

# QUARTERLY REPORT Q1 2024



**VARIA**  
US PROPERTIES



289095  
NY PORTFOLIO LLC  
31.52' (316.52)

2 STORY  
244 N ALLU  
3.45

2 1/2 STORY  
288 N ALLU  
2.892

PAVED AREA  
(ALL ROAD TIES)

244 N ALLU  
PARCE  
4.33  
186.615 S

100 E 2000  
SPACES  
AS 40 E

ASPHALTIC SURFACE

WOOD BLDG  
LAUGH STREET  
SQ FT

4 SPACES

C/L 20 DIAM POW  
SPECIAL EXCEPTION

MENT SPECIAL EXCEPTION NO. 13

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## KEY FIGURES Q1/2024

### RENTAL INCOME

Q1 2023: USD 34.1 million

USD million

**28.1**

### TOTAL INCOME

Q1 2023: USD -11.1 million

USD million

**12.2**

### EFFECTIVE GROSS INCOME (EGI)<sup>1</sup>

Q1 2023: USD 40.1 million

USD million

**33.1**

### FAIR VALUE PORTFOLIO ADJUSTMENT

Q1 2023: USD -51.2 million

USD million

**-20.8**

### OPERATING LOSS

(including revaluation)  
Q1 2023: USD -33.1 million

USD million

**-6.2**

### LOSS FOR THE PERIOD

Q1 2023: USD -34.0 million

USD million

**-7.0**

### NORMALIZED FFO PER SHARE

Q1 2023: USD 0.49

USD

**0.35**

### EARNINGS PER SHARE

Q1 2023: USD -3.36

USD

**-0.69**

### NAV PER SHARE<sup>4</sup>

December 31, 2023: USD 39.23

USD

**38.48**

### EBITDA<sup>2</sup>

Q1 2023: USD 18.1 million

USD million

**14.6**

### EBITDA MARGIN

(without revaluation)  
Q1 2023: 45.0%

**44.3%**

### NORMALIZED FFO<sup>3</sup>

Q1 2023: USD 4.9 million

USD million

**3.5**

<sup>1</sup> EGI defined as total income less unrealized revaluation.

<sup>2</sup> EBITDA defined as operating profit less unrealized revaluation.

<sup>3</sup> Normalized FFO defined as FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items.

<sup>4</sup> NAV excluding distribution payable is USD 39.03 at March 31, 2024, USD 40.42 at December 31, 2023.

## SUMMARY PAGE OF KEY FIGURES

RESULTS (For the Period Ended)	Unit	March 31, 2024	March 31, 2023	Change
Rental Income	USD mio	28.1	34.1	-17.4%
<i>Rental Income like for like*</i>	USD mio	28.1	27.1	3.9%
Other Income and Insurance Proceeds	USD mio	4.9	6.0	-18.7%
Total Realized Income (total income less unrealized valuation)	USD mio	33.1	40.1	-17.6%
Realized Gains on disposal of properties	USD mio	0.0	0.0	0.0%
Unrealized Loss on revaluation of properties	USD mio	-20.8	-51.2	-59.3% <sup>3</sup>
Net Loss on revaluation of properties	USD mio	-20.8	-51.2	-59.3% <sup>3</sup>
<i>Revaluation of properties like for like*</i>	USD mio	-20.8	-48.1	-56.7% <sup>3</sup>
Total Income (Loss)	USD mio	12.2	-11.1	-210.6% <sup>3</sup>
Operating Expenses	USD mio	18.4	22.1	-16.4%
Operating Loss including revaluation	USD mio	-6.2	-33.1	-81.3% <sup>3</sup>
Operating Margin <sup>1</sup>	%	N/A	N/A	N/A
Operating Margin Excluding Revaluation <sup>2</sup>	%	44.3	45.0	-0.7%
EBITDA (Operating Loss less unrealized revaluation)	USD mio	14.6	18.1	-19.0%
EBITDA Margin	%	44.3	45.0	-0.7%
Normalized EBITDA (EBITDA less insurance proceeds)	USD mio	14.0	17.1	-18.1%
Normalized EBITDA Margin	%	43.2	42.6	0.6%
Net Loss before tax	USD mio	-11.5	-45.9	-74.8% <sup>3</sup>
Net Loss	USD mio	-7.0	-34.0	-79.4% <sup>3</sup>
Funds from Operations (FFO) (net profit or loss excluding fair value gain or loss and transaction costs, tax effected)	USD mio	8.6	4.4	96.3%
Normalized FFO (FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items)	USD mio	3.5	4.9	-29.3%
<b>BALANCE SHEET (As of)</b>	<b>Unit</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>Change</b>
Total Assets	USD mio	1,341.4	1,366.9	-1.9%
Equity	USD mio	389.6	397.3	-1.9%
Equity ratio	%	29.0	29.1	-0.1%
Interest bearing Debt (gross of unamortized debt issuance costs)	USD mio	873.3	877.6	-0.5%
Interest bearing Debt ratio	%	65.1	64.2	0.9%
Average interest of debt at the property level	%	4.6	4.6	0.0%
Average maturity of debt at the property level	years	6.2	6.5	-4.6%
<b>PORTFOLIO</b>	<b>Unit</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>Change</b>
Properties	number	31	31	0.0%
Units as of	number	8,518	8,518	0.0%
Units Like for Like as of**	number	8,518	8,518	0.0%
<i>Units Like for Like as of the Month Ending***</i>	number	8,518	8,518	0.0%
Portfolio value	USD mio	1,283.3	1,300.0	-1.3%
Portfolio Value Like for Like as of**	USD mio	1,283.3	1,300.0	-1.3%
Market value per unit	USD	150,659	152,619	-1.3%
<i>Gross Potential Income (Market per Colliers)</i>	USD mio	142.8	141.8	0.7%
Monthly rent per unit held for the full month ending	USD	1,230	1,223	0.5%
Monthly rent per unit Like for Like as of the Month Ending***	USD	1,230	1,223	0.5%
Occupancy rate as of	%	92.5	92.2	0.3%
<i>Occupancy rate Like for Like as of the Month Ending***</i>	%	92.5	92.2	0.3%
<b>SHARE INFORMATION</b>	<b>Unit</b>	<b>2024</b>	<b>2023</b>	<b>Change</b>
Market capitalization – March 31, 2024 and December 31, 2023	CHF mio	373.7	384.8	-2.9%
Earnings per share (EPS) – March 31, 2024 and 2023	USD / share	-0.69	-3.36	-79.5% <sup>3</sup>
NAV – March 31, 2024 and December 31, 2023	USD / share	38.48	39.23	-1.9%
NAV excluding deferred taxes – March 31, 2024 and December 31, 2023	USD / share	44.25	45.45	-2.7%
NAV excluding distribution payable – March 31, 2024 and December 31, 2023	USD / share	39.03	40.42	-3.4%
Share price – March 31, 2024 and December 31, 2023	CHF/ share	36.90	38.00	-2.9%
Funds from Operations (FFO) (net profit or loss excluding fair value gain and transaction costs, tax effected) – March 31, 2024 and 2023	USD / share	0.85	0.43	96.3%
Normalized FFO (FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items) – March 31, 2024 and 2023	USD / share	0.35	0.49	-29.3%

<sup>1</sup> Operating Margin is calculated as Operating Profit (Loss) including revaluation divided by Total Income. Operating Margin for the three months ended March 31, 2024 and 2023 is not applicable as an operating loss was incurred during the period.

