the "REDT") is a newly created trust pursuant to a Declaration of Trust dated September 6, 2024, and subsequently amended on October 16, 2024, and is governed by the laws of the Province of British Columbia. The REDT was formed for the purpose of indirectly owning an interest in a real estate development project known as Citizen (the "Project"). The Project consists of the development and construction of a mixed-use tower located in Burnaby, British Columbia.

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 in Class A units of Anthem Metro King Developments Limited Partnership (the "Partnership") to acquire a 72% limited partnership interest in the Project. The previous owners of the Partnership hold Class B units and retained an indirect 28% interest in the Project. The REDT will use the proceeds to fund a portion of the costs of development of the Project.

The REDT is managed by Anthem Properties Group Ltd. (the "Manager"), a related party of the REDT by virtue of common ownership with one of the Class B unitholders of the Partnership. In accordance with the Declaration of Trust, the REDT was established with a target five-year time horizon, subject to two one-year extensions. If, based on prevailing market conditions, it is in the best interest of the REDT to defer the date of the sale of substantially all of the REDT's assets (the "Liquidity Event"), it is within the Manager's discretion to use the two one-year extensions. The Declaration of Trust further provides that timing and the amount of distributions are within the discretion of the board of trustees (the "Trustees").

The general partner of the Partnership, Anthem Metro King Developments GP Ltd. (the "General Partner"), is a related party of the REDT by virtue of common ownership with one of the Class B unitholders of the Partnership.

The registered and head office of the REDT is Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver, BC, V7X 1K8, Canada.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

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## 1. Basis of presentation:

### (a) Statement of compliance:

These condensed consolidated interim financial statements for the three months ended March 31, 2025 have been prepared in compliance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies described herein. These interim financial statements for the three months ended March 31, 2025 have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. These interim financial statements should be read in conjunction with the REDT's 2024 audited consolidated financial statements for the period from September 6, 2024 (date of formation) to December 31, 2024.

The REDT was formed on September 6, 2024. As such, no comparative information is presented for the three months ended March 31, 2025, as there were no corresponding figures for the same period in the previous year.

The condensed consolidated interim financial statements were approved by the Trustees on May 27, 2025.

### (b) Basis of preparation and measurement:

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the REDT.

These condensed consolidated interim financial statements are prepared on a going concern basis using the historical cost method.

### (c) Basis of consolidation:

The condensed consolidated interim financial statements comprise the financial statements of the REDT and a subsidiary controlled by the REDT. Control exists when the REDT is exposed to, or has the rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are consolidated from the date that control commences and continue to be consolidated until the date that control ceases.

The condensed consolidated interim financial statements reflect the financial position, results of operations and cash flows of the REDT and its subsidiary. All intercompany transactions and balances are eliminated on consolidation.



# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

## 1. Basis of presentation (continued):

### (c) Basis of consolidation (continued):

Non-controlling interests are measured initially at fair value determined in accordance with IFRS 13, Fair Value Measurement, at the date of acquisition. Changes in the interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The REDT consolidates the following material subsidiary:

	Province of registration	% of ownership
Anthem Metro King Developments Limited Partnership	British Columbia	72.3%

## 2. Material accounting policies:

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the period ended December 31, 2024.

## 3. Property under development:

On October 29, 2024, the REDT issued 8,200,000 units for gross proceeds of \$82,000,000. Agent fees and other offering related costs amounted to \$6,440,691. Concurrent with the issuance of the units, the REDT indirectly acquired a 72% controlling interest in the Project, a property under development, and contributed the net proceeds received into the Partnership.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

## 3. Property under development (continued):

The following table represents the net assets acquired 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 (note 8(a))	(7,836,880)
Related party loans payable (note 8(b))	(230,000)
Non-controlling interests	(36,993,939)

The following table summarizes the changes in property under development:

Balance, September 6, 2024 (date of formation)	\$ -
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, January 1, 2025	\$ 168,121,708
Development costs	4,257,250
Capitalized borrowing costs	631,405
Balance, March 31, 2025	\$ 173,010,363

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 was acquired by the REDT on October 31, 2024 ("Neighbouring Property"), which does not form part of the lands required for construction of the Project. This land was acquired to obtain necessary crane swing and underpinning rights for the Project.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

