

EXPLANATORY NOTES

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DEAR SHAREHOLDERS,

I refer to the invitation to the General Shareholders' Meeting of Varia US Properties AG which will be held on Tuesday, April 25, 2023. Please find enclosed the explanatory notes to the agenda items included in the invitation.

I thank you for your trust and confidence to Varia US Properties AG.



Manuel Leuthold
Chairman
On behalf of the board of directors

EXPLANATORY NOTES

1. Approval of the management report, the statutory financial statements and the consolidated financial statements 2022

In the opinion of the board of directors the management report, the statutory financial statements as well as the consolidated financial statements have been prepared in compliance with the applicable accounting standards and the Swiss Code of Obligations, as applicable. The management report and financial statements were further audited by the Company's auditors and opined upon without qualifications. Further, the board of directors is of the opinion that there are no specific facts included in these annual report, the statutory financial statements or the consolidated financial statements, that would warrant a specific and separate discussion. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

2. Appropriation of available earnings / from capital contributions

Based on the financial performance during the past financial year as well as the currently anticipated financial needs of the Company in the upcoming financial year, the board of directors deems it most appropriate to use the available earnings as set out in the invitation. The allocation to the general legal reserves is proposed to be made from available earnings. The dividend distributions are proposed to be made in instalments and from available earnings as well as from capital contributions in equal parts. This allows the Company to further strengthen its general legal reserves and also to the shareholders to participate in the Company's successful performance. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

3. Advisory vote on compensation report

The board of directors is of the opinion that the compensation report has been prepared in compliance with the applicable accounting standards, rules and the Swiss Code of Obligations, as applicable, and in compliance with the applicable requirements on the compensations paid. The compensation report was further audited by the Company's auditors and opined upon without qualifications. Further, the board of directors is of the opinion that there are no specific facts included in the compensation report, that would warrant a specific and separate discussion. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

4. Discharge of the members of the board of directors and the executive management

The board of directors is of the opinion that the performance of each member of the board of directors, each member of the executive management, as well as all other persons involved in the management of Varia US Properties AG during the past financial year warrant the granting of the discharge by the shareholders for the same time period. Nothing has come to the attention of the board of directors, that would reasonably lead to a different conclusion. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

5. Elections

5.1 Election of the members of the board of directors

The board of directors deems the current composition of the board of directors to be well suited to the Company's needs and that it allows an efficient and well-rounded cooperation within the board of directors. Furthermore, all current members of the board of directors stand for re-election and no new members of the board of directors have been proposed or requested in the past year. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

5.2 Election of the chairman of the board of directors

The board of directors believes the current chairman of the board of directors to be well suited to lead the board of directors and to suit the Company's needs. As the current chairman stands for re-election, the board of directors believes that another year with the current chairman would be in the best interest of the Company and would ensure the continuity within organization of the board of directors. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

5.3 Election of the members of the compensation committee

The board of directors deems the current composition of the compensation committee to be well suited to the Company's needs. Furthermore, all current members of the compensation committee stand for re-election and no new members of the compensation committee have been proposed or requested in the past year. Lastly, the proposed members of the compensation committee are, in the opinion of the board of directors, to be considered independent as they are not affiliated with the operational management of the Company or major shareholders of the Company. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

5.4 Election of statutory auditors

The board of directors is of the opinion that the current auditors should be re-elected. KPMG SA is independent and well acquainted with the tasks and procedures of acting as statutory auditors and meets the legal requirements to do so for the Company. Nothing has come to the attention of the board of directors that the performance of the auditors in the past year has not been satisfactory. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

5.5 Election of independent proxy

The board of directors is of the opinion that the current independent proxy should be re-elected. Buis Bürgi AG is independent and well acquainted with the tasks and procedures of acting as independent proxy. Nothing has come to the attention of the board of directors that the performance of the independent in the past year has not been satisfactory. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