<sup>2</sup> Operating Margin excluding revaluation is calculated as Operating Profit (Loss) less Net (Loss) Gain on revaluation of properties divided by Total Income less Net (Loss) Gain on revaluation of properties.

<sup>3</sup> Relative to Q1 2023, the loss for Q1 2024 decreased which represents income growth relative to the comparative period.

\* Like for Like compares assets that were held for the full periods of Q1 2023 and Q1 2024

\*\* Like for Like as of compares assets that were on hand on the last day of the period presented.

\*\*\* Like for Like as of the Month Ending compares assets that were held for the last full month of the period presented.

Note: Some amounts above may not add due to rounding.

## PORTFOLIO SUMMARY

as of March 31, 2024

### PORTFOLIO VALUE\*

December 31, 2023: USD 1,300.0 million

USD million **1,283.3**

### NUMBER OF PROPERTIES

December 31, 2023: 31

**31**

### NUMBER OF UNITS

December 31, 2023: 8,518

**8,518**

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### AVERAGE MONTHLY RENT PER UNIT

December 31, 2023: USD 1,223

USD **1,230**

### INTEREST-BEARING DEBT RATIO

December 31, 2023: 64.2%

**65.1 %**

### GROSS POTENTIAL INCOME\*

December 31, 2023: USD 141.8 million

USD million **142.8**

### MARKET VALUE PER UNIT

December 31, 2023: USD 152,619

USD **150,659**

### OCCUPANCY RATE

December 31, 2023: 92.2%

**92.5 %**

### EFFECTIVE GROSS INCOME\*

December 31, 2023: USD 132.7 million

USD million **133.4**

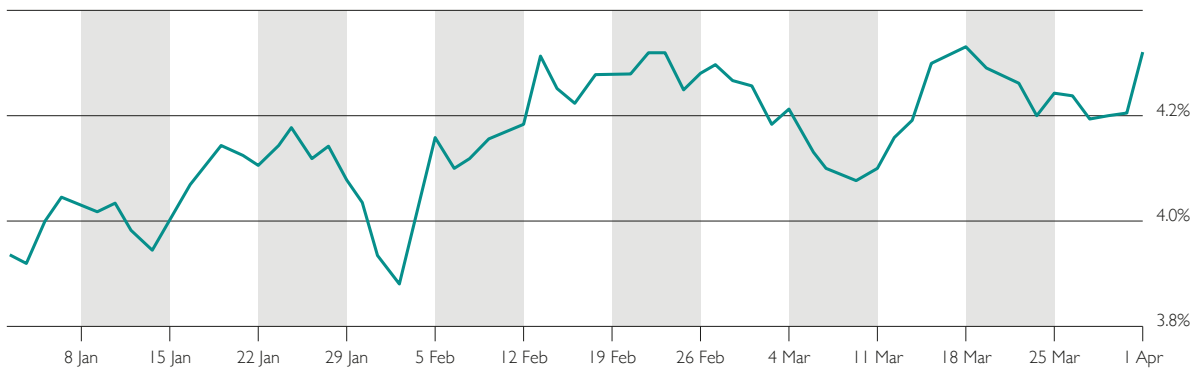
# DEAR SHAREHOLDERS,

With respect to the US real estate environment, the first quarter of 2024 can be summarized as follows:

- The 10-year Treasury has been volatile since the beginning of the year, increasing by 35 basis points between January 1 and March 31
- Inflation remained above 3%, increasing marginally from 3.1% in January 2024 to 3.5% in March 2024
- The Federal Reserve rate has remained consistent at 5.25% to 5.50%, and as a result, the Secured Overnight Financing Rate (SOFR) has also remained stable during the first quarter of 2024

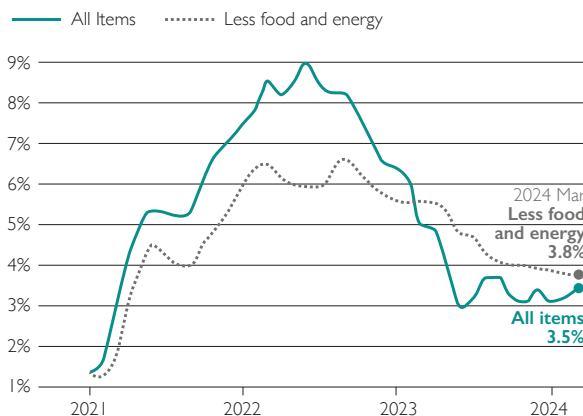
Despite a generally strong US economy and a solid labor market, the macro-economic conditions for real estate remained challenging and the dominant stance amongst market participants is still “wait-and-see”.

## 10-year Treasury rate evolution during Q1 2024



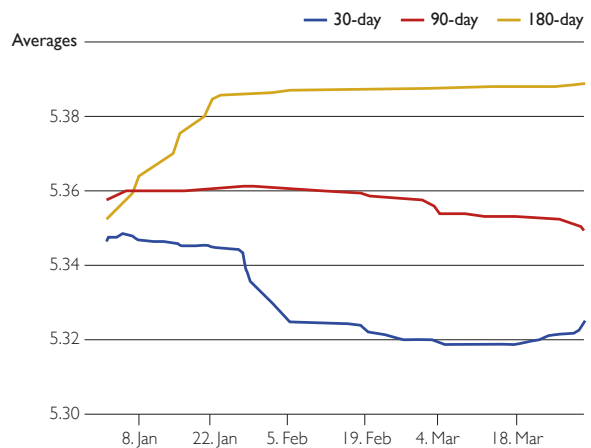
Source: [www.marketwatch.com](http://www.marketwatch.com)

## US inflation rate (2021–2024)



Source: U.S. Bureau of Labor Statistics  
Date as of April 10, 2024

## SOFR averages and index chart



Source: New York Fed

On the multifamily side, the increase in supply across major Sun Belt markets continues to put pressure on both rent growth (in absolute figures) and occupancy rate. There is a trade-off between these two metrics, and the Board of Directors of Varia US Properties pushed to find the best balance between occupancy rate and rent growth. This strategy has been successfully implemented over the last few months, as the like for like rent growth shows in the reporting period.

On the insurance side, premiums have stabilized for now with more capacity and better terms since the beginning of 2024, which is good news.

In Q1 2024, we saw only a limited number of transactions closing in the market. The bid-ask spread remains substantial, and rare are the deals that make economic sense.

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At the same time, we have seen activity on the capital raising side during this first quarter, with organizations preparing for the rebound of the market which is now expected for 2025. Deployment on the equity side is rare, except for solid development deals where return targets are met.

### Financial Statement Highlights

Due to the reduced size of the portfolio compared to the first quarter of 2023, rental income is down 17.4% at USD 28.1 million but up 3.9% on a like for like basis. This increase on a like for like basis illustrates the successful balancing of occupancy and rent growth mentioned above, as occupancy is slightly up to 92.5% on March 31, 2024, compared to 92.2% on December 31, 2023.

As anticipated in our previous communications, valuations continue to decrease, yet at a slower pace than seen in the first quarter of 2023. The appraisers have yet to take into consideration the increase of the 10-year Treasury rate after March 31, and we expect the related impact to reflect in the second quarter of 2024.

The unrealized loss on revaluation of the portfolio (USD 20.8 million for the three months ended March 31, 2024, and USD 51.2 for the three months ended March 31, 2023) significantly impacts the income statement of the Company. Unrealized losses on fair market

value adjustments are market driven and do not affect the underlying operating performance of the Company. The total income of the Company for the three months ended March 31, 2024, is positive again at USD 12.2 million (after a loss of USD 11.1 million for the three months ended March 31, 2023).

