



Media release

Ad hoc announcement pursuant to Art 53. LR

Zug, 16 May 2023

Varia US Properties AG updates on preliminary results for Q1 2023 with solid operational results and a loss due to property valuations

As previously announced by Varia US Properties AG (the “Company”) in its outlook for 2023, the first quarter of the year 2023 will present solid operating results combined however with an unrealized depreciation of the portfolio of 2.6% (USD 45 million). Altogether, the Company preliminarily expects to close Q1 2023 with a total loss of approximately USD 34 million (Q1 2022: gain of USD 101 million), driven by a lower valuation of the property portfolio based on the current market and interest rate environment.

Despite a difficult market environment during the first quarter of the year, operations have continued to perform well, and EBITDA increased by approximately 20.7% to USD 18.1 million (Q1 2022: USD 15.0 million), thanks mainly to an increase of 10.3% of rental income at USD 34.1 million (Q1 2022: USD 30.9 million). Normalized funds from operations have decreased, mainly due to higher debt costs, to approximately USD 4.9 million (Q1 2022: USD 6.8 million).

The external valuations of the Company's properties turned out lower compared to 31 December 2022: The portfolio value has decreased to approximately USD 1.659 billion (31 December 2022: USD 1.704 billion).

The Board of Directors remains very confident with the operations of the Company and confirms that dividend payments decided by the last shareholder meeting will be paid as per the defined quarterly payment dates. Unrealized losses on fair market value adjustments are market driven and do not affect the underlying operating performance of the Company.

The unaudited, preliminary results for the first quarter 2023 published in this media release are subject to change. The quarterly report Q1 2023 will be published on 24 May 2023.

Key dates

Q1 2023 Update	24 May 2023
ESG Report 2022	End of June 2023
Half-year results 2023	31 August 2023
Q3 2023 Update	27 November 2023

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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, 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

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