6. Approval of compensation

6.1 Approval of compensation for the board of directors

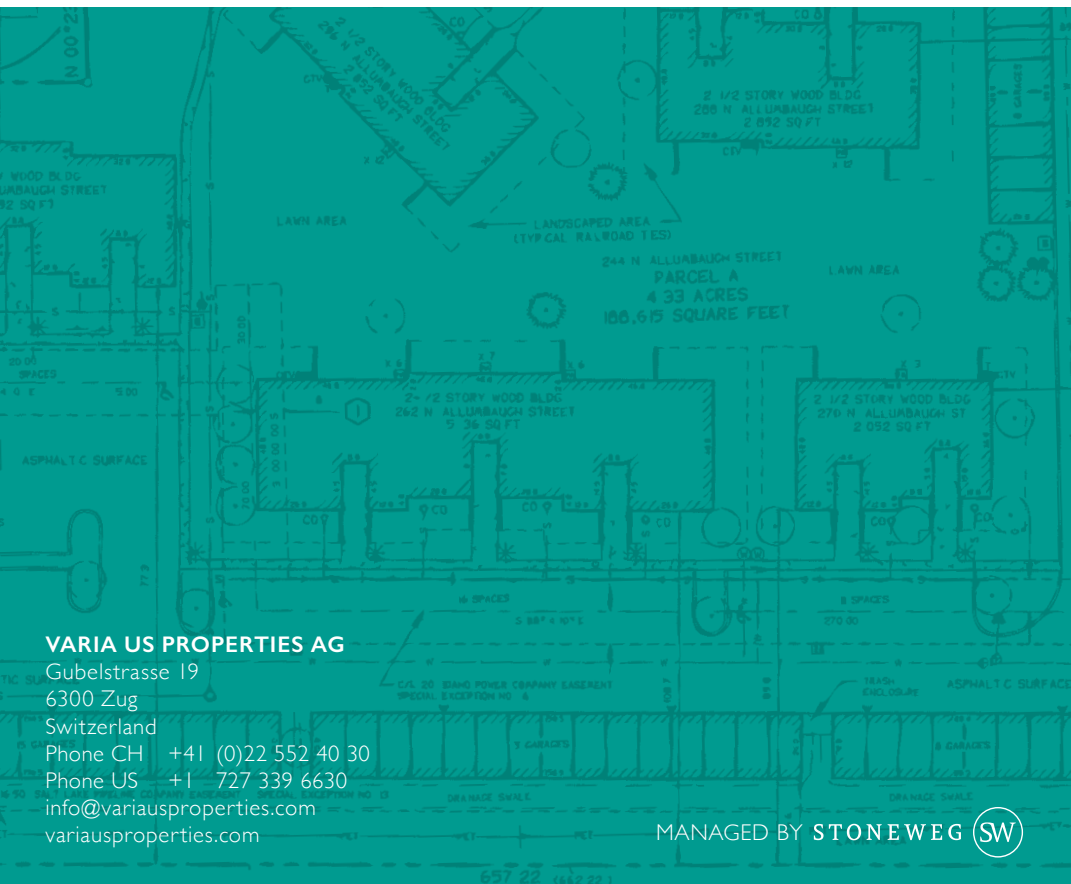
The board of directors, based on the recommendations of the compensation committee, believes that the compensation for the board of directors as proposed is in line with market practice, is appropriate in light of the work expected to be provided by the members of the board of directors and is further in line with the principles of compensation set out in the Company's articles of association. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

6.2 Approval of compensation for the executive management

The board of directors, based on the recommendations of the compensation committee, believes that the compensation for the executive management as proposed is in line with market practice, is appropriate in light of the work expected to be provided by the members of the executive management and is further in line with the principles of compensation set out in the Company's articles of association. Therefore, the board of directors makes the proposal to the General Assembly as set out in the invitation.

Zug,
Varia US Properties AG

Manuel Leuthold
Chairman
On behalf of the board of directors



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