EBITDA is down 19% at USD 14.6 million and EBITDA margin remains at 44.3% (45.0% as of Q1 2023). This decrease is primarily due to a decrease in rental income (offset to some extent by a decrease in operating expenses) resulting from the disposal of 10 properties in 2023. Funds from Operations (FFO) are higher at USD 8.6 million (USD 4.4 million in Q1 2023), but normalized FFO is lower at USD 3.5 million (USD 4.9 million in Q1 2023), the main difference being the unrealized foreign currency exchange gain for the three months ended March 31, 2024.

The net loss for the reporting period is limited to USD 7.0 million (loss of USD 34.0 million for Q1 2023), and the loss per share amounts to USD 0.69 (loss of USD 3.36 in Q1 2023). These losses are driven by the unrealized fair value loss on investment property. At the end of Q1 2024, the total value of the portfolio was appraised at USD 1.283 billion (USD 1.300 billion as of December 31, 2023), which represents a decrease of 1.3%.

The weighted average cap rate has stabilized at 5.58% compared to 5.50% as of December 31, 2023.

As a result of these changes, the unaudited Net Asset Value (NAV) per share is slightly down to USD 38.48 (USD 39.23 as of December 31, 2023). Simultaneously, the share price of Varia US Properties decreased from CHF 38.1 on January 3, 2024, to CHF 36.9 as per March 31, 2024.

### Outlook

In the coming months, the Company will continue to pursue its strategy to dispose of older and more remote assets. This institutionalization of the portfolio will contribute to achieving better ESG performance, mitigate future insurance premium increases and significantly reduce future capital expenditures. It will prepare Varia US Properties to be ready for its next phase of growth.



2024 is still considered to be a year of down cycle for the US real estate industry, while the rebound of market activities is currently expected to start in early 2025.

Varia US is currently submitting its utility consumption data as well as other key indicators for the whole portfolio to GRESB for the third year in a row. The 2023 ESG report will be published by the end of June 2024.

In the coming quarters, the Board of Directors expects continued pressure on portfolio valuations due to further expansion of capitalization rates. However, operations are expected to remain strong in a challenging market. The dividend payments decided by the last Annual General Meeting of shareholders in April 2024 will be paid as per the defined quarterly payment dates in August 2024, November 2024, February 2025, and May 2025.

The Board of Directors would like to thank its shareholders for their trust and confidence.

Sincerely yours,

		
Manuel Leuthold Chairman of the Board	Jaume Sabater Vice-Chairman of the Board	Patrick Richard Executive Member of the Board

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# CONSOLIDATED IFRS FINANCIAL STATEMENTS

March 31, 2024

**CONSOLIDATED  
IFRS FINANCIAL  
STATEMENTS**

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Varia US Properties AG and Subsidiaries

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MARCH 31, 2024 AND DECEMBER 31, 2023

ASSETS	Notes	March 31, 2024 in USD	December 31, 2023 in USD
<b>Current assets:</b>			
Cash and cash equivalents		40,964,958	46,799,126
Rent and other receivables		4,055,003	5,282,492
Current portion of derivative financial instruments	8	2,191,792	2,833,857
Income tax receivable		12,600	12,600
Prepaid expenses and other current assets		1,275,602	2,311,101
Assets held for sale	1	20,200,000	–
<b>Total current assets</b>		<b>68,699,955</b>	<b>57,239,176</b>
<b>Noncurrent assets:</b>			
Investment property	1	1,263,110,000	1,300,010,000
Escrow accounts		9,421,750	9,523,176
Other assets		–	54,803
Derivative financial instruments	8	131,990	41,747
<b>Total noncurrent assets</b>		<b>1,272,663,740</b>	<b>1,309,629,726</b>
<b>Total assets</b>		<b>1,341,363,695</b>	<b>1,366,868,902</b>
<b>LIABILITIES AND EQUITY</b>	<b>Notes</b>	<b>March 31, 2024 in USD</b>	<b>December 31, 2023 in USD</b>
<b>Current liabilities:</b>			
Current maturities of interest-bearing loans and borrowings	2	14,463,391	14,463,391
Trade and other payables		19,407,026	21,520,008
Distribution payable	8	5,604,770	12,083,423
Income tax payable		2,442,581	2,505,790
Rent received in advance		1,344,918	2,100,458
Liabilities associated with assets held for sale	1	10,465,000	–
<b>Total current liabilities</b>		<b>53,727,686</b>	<b>52,673,070</b>
<b>Noncurrent liabilities:</b>			
Interest-bearing loans and borrowings, net of current maturities	2	839,595,477	853,921,771
Deferred tax liability		58,391,816	63,021,178
<b>Total noncurrent liabilities</b>		<b>897,987,293</b>	<b>916,942,949</b>
<b>Total liabilities</b>		<b>951,714,979</b>	<b>969,616,019</b>
Issued share capital		10,297,221	10,297,221
Share premium from capital contributions		191,058,954	191,058,954
Legal reserves		6,764,557	6,764,557
Revaluation reserves	3	2,127,185	2,721,938
Retained earnings		179,400,799	186,410,213
<b>Total equity</b>		<b>389,648,716</b>	<b>397,252,883</b>
<b>Total liabilities and equity</b>		<b>1,341,363,695</b>	<b>1,366,868,902</b>

The notes on pages 16 to 27 form an integral part of these financial statements.

Varia US Properties AG and Subsidiaries

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME THREE MONTHS ENDED MARCH 31, 2024 AND 2023

		Three Months Ended March 31, 2024 in USD	Three Months Ended March 31, 2023 in USD
Rental income	1	28,145,928	34,063,141
Other income	1	4,290,498	5,092,489
Insurance proceeds		628,132	956,996
Net loss from fair value adjustment on investment property	1	(20,826,858)	(51,175,096)
<b>Total income (loss)</b>		<b>12,237,700</b>	<b>(11,062,470)</b>
Real estate operating expenses	6	9,304,331	9,940,146
Expenses for third-party on-site workforces		3,569,574	4,269,158
Repairs, maintenance and minor replacements		1,876,353	2,715,315
Property management fees		921,123	1,149,328
Other expenses	6	2,761,527	3,980,843
<b>Total operating expenses</b>		<b>18,432,908</b>	<b>22,054,790</b>
<b>Operating loss</b>		<b>(6,195,208)</b>	<b>(33,117,260)</b>
Interest expense	4	10,337,371	11,843,761
Net foreign currency exchange (gain) loss	4	(4,984,486)	930,098
<b>Total finance costs</b>		<b>5,352,885</b>	<b>12,773,859</b>
<b>Loss before income tax expense</b>		<b>(11,548,093)</b>	<b>(45,891,119)</b>
Income tax benefit	5	(4,538,679)	(11,896,616)
<b>Loss for the quarter</b>		<b>(7,009,414)</b>	<b>(33,994,503)</b>
<b>Earnings per share: Basic and diluted earnings on loss for the quarter</b>		<b>(0.69)</b>	<b>(3.36)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge	3	(495,932)	(1,443,522)
Cost of hedging	3	(98,821)	446,712
<b>Other comprehensive income for the quarter</b>		<b>(594,753)</b>	<b>(996,810)</b>
<b>Total comprehensive loss for the quarter</b>		<b>(7,604,167)</b>	<b>(34,991,313)</b>