## 4. Debt on property:

	March 31, 2025	December 31, 2024
Acquisition loan, maturity date of December 31, 2024, with interest only payments at an interest rate of prime rate + 1.25% or CORRA + 2.75% per annum. Repaid on March 11, 2025.	\$ -	\$ 45,267,000
Construction loan, due on demand with a maturity date of February 28, 2030, bearing interest rate of prime + 1.00% or CORRA + 2.80% per annum.	28,519,546	-
	28,519,546	45,267,000
Less: unamortized deferred financing costs	(2,463,067)	-
	\$ 26,056,479	\$ 45,267,000

The REDT entered into a \$458,560,000 construction financing facility to fund the construction of the Project during the period ended December 31, 2024. The initial draw was funded during the three months ended March 31, 2025. The loan is secured by first charges on the property under development and by certain corporate guarantees provided by a company related by virtue of common ownership with one of the Class B unitholders of the Partnership. The loan includes a letter of credit facility of \$8,000,000 bearing fees at 1.20% per annum (note 11).

## 5. Deposits on real estate sales:

As at March 31, 2025, deposits on real estate sales were \$38,305,966 of which \$37,798,646 was used by the Partnership to fund development activities. The funds were made available to the Partnership upon receipt of a clearance certificate from an insurer through a third-party insurance policy which is secured by a charge on the Project.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the three months ended March 31, 2025

(Unaudited)

## 6. REDT units:

The REDT is authorized to issue various classes of trust interests. Initially, an unlimited number of Class A units and Class F units have been authorized for issuance. The Class A units and Class F units are denominated in Canadian dollars.

REDT units are redeemable at any time, in whole or in part, on demand by unitholders. Detailed redemption terms of each class of units are defined in the Declaration of Trust. In summary, the redemption price is based on an amount equal to 95% of the aggregate net asset value of issued and outstanding units for that class of unit less the redemption costs.

Unless the Trustees otherwise determine, the total amount payable by the REDT by cash payment in respect of the redemption of units for the calendar quarter shall not exceed \$150,000 in aggregate.

On October 29, 2024, the REDT completed an initial public offering of 8,200,000 units at \$10.00 per REDT unit for gross proceeds of \$82,000,000. Agent fees and other offering related costs amounted to \$6,440,691. In connection with the initial public offering, the REDT issued the following units and incurred the following agents' fees pertaining to the issuance of those units:

Unit classes	Number of units	Cost of units	Issuance costs	Initial public offering of units, net of issuance costs
Class A units	5,658,870	\$ 56,588,700	\$ 4,444,760	\$ 52,143,940
Class F units	2,541,130	25,411,300	1,995,931	23,415,369
	8,200,000	\$ 82,000,000	\$ 6,440,691	\$ 75,559,309

## 7. Income taxes:

There is no current or deferred tax expense or payable as at and for the three months period ended March 31, 2025 (December 31, 2024 - \$nil).

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

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## 8. Related party balances and transactions:

The REDT's related parties include entities related by virtue of common ownership with one of the Class B unitholders of the Partnership. Transactions with related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

### (a) Management agreements:

The REDT engaged the Manager, APG Construction Ltd. and Anthem Realty Ltd. ("Anthem Realty") for services pursuant to the development management, construction management, and sales and marketing agreements, respectively.

The Partnership is charged 3% of applicable project costs pursuant to both the development management and construction management agreements, which are capitalized to property under development.

The fees charged pursuant to the sales and marketing agreement with Anthem Realty, in the amount of 2% of the net selling price on each unit sold prior to the date of acquisition, are capitalized to intangible assets. As at March 31, 2025 and December 31, 2024, \$5,293,184 is recorded as intangible assets, all of which were charged by Anthem Realty prior to October 29, 2024. Included in due to related parties as at March 31, 2025 and December 31, 2024, is \$2,646,592 of unpaid sales commissions to be settled upon closing of the respective strata residential unit.

The Partnership also entered into property management agreements for the rental residential and commercial components with the Manager and Anthem Realty. During the period ended March 31, 2025 no amounts were charged to the Partnership pursuant to these agreements.

Additionally, on October 29, 2024, the REDT entered into a management agreement with the Manager. Pursuant to this 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 \$341,667 has been accrued as at March 31, 2025 (December 31, 2024 - \$136,667) and will be paid upon an applicable liquidity event, provided that minimum returns are achieved.

