



THIS PRESS RELEASE OR THE INFORMATION CONTAINED THEREIN IS NOT BEING ISSUED AND MAY NOT BE DISTRIBUTED IN THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA OR JAPAN AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN SUCH COUNTRIES.

Media release

Zug, 18 December 2017

Varia US Properties to purchase non-controlling interests in its portfolio

Varia US Properties (the "Company") announces today that it reached an agreement with Peak Capital Partners to buy out the interests of Peak Capital Partners and its affiliates in the Company's portfolio, which are accounted for as non-controlling interests in its financial statements.

According to the agreement, the non-controlling interest holders will receive assets of the portfolio up to their net equity participation, which will be calculated based on the appraisals of December 31, 2017 prepared by Colliers. Based on the valuations of the 30 June 2017, this participation is estimated to amount to approximately USD 22.4 million. The preliminary allocation of properties will be done through a defined selection process that will be initiated promptly based on interim calculations. The preliminary allocation of properties is expected to be completed by the end of December 2017. Once the year end valuations are available, the calculations and property allocation process will be finalized. The economic transfer will take place on January 1, 2018, i.e. based on the agreed allocation of properties, the respective parties will be treated as 100% owners for economic purposes of the respective properties.

This transaction will grant the Company with 100% ownership on its remaining portfolio and it will liquidate the non-controlling interest position both in the Company's statements of financial position and statements of profit or loss and other comprehensive income. The closing of this transaction will have a corresponding impact on the Company's total assets, total liabilities and total income.

Jaume Sabater, Vice Chairman of the Company and CEO of Stoneweg SA, the asset manager of the Company, comments: "This transaction arrives at the best time, when Stoneweg has hired the necessary resources to take over the full asset management of this part of the portfolio. We expect greater efficiency in the management of Varia's total portfolio as well as a consolidation of the returns".

The transaction is subject to the approval of the lenders and of the housing authorities where applicable. It is expected that most approvals will be granted in the first quarter of 2018 and the majority of the properties will be transferred subsequently; the transfer of the last few properties is expected to only occur in September 2018.

Contact information

Juerg Staehelin, IRF Communications

Phone: +41 43 244 81 51, E-mail: investors@variausproperties.com

About Varia US Properties AG

Varia US Properties AG is a Swiss based real estate company exclusively investing in U.S. multifamily housing with a main focus on secondary and tertiary markets. Established in 2015,



THIS PRESS RELEASE OR THE INFORMATION CONTAINED THEREIN IS NOT BEING ISSUED AND MAY NOT BE DISTRIBUTED IN THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA OR JAPAN AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN SUCH COUNTRIES.

the Company acquires, holds, transitions and repositions properties in the boundaries of metropolitan regions of the U.S. in order to secure rental income and value growth. More information: www.variausproperties.com

Disclaimer

This communication expressly or implicitly contains certain forward-looking statements concerning Varia US Properties AG and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Varia US Properties AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Varia US Properties AG is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

This publication constitutes neither an offer to sell nor a solicitation to buy securities of Varia US Properties AG and it does not constitute a prospectus or a similar document within the meaning of article 652a, 752 and/or 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. The offer and listing will be made solely by means of, and on the basis of, a securities prospectus which is to be published. An investment decision regarding the publicly offered securities of the Company should only be made on the basis of the securities prospectus.

This communication is being distributed only to, and is directed only at (i) persons outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person must not act or rely on this communication or any of its contents.

This communication does not constitute an "offer of securities to the public" within the meaning of Directive 2003/71/EC of the European Union (the "Prospectus Directive") of the securities referred to in it (the "Securities") in any member state of the European Economic Area (the "EEA"). Any offers of the Securities to persons in the EEA will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Securities.

The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to US persons (as such term is defined in Regulation S under the Securities Act) unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The issuer of the securities has not registered, and does not intend to register, any portion of the offering in the United States, and does not intend to conduct a public offering of securities in the United States.

This communication is not for distribution in the United States, Canada, Australia or Japan. This communication does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction in which is unlawful to do so.