Varia US Properties AG and Subsidiaries

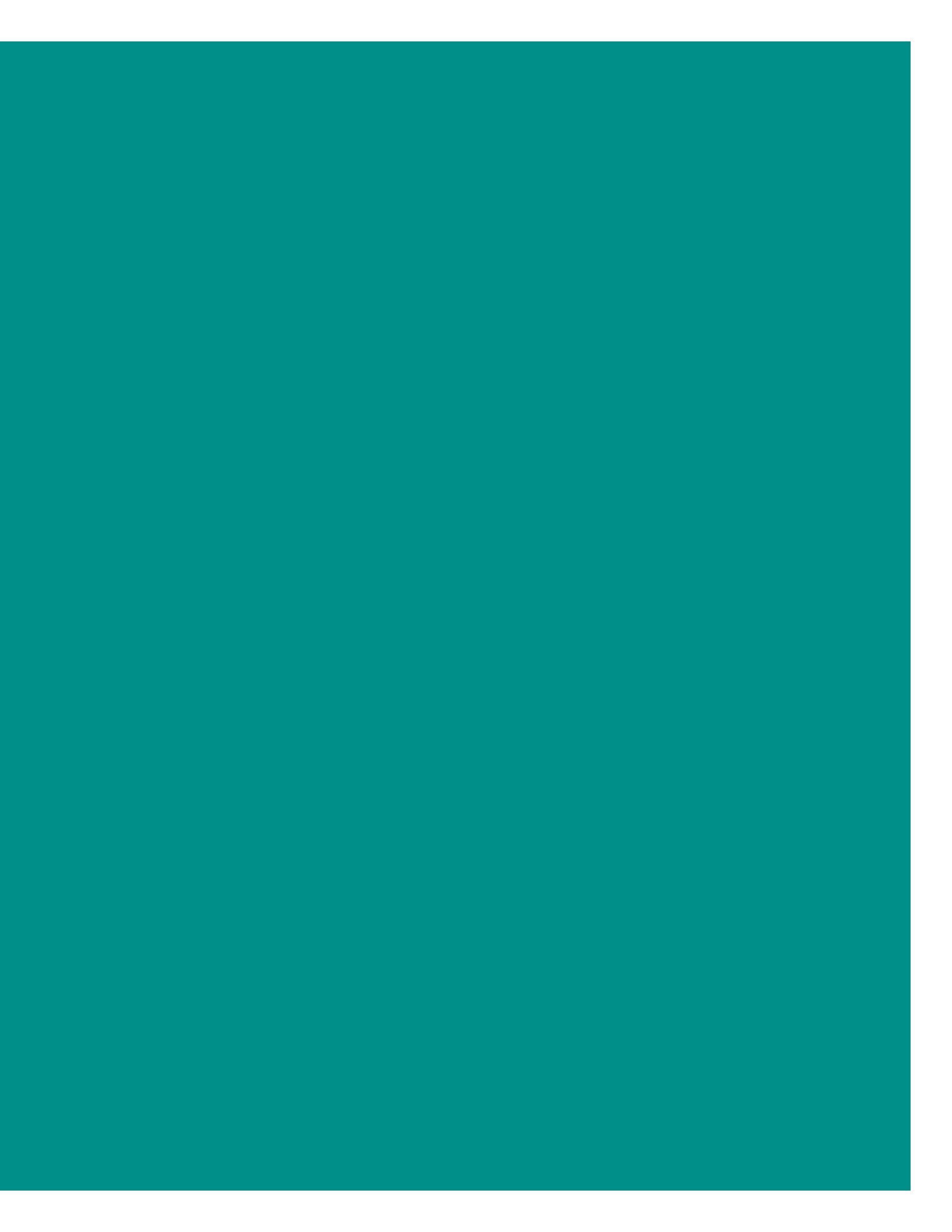
## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	Notes	Issued Share Capital in USD	Share Premium from Capital Contribution in USD	Legal Reserves in USD	Revaluation Reserves in USD	Retained Earnings in USD	Total Equity in USD
<b>Balance at December 31, 2022</b>		10,297,221	226,123,836	4,481,011	5,247,327	362,767,606	608,917,001
Loss for the period		–	–	–	–	(33,994,503)	(33,994,503)
Changes in cash flow hedging reserve		–	–	–	(1,443,522)	–	(1,443,522)
Changes in cost of hedging reserve		–	–	–	446,712	–	446,712
<b>Other comprehensive loss</b>		–	–	–	<b>(996,810)</b>	–	<b>(996,810)</b>
<b>Total comprehensive loss</b>		–	–	–	<b>(996,810)</b>	<b>(33,994,503)</b>	<b>(34,991,313)</b>
<b>Balance at March 31, 2023</b>		<b>10,297,221</b>	<b>226,123,836</b>	<b>4,481,011</b>	<b>4,250,517</b>	<b>328,773,103</b>	<b>573,925,688</b>
<b>Balance at December 31, 2023</b>		10,297,221	191,058,954	6,764,557	2,721,938	186,410,213	397,252,883
Loss for the period	3	–	–	–	–	(7,009,414)	(7,009,414)
Changes in cash flow hedging reserve	3	–	–	–	(495,932)	–	(495,932)
Changes in cost of hedging reserve	3	–	–	–	(98,821)	–	(98,821)
<b>Other comprehensive loss</b>		–	–	–	<b>(594,753)</b>	–	<b>(594,753)</b>
<b>Total comprehensive loss</b>		–	–	–	<b>(594,753)</b>	<b>(7,009,414)</b>	<b>(7,604,167)</b>
<b>Balance at March 31, 2024</b>		<b>10,297,221</b>	<b>191,058,954</b>	<b>6,764,557</b>	<b>2,127,185</b>	<b>179,400,799</b>	<b>389,648,716</b>

Varia US Properties AG and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	Notes	Three Months Ended March 31, 2024 in USD	Three Months Ended March 31, 2023 in USD
<b>Cash flows from operating activities:</b>			
Loss before income tax		(11,548,093)	(45,891,119)
<b>Adjustments to reconcile profit before income tax to net cash provided by operating activities:</b>			
Net loss from fair value adjustment on investment property	1	20,826,858	51,175,096
Finance costs	4	5,352,885	12,773,859
		<b>14,631,650</b>	<b>18,057,836</b>
<b>Working capital adjustments:</b>			
Decrease (Increase) in rent and other receivables		1,227,489	(395,046)
Decrease (Increase) in prepaid expenses and other current assets		1,035,499	(1,060,453)
Decrease (Increase) in escrow accounts		101,426	(718,953)
Decrease (Increase) in other assets		54,803	(250)
(Decrease) Increase in trade and other payables, excluding accrued interest		(2,113,107)	656,746
(Decrease) Increase in rent received in advance		(755,540)	159,610
		<b>14,182,220</b>	<b>16,699,490</b>
Income taxes received		91,714	54,061
Income taxes paid		(211,135)	(3,308,873)
		<b>14,062,799</b>	<b>13,444,678</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures on investment property	1	(4,126,858)	(6,265,096)
		<b>(4,126,858)</b>	<b>(6,265,096)</b>
<b>Cash flows from financing activities:</b>			
Interest paid		(10,875,438)	(11,816,127)
Counterparty payments received on interest rate cap option contracts		1,033,999	558,220
Payments made on purchase of interest rate cap option contracts		(85,000)	–
Proceeds from interest-bearing loans and borrowings	2	–	1,213,391
Payment of capital distribution and retained earnings		(5,782,308)	(5,514,055)
		<b>(15,708,747)</b>	<b>(15,558,571)</b>
		<b>(5,772,806)</b>	<b>(8,378,989)</b>
Cash and cash equivalents at beginning of year		46,799,126	77,354,907
Exchange loss on cash and cash equivalents		(61,362)	(89,228)
		<b>40,964,958</b>	<b>68,886,690</b>



Varia US Properties AG and Subsidiaries

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Organization and Activities

Varia US Properties AG (Varia, Parent or the Company) was created on September 17, 2015, and registered with the Zug register of commerce on September 28, 2015, under UID number CHE 320748.468. The Company is a Swiss Company limited by shares established under the relevant provisions of the Swiss code of obligations. Its address is Gubelstrasse 19, CH-6300 Zug, Switzerland.