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

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the three months ended March 31, 2025

(Unaudited)

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## 8. Related party balances and transactions (continued):

### (a) Management agreements (continued):

Costs incurred for the three months ended March 31, 2025 were as follows:

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Development management fees	\$	427,440
Construction management fees		112,640
Asset management fees		205,000
	\$	745,080

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### (b) Due to related parties:

As at March 31, 2025, amounts due to related parties includes \$757,472 (December 31, 2024 - \$324,870) owed to the Manager related to unpaid fees of \$685,046 (December 31, 2024 - \$279,147) (note 8(a)) and development costs paid on behalf of the REDT. The amounts are due on demand and are non-interest bearing.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

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## 9. Distribution allocation:

The Partnership has a Limited Partnership Agreement that defines how distributions will be allocated to the REDT based on the REDT's holdings of Class A units. The partnership units held by the General Partner, Class A investors and Class B investors have rights and benefits set forth in the Limited Partnership Agreement.

The General Partner may distribute cash in respect of any fiscal year as follows: 0.1% thereof to a maximum of \$1,000 to the General Partner and the remaining 99.9% to the limited partners in order of priority set out below (assuming no cost overrun units have been issued, which none have been issued as at March 31, 2025):

- First, to the Class A investors until such unitholder has received, in the aggregate, an amount equal to a compounded per annum return of 15.0%; and
- Second, to the Class B investors until such unitholder has received, in the aggregate, an amount equal to a compounded per annum return of 15.0%.
- Thereafter to:
  - 30% to the Class A investors on a pro rata basis in accordance with the respective proportion of outstanding Class A units; and
  - 70% to the Class B investors on a pro rata basis in accordance with their respective proportion of outstanding Class B units.

## 10. Financial instruments and risk management:

### (a) Fair values:

The carrying values of the REDT's cash, deposits held in trust, due to related parties, debt on property, and accounts payable and accrued liabilities approximate their fair values due to the short-term or contractual nature of these financial assets and liabilities.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

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## 10. Financial instruments and risk management (continued):

### (b) Financial risk management:

The REDT does not enter into financial instrument arrangements for speculative purposes. The REDT may be exposed to financial risks from its normal operating activities, as follows:

#### (i) 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.

As described in note 4, 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.

#### (ii) 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.

#### (iii) 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 REDT manages this risk through detailed monitoring of budgeted and projected Project costs and cash requirements.



# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

## 10. Financial instruments and risk management (continued):

(b) Financial risk management (continued):

(iii) Liquidity risk (continued):

The REDT's management 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 construction financing facility is due on demand and does not include any financial covenants. Based on the nature of the financing, the borrower's 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.

The following were the contractual maturities of financial liabilities and other commitments as at March 31, 2025:

	< 1 year	> 1 year	Total
Debt on property	\$ 28,519,546	\$ —	\$ 28,519,546
Due to related parties	415,805	2,988,259	3,404,064
Accounts payable and accrued liabilities	4,001,930	4,958,938	8,960,868
	\$ 32,937,281	\$ 7,947,197	\$ 40,884,478

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

As at March 31, 2025, the REDT continues to meet its contractual obligation with normal payment terms.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)  
For the three months ended March 31, 2025  
(Unaudited)

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## 10. Financial instruments and risk management (continued):

### (b) Financial risk management (continued):

#### (iv) Capital management:

The REDT defines capital that it manages as the aggregate of its equity attributable to unitholders and debt. The REDT's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The REDT's liquidity needs are for development costs and scheduled debt maturities. The REDT's strategy is to meet these needs with one or more of the following: cash flow from operations, loan facilities, and refinancing opportunities. The REDT is subject to risks associated with debt financing, including the possibility that existing debt may not be refinanced or may not be refinanced on as favourable terms or with interest rates as favourable as those of the existing debt. The REDT manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The REDT monitors its capital using various financial ratios and non-financial performance indicators.

The following schedule details the components of the REDT's capital:

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Liabilities:	
Debt on property	\$ 26,056,479
Capital contributions, net of issuance costs	75,559,309
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	\$ 101,615,788

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## 11. Commitments and contingencies:

The REDT is committed to construction expenditures which have estimated costs to complete of approximately \$68,100,000 as of March 31, 2025 (December 31, 2024 - \$11,800,000) and are to be funded by the construction loan.

The REDT is contingently liable for letters of credits of \$5,889,563 (December 31, 2024 - \$6,295,563) issued in the ordinary course of business. The letter of credits guarantee payment for certain work, primarily works and services associated with engineering servicing and public art, if it is not performed to the standard required by the municipality.

# ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the three months ended March 31, 2025

(Unaudited)

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## 12. Segment reporting:

The REDT indirectly owns interests in the Project located in the Burnaby, British Columbia market. Management, when measuring the REDT performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the REDT has a single reportable segment for disclosure purposes in accordance with IFRS.