As a Swiss real estate investment Company, Varia's purpose is to acquire, hold and sell properties in the United States of America. Accordingly, the Company is fully dedicated to investments in the U.S. multifamily real estate market. Since 2015, it has assembled a portfolio currently held through Varia's subsidiaries that mainly comprise low-moderate income and workforce multifamily housing properties. The Company and its subsidiaries (the Group) pursue a long-term growth strategy aimed at offering investors risk adjusted access to the U.S. multifamily real estate market.

The Board of Directors of the Company is ultimately responsible for the policies, valuations, and management of the Company's activities. In preparing the condensed consolidated interim financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern and accordingly to use the going concern basis of accounting. Varia has no employees as of March 31, 2024, and has never employed any staff. Common shares are listed on the SIX Swiss Stock Exchange under the symbol: VARN.

The accompanying condensed consolidated interim financial statements of the Group as of March 31, 2024, and for the three months then ended were authorized by the Board of Directors for issue on May 27, 2024. These condensed consolidated interim financial statements are presented in U.S. dollars (USD) and all values are rounded to the nearest dollar, except when otherwise indicated.

The following exchange rates have been applied to translate the foreign currencies of significance for the Company:

<b>USD/CHF average exchange rate for the period January 1, 2024 to March 31, 2024</b>	0.87390
<b>USD/CHF exchange rate at March 31, 2024</b>	0.90334
<b>USD/CHF average exchange rate for the period January 1, 2023 to March 31, 2023</b>	0.92496
<b>USD/CHF exchange rate at March 31, 2023</b>	0.91660

### Basis of Preparation and Material Accounting Policies

The condensed consolidated interim financial statements for the interim reporting period as of March 31, 2024 and for the three months then ended have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting and the Directive on Financial Reporting ("DFR") of the SIX Swiss Exchange. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report as of December 31, 2023, and for the year then ended and any public announcements made by Varia US Properties AG during the interim reporting period. The preparation of condensed consolidated interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The critical accounting estimates and judgments have been set out in detail in Note C of the Company's audited consolidated annual financial statements for the year ended December 31, 2023. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. No new accounting standards relevant for Varia US Properties AG came into force as of January 1, 2024.



## NOTE I INVESTMENT PROPERTY

No investment properties were acquired or disposed during the three months ended March 31, 2024.

	in USD
<b>Investment property and assets held for sale at December 31, 2023</b>	<b>1,300,010,000</b>
Capital improvements	4,126,858
Net loss from fair value adjustment on investment property	(20,826,858)
<b>Fair value of investment property at March 31, 2024</b>	<b>1,283,310,000</b>
Investment property held for sale	(20,200,000)
<b>Investment property excluding assets held for sale at March 31, 2024</b>	<b>1,263,110,000</b>

As of March 31, 2024, the Company had approximately USD 3.9 million of contractual obligations related to repairs, maintenance, or enhancements to its investment properties. None of the contractual obligations were with related parties. Additionally, there were no contractual obligations to purchase, construct or develop investment property.

The valuation of investment properties as of March 31, 2024 was carried out by Colliers International Valuation & Advisory Services. The external valuations were used to calculate the net loss from fair value adjustment on investment property for the three months ended March 31, 2024. See NOTE 8 – FINANCIAL RISK MANAGEMENT for additional information on valuation techniques and inputs.

### Assets Held For Sale

The Company classifies assets, or disposal groups, as held for sale when it expects to recover their carrying amounts primarily through sale rather than through continuing use. To meet the criteria to be held for sale, the sale must be highly probable and the assets or disposal groups must be available for immediate sale in their present condition. The Company must be committed to a plan to sell the assets or disposal group, the asset or disposal group must be actively marketed for

sale at a price that is reasonable in relation to its current fair value, an active program to find a buyer must be initiated, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and there should be no significant changes to the plan that might impact the sale.

One property met all five IFRS assets held for sale criteria as of March 31, 2024 with a total fair value of USD 20.2 million. Balances for the non-current investment property and the associated non-current mortgage liability have been reclassified to assets held for sale and liabilities associated with assets held for sale, respectively, as of March 31, 2024. Management assessed the related assets for impairment upon classification as assets held for sale and determined that no impairment losses were required to be recorded as the carrying amounts are expected to be recovered through sale.

The following table summarizes the recognized amounts of assets and liabilities held for sale as of March 31, 2024:

	in USD
Investment Property	20,200,000
<b>Total assets held for sale</b>	<b>20,200,000</b>
Interest bearing loans and borrowings	10,465,000
<b>Total liabilities associated with assets held for sale</b>	<b>10,465,000</b>

### Income Related to Investment Properties

The components of income related to investment properties are as follows:

	Three Months Ended March 31, 2024 in USD	Three Months Ended March 31, 2023 in USD
Rental income (in accordance with IFRS 16)	28,145,928	34,063,141
Net loss from fair value adjustment on investment property	(20,826,858)	(51,175,096)
<b>Other income (revenues from contracts with customers):</b>		
Monthly and one-time fees	2,168,247	2,932,575
Utility fees charged through to tenants	1,899,850	2,159,914
Interest Income	222,401	–
Total other income	4,290,498	5,092,489
<b>Total income (loss) related to investment properties</b>	<b>11,609,568</b>	<b>(12,019,466)</b>

## NOTE 2 INTEREST BEARING LOANS AND BORROWINGS

The Company's subsidiaries maintain mortgages with various financial institutions against investment property, collateralized by the investment property and net of debt issuance costs. Mortgages are secured by invest-

ment properties, including assets held for sale, in the amount of USD 1,283,310,000 as of March 31, 2024. No properties were disposed of or refinanced during the three months ended March 31, 2024.

	in USD
<b>Balance of mortgages as of December 31, 2023, including any liabilities associated with assets held for sale</b>	<b>809,198,648</b>
<b>Noncash movements:</b>	
Amortization of debt issuance costs	386,013
<b>Balance of mortgages as of March 31, 2024, including any liabilities associated with assets held for sale</b>	<b>809,584,661</b>
<b>Balance of bonds as of December 31, 2023</b>	<b>59,186,514</b>
<b>Noncash movements:</b>	
Amortization of debt issuance costs	67,725
Effect of foreign currency translation adjustment	(4,315,032)
<b>Balance of bonds as of March 31, 2024</b>	<b>54,939,207</b>
<b>Balance of interest-bearing loans and borrowings as of March 31, 2024</b>	<b>864,523,868</b>

The fixed and variable advance terms on the credit facilities are as follows as of March 31, 2024:

Credit Facility Loans	Lender	Interest Rate	Advance Amount in USD	Maturity Date
Fixed	Fannie Mae	2.44%	20,881,000	January 1, 2031
Fixed	Fannie Mae	2.95%	41,765,000	February 1, 2031
Variable	Fannie Mae	30 Day Average SOFR + 2.10%	10,000,000	January 1, 2031
Variable	Fannie Mae	30 Day Average SOFR + 2.45%	12,215,688	February 1, 2031
Fixed	Fannie Mae	2.82%	15,990,000	August 1, 2028
Fixed	Fannie Mae	2.70%	43,540,000	September 1, 2028
Variable	Fannie Mae	30 Day Average SOFR + 2.14%	24,083,000	October 1, 2031
Variable	Fannie Mae	30 Day Average SOFR + 2.11%	68,250,000	November 1, 2031
Variable	Fannie Mae	30 Day Average SOFR + 2.18%	42,510,000	December 1, 2031
Fixed	Fannie Mae	3.06%	17,550,000	February 1, 2029
Fixed	Fannie Mae	4.40%	46,053,000	July 1, 2032
Fixed	Fannie Mae	4.90%	111,924,000	July 1, 2032
Fixed	Fannie Mae	5.45%	20,442,000	July 1, 2032
Fixed	Fannie Mae	5.09%	31,549,000	November 1, 2032
Fixed	Freddie Mac	5.04%	125,000,000	November 1, 2029
Fixed	Freddie Mac	4.76%	29,000,000	July 1, 2028
Fixed	Freddie Mac	5.52%	20,110,000	September 1, 2028

Future scheduled principal payments based upon contractual amounts owed under the term notes, excluding any additional payments that may be required, consist of the following as of March 31, 2024:

Years Ending March 31,	in USD
2025	14,463,391
2026	56,150,955
2027	13,015,157
2028	63,716,314
2029	161,168,769
Thereafter	564,812,686
<b>Total future scheduled principal payments</b>	<b>873,327,272</b>
Loan costs and accumulated amortization	(8,803,404)
Liabilities associated with assets held for sale	(10,465,000)
<b>Total interest bearing loans and borrowings</b>	<b>854,058,868</b>

### NOTE 3 EQUITY

Changes to equity during the three months ended March 31, 2024 compared to the 2023 annual report include a change in revaluation reserves related to the interest rate cap derivatives and a decrease in retained earnings due to the net loss for the three months ended March 31, 2024.

Revaluation reserves included in equity relate to the following hedging instruments:

	Cost of Hedging Reserve in USD	Intrinsic Value of Interest Rate Cap Options in USD	Total Revaluation Reserves in USD
Opening balance January 1, 2024	18,035	2,703,903	2,721,938
Change in fair value of hedging instrument recognized in OCI	–	(495,932)	(495,932)
Costs of hedging deferred and recognized in OCI	(98,821)	–	(98,821)
Counter party payments accrued or received from hedging instrument recognized in OCI	–	1,078,309	1,078,309
Counter party payments accrued or received from hedging instrument reclassified from OCI to profit or loss	–	(1,078,309)	(1,078,309)
<b>Closing Balance March 31, 2024</b>	<b>(80,786)</b>	<b>2,207,971</b>	<b>2,127,185</b>

For the three months ended March 31, 2024, counterparty payments accrued or received in the amount of USD 1,078,309 related to the interest rate cap option contracts were reclassified from the cash flow hedging

reserve to the statement of profit or loss as a reduction of interest expense. See NOTE 8 – FINANCIAL RISK MANAGEMENT for further information on cash flow hedging.

<b>Earnings per share as of March 31:</b>	<b>2024</b> in USD	<b>2023</b> in USD
<b>Earnings per share attributable to equity holders for the period:</b>		
Loss for the period attributable to ordinary equity holders of the Company	(7,009,414)	(33,994,503)
<b>Calculation of weighted-average number of shares:</b>		
Shares outstanding December 31, 2023 (par value CHF 1.00; 10,126,018 shares authorized)	10,126,018	10,126,018
Weighted-average number of ordinary shares outstanding – basic for the period	10,126,018	10,126,018
Weighted-average number of ordinary shares outstanding – fully diluted for the period	10,126,018	10,126,018
Loss per share attributable to the ordinary equity holders of the Company from operations – basic (calculated on the weighted-average number of ordinary shares outstanding, see above)	(0.69)	(3.36)
Loss per share attributable to the ordinary equity holders of the Company from operations – fully diluted (calculated on the weighted-average number ordinary shares outstanding, see above)	(0.69)	(3.36)
<b>NAV per share:</b>		
	<b>as of</b> <b>March 31, 2024</b> in USD	<b>as of</b> <b>December 2023</b> in USD
Equity attributable to Varia US Properties AG Shareholders	389,648,716	397,252,883
Number of shares	10,126,018	10,126,018
<b>NAV per share</b>	<b>38.48</b>	<b>39.23</b>
Equity attributable to Varia US Properties AG Shareholders (excluding deferred taxes)	448,040,532	460,274,061
Number of shares	10,126,018	10,126,018
<b>NAV per share (excluding deferred taxes)</b>	<b>44.25</b>	<b>45.45</b>

#### **NOTE 4** **FINANCE COSTS**

Finance costs for the three months ended March 31, 2024 and 2023 amounted to approximately USD 5.4 million and USD 12.8 million, respectively. Finance costs include interest paid and accrued on interest-bearing loans and borrowings of approximately USD 10.3 million and USD 11.8 million, respectively, and the foreign exchange gain of USD 5.0 million (gains of USD 5,142,709

less losses of USD 158,223) and foreign exchange net loss of USD 0.9 million (gains of USD 14,884 less losses of USD 944,982), respectively, resulting primarily from changes in the exchange rate between CHF and USD currency rates on foreign currency bank accounts and bonds payable in CHF.

## NOTE 5 INCOME TAX

Income taxes are composed of the following:

	Three Months Ended March 31, 2024 in USD	Three Months Ended March 31, 2023 in USD
<b>Provision for income tax (benefit) expense:</b>		
Deferred U.S. federal and state income tax (benefit) expense	(4,705,451)	(12,461,234)
Current Swiss federal, cantonal and communal income tax expense	166,772	564,618
<b>Total income tax (benefit) expense</b>	<b>(4,538,679)</b>	<b>(11,896,616)</b>

Income tax benefit or expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for US federal and state income tax expense is 25% for the three months ended March 31, 2024 and March 31, 2023. Due to the net loss incurred during the three months ended March 31, 2024 and March 31, 2023, which was driven by the fair value loss on investment property, the Com-

pany realized approximately USD 4.5 million and USD 11.9 million, respectively, of US federal and state income tax benefits on the Consolidated Statement of Profit or Loss and Other Comprehensive Income. For the three months ended March 31, 2024 and 2023, there was no current US federal and state income tax expense. All Swiss income taxes are current for the three months ended March 31, 2024 and 2023.

## NOTE 6 REAL ESTATE OPERATING AND OTHER EXPENSES

Real estate operating expenses and other expenses consist of the following:

	Three Months Ended March 31, 2024 in USD	Three Months Ended March 31, 2023 in USD
Utility expenses	2,677,569	3,159,733
Property and other taxes	3,749,489	4,001,420
Property insurance	1,698,071	1,679,307
Contract services at property level	552,531	522,239
Advertising expenses	626,671	577,447
<b>Total real estate operating expenses</b>	<b>9,304,331</b>	<b>9,940,146</b>
Legal, audit, and accounting fees	166,404	355,175
Professional fees	126,677	183,803
Asset management fees	1,087,853	1,805,480
General and administrative	1,380,593	1,636,385
<b>Total other expenses</b>	<b>2,761,527</b>	<b>3,980,843</b>

## NOTE 7 RELATED-PARTY TRANSACTIONS

Related parties include the following parties that have the ability, directly or indirectly, to control or to exercise significant influence over the other party in making financial and operating decisions.

- Board of Directors of Varia US Properties AG
- Stoneweg SA, Geneva (Switzerland)
- Stoneweg US, LLC

Stoneweg remuneration fees for services provided to Varia subsidiaries and underlying investments during the reporting periods were as follows for the three months ended March 31:

Three Months Ended March 31:	2024 in USD	2023 in USD
Asset management fees charged to Varia direct subsidiaries	1,087,853	1,805,480
Construction management fees	4,314	179,634

Varia US Properties AG is party to an Asset Management Agreement with Stoneweg SA and Stoneweg US, LLC (Stoneweg) to manage the investments and administration activities of the Company. Outstanding amounts due to Stoneweg as of March 31, 2024 and December 31, 2023, are comprised of accrued asset management fees of USD 1,087,853 and USD 1,546,266, respectively.

**Key management compensation:** The Board of Directors is considered key management. Expense in the amount of CHF 145,536 was paid or accrued as of March 31, 2024 (as of March 31, 2023: CHF 139,043). There were no outstanding amounts due to the Board of Directors as of March 31, 2024 and December 31, 2023.

## NOTE 8 FINANCIAL RISK MANAGEMENT

The Group's currency positions at March 31, 2024 and December 31, 2023, are predominately in USD as presented on the Consolidated Statements of Financial Position except for those carried and to be settled in CHF as follows:

Assets	March 31, 2024 in USD	December 31, 2023 in USD	Liabilities	March 31, 2024 in USD	December 31, 2023 in USD
Cash and cash equivalents	1,252,704	399,145	Trade and other payables and interest bearing loans	1,974,308	1,149,993
Rent and other receivables	53,734	65,080	Distribution payable	5,604,770	12,083,423
<b>Total assets</b>	<b>1,306,438</b>	<b>464,225</b>	Bond borrowing	55,350,195	59,665,227
			<b>Net liabilities</b>	<b>(61,622,835)</b>	<b>(72,434,418)</b>

The maturity analysis of financial liabilities, actual cash flows including interest, is as follows as of March 31, 2024:

	Within 12 Months in USD	From 2–5 Years in USD	Later Than 5 Years in USD	Total in USD
Trade and other payables, less accrued real estate and other taxes and accrued interest	10,560,225	–	–	10,560,225
Distribution payable	5,604,770	–	–	5,604,770
Interest bearing loans and borrowings, including interest	52,456,184	382,651,934	631,088,173	1,066,196,291
Interest bearing bond, including interest	1,591,318	56,145,854	–	57,737,172
	<b>70,212,497</b>	<b>438,797,788</b>	<b>631,088,173</b>	<b>1,140,098,458</b>

#### Derivative financial instruments utilized for hedging of interest rate risk on variable borrowings

The Company has the following derivative financial instruments in the following line items in the balance sheet:

	March 31, 2024 in USD	December 31, 2023 in USD
<b>Current assets</b>		
Interest rate cap option contracts – cash flow hedges	2,191,792	2,833,857
<b>Non-current assets</b>		
Interest rate cap option contracts – cash flow hedges	131,990	41,747
<b>Total derivative financial instrument assets</b>	<b>2,323,782</b>	<b>2,875,604</b>

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. The amounts accumulated within equity relating to the effective portion of the interest rate cap contracts are recognized in profit or loss within finance costs in the same period as the interest expense on the hedged borrowings. The Company's accounting policy for its qualifying cash flow hedges is explained in the Basis of Preparation and Significant Accounting Policies note in the annual report. A breakdown of movements in the revaluation reserves related to cash flow hedges is disclosed in NOTE 3 – EQUITY.

The effects of the interest rate cap contracts on the Company's financial position and performance are as follows:

Interest Rate Cap Option Contracts	March 31, 2024 in USD	December 31, 2023 in USD
Carrying Amount	2,323,782	2,875,604
Notional Amount	172,521,688	172,521,688
Maturity Dates	August 1, 2024 – February 1, 2026	February 1, 2024 – January 1, 2026
Hedge Ratio	1:1	1:1
Weighted average hedged rate for the year	5.13%	5.13%

#### Valuation Methods, Standards and Principles

The properties are valued using the income capitalization approach (direct capitalization). Derivative financial instruments (interest rate cap option contracts) are valued using options pricing models (e.g., Black-Scholes model). The same valuation methods, standards and principles described on pages 109–111 of the 2023 annual report were applied as of March 31, 2024.



### Fair Value

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety, which are described as follows:

- 1) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- 2) **Level 2:** Inputs, other than quoted prices included in within Level 1, that are observable for the asset or liability either directly or indirectly; and
- 3) **Level 3:** Inputs are unobservable inputs for the asset or the liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Derivative financial instruments (interest rate cap option contracts) are valued using options pricing models (e.g., Black Scholes model) and are included in level 2 of the fair value hierarchy.

At March 31, 2024, Varia's investment properties and derivative financial instrument assets are measured at fair value on a recurring basis by the above fair value hierarchy level as follows:

	Level 1 in USD	Level 2 in USD	Level 3 in USD	Total in USD
Investment property including assets held for sale at December 31, 2023	–	–	1,300,010,000	1,300,010,000
Capital improvements	–	–	4,126,858	4,126,858
Net change in fair value (unrealized)	–	–	(20,826,858)	(20,826,858)
Investment property held for sale	–	–	(20,200,000)	(20,200,000)
<b>Investment property at March 31, 2024</b>	<b>–</b>	<b>–</b>	<b>1,263,110,000</b>	<b>1,263,110,000</b>
Derivative financial instruments at December 31, 2023	–	2,875,604	–	2,875,604
Purchase of derivative financial instruments	–	85,000	–	85,000
Sale of derivative financial instruments	–	–	–	–
Net change in fair value	–	441,487	–	441,487
Reclassification of counterparty payments earned out of OCI	–	(1,078,309)	–	(1,078,309)
<b>Derivative financial instruments at March 31, 2024</b>	<b>–</b>	<b>2,323,782</b>	<b>–</b>	<b>2,323,782</b>

There were no transfers between Levels 1 and 2 and Level 3. The investment property valuations were determined using significant unobservable inputs. These inputs as of March 31, 2024, include:

<b>Future Rental Cash Inflows</b>	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
<b>Estimated Occupancy Rates</b>	Based on current and expected future market conditions after expiry of any current lease. The occupancy rates applied range from 86.7% to 100%.

<b>Maintenance Costs</b>	Including necessary investments to maintain functionality of the property for its expected useful life.
<b>Capitalization Rates</b>	Based on actual location, size and quality of the properties and taking into account market data at the valuation date. The capitalization rates range from 5.00% to 7.00%.

On the basis of a sensitivity analysis of investment real estate as of March 31, 2024 with fair value of USD 1,283,310,000, an isolated increase in the capitalization rates by 50 basis points would lead to a decrease of approximately USD 105 million in value while a decrease in the capitalization rate by 50 basis points would lead to an increase in value of approximately USD 126 million as illustrated by the following table in increments of 10 basis points:

As of March 31, 2024	Stabilized NOI, Decrease 1% in USD	Stabilized NOI, As Reported in USD	Stabilized NOI, Increase 1% in USD
Capitalization rate, decrease 50 bps	112,152,000	126,247,000	140,343,000
Capitalization rate, decrease 40 bps	85,225,000	99,049,000	112,873,000
Capitalization rate, decrease 30 bps	59,319,000	72,881,000	86,442,000
Capitalization rate, decrease 20 bps	34,374,000	47,684,000	60,994,000
Capitalization rate, decrease 10 bps	10,340,000	23,407,000	36,474,000
Capitalization rate, as reported	(12,833,000)	–	12,833,000
Capitalization rate, increase 10 bps	(35,191,000)	(22,583,000)	(9,976,000)
Capitalization rate, increase 20 bps	(56,775,000)	(44,386,000)	(31,997,000)
Capitalization rate, increase 30 bps	(77,626,000)	(65,447,000)	(53,268,000)
Capitalization rate, increase 40 bps	(97,779,000)	(85,804,000)	(73,829,000)
Capitalization rate, increase 50 bps	(117,270,000)	(105,492,000)	(93,713,000)

**Financial instruments not measured at fair value**

Cash and cash equivalents, rent and other receivables, trade and other payables, and distribution payable are short-term in nature, therefore, the carrying amount is deemed to be fair value at March 31, 2024. Escrow accounts consist of cash accounts held by third-party lenders in USD, and therefore the carrying amount is deemed to be fair value at March 31, 2024. Interest-bearing loans and borrowings are initially measured at fair value, less directly attributable transaction costs. After initial recognition, interest-bearing loans are measured at amortized cost.

The fair value (Level 2) of interest-bearing loans and borrowings, based on the risk-free rate at the end of the period using the Daily Treasury Yield rates published by the United States Treasury based on the remaining term of the loan and applying the interest rate spread at inception of the loan, is approximately USD 778.0 million and USD 788.0 million at March 31, 2024 and December 31, 2023, respectively. The fair value of the listed bond is determined based on the price at SIX (Level 1) and amounts to USD 55.8 million as of March 31, 2024 and USD 60.0 million as of December 31, 2023.

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**NOTE 9  
SUBSEQUENT EVENTS**

After the balance sheet date, one property with a fair value of USD 20.2 million (182 units) was disposed. This property was classified as held for sale in the accompanying financial statements. There were no other subsequent events which would require adjustment to or disclosure in the accompanying condensed consolidated interim financial statements.

**Property Portfolio as of March 31, 2024**

based on Colliers figures

Property	Address	City	State	Zip Code	Fair Value in USD
<b>Amaze @ NoDa</b>	3750 Philemon Avenue	Charlotte	North Carolina	28206	69,000,000
<b>Ashford</b>	1200 North Dairy Ashford Road	Houston	Texas	77079	54,900,000
<b>Avenue 8 Apartments</b>	1050 West 8th Avenue	Mesa	Arizona	85210	38,500,000
<b>Beau Jardin</b>	10347 Sannois Drive	St. Louis	Missouri	63146	20,200,000
<b>Bellevue Hills Apartments</b>	11829 Amerado Boulevard	Bellevue	Nebraska	68123	29,800,000
<b>Breckinridge Square</b>	203 Breckinridge Square	Louisville	Kentucky	40220	33,400,000
<b>Brent Village</b>	1409 Buck Drive	Bellevue	Nebraska	68005	17,000,000
<b>Brookwood Apartments</b>	201 South Kolb Road	Tucson	Arizona	85710	28,310,000
<b>Cordova Creek</b>	7965 Humphrey Hill Drive	Memphis	Tennessee	38016	26,200,000
<b>JRG Lofts</b>	437 West 6th Street	Covington	Kentucky	41011	59,000,000
<b>Lochwood Apartments</b>	55 Lochwood Court	New Albany	Indiana	47150	20,200,000
<b>Mayfield Apartments</b>	919 Aintree Park Drive	Mayfield	Ohio	44143	36,950,000
<b>Mission Palms Apartments</b>	951 West Orange Grove Road	Tucson	Arizona	85704	64,640,000
<b>Residences at Echelon Apartments</b>	3500 SW Hollywood Drive	Lee's Summit	Missouri	64082	56,400,000
<b>Retreat Northwest</b>	1130 Racquet Club North Drive	Indianapolis	Indiana	46260	43,000,000
<b>Ridge on Spring Valley</b>	5704 Spring Valley Road	Dallas	Texas	75254	29,900,000
<b>River Oaks Apartments</b>	7730 East Broadway Boulevard	Tucson	Arizona	85710	32,610,000
<b>Rolling Hills Apartments</b>	9100 Rainbow Springs	Louisville	Kentucky	40241	51,200,000
<b>Shawnee Station</b>	6405 Maurer Road	Shawnee	Kansas	66217	30,900,000
<b>St. Matthews Apartments</b>	400 Mallard Creek Road	Louisville	Kentucky	40207	98,600,000
<b>The M Club</b>	7007 Courthouse Drive	Indianapolis	Indiana	46226	41,300,000
<b>The Meadows Apartment Homes</b>	2154 Meadow Glade Lane	Memphis	Tennessee	38134	20,700,000
<b>The Wylde at Eagle Creek</b>	6612 Eagle Pointe Drive North	Indianapolis	Indiana	46254	31,200,000
<b>Tierra Pointe Apartments</b>	6801 & 6901 Los Volcanes Road NW	Albuquerque	New Mexico	87121	41,200,000
<b>Varia at Oakcrest Apartments</b>	1310 Oakcrest Drive	Columbia	South Carolina	29223	38,900,000
<b>Varia at Highland Village</b>	120 Main Street	Highland Village	Texas	75077	40,500,000
<b>West End at Fayetteville</b>	3050 Plantation Garden Boulevard	Fayetteville	North Carolina	28303	86,700,000
<b>Wild Oaks</b>	7987 NE Flintlock Road	Kansas City	Missouri	64158	62,000,000
<b>Willows of Cumming</b>	225 Nancy Lane	Cumming	Georgia	30040	22,000,000
<b>Wood Hollow Apartments</b>	3875 Post Oak Boulevard	Eules	Texas	76040	40,800,000
<b>Zona Village</b>	2855 West Anklam Road	Tucson	Arizona	85745	17,300,000
<b>Total</b>					<b>1,283,310,000</b>

	Ownership Form	Year of Construction	Net Operating Income <sup>1</sup> in USD	Units	Occupancy Rate <sup>2</sup>	Cap Rate <sup>3</sup>	Gross Potential Income <sup>3</sup> in USD	Site Size in sq.ft.	Net Lettable Area <sup>4</sup> in sq.ft.
	Sole-Ownership	2019	3,431,039	298	89.26%	5.00%	6,099,490	431,680	221,215
	Sole-Ownership	2015	2,743,342	312	92.63%	5.00%	6,230,280	135,579	260,852
	Sole-Ownership	1986	2,408,789	194	94.85%	6.25%	3,768,800	385,158	213,400
	Sole-Ownership	1965	1,311,542	182	93.41%	6.50%	2,748,800	470,012	159,520
	Sole-Ownership	1974	1,864,361	264	93.94%	6.25%	4,032,489	788,000	243,960
	Sole-Ownership	1970	1,922,964	294	94.22%	5.75%	4,827,090	695,261	332,090
	Sole-Ownership	1971	1,065,456	180	92.22%	6.25%	2,506,031	404,236	147,875
	Sole-Ownership	1973	1,769,494	272	92.65%	6.25%	3,678,980	432,586	206,784
	Sole-Ownership	1986	1,640,249	196	95.92%	6.25%	3,423,698	851,162	214,038
	Sole-Ownership	2021	2,259,835	178	90.45%	5.00%	4,195,561	60,952	131,543
	Sole-Ownership	1972	1,265,146	200	94.50%	6.25%	2,780,400	615,938	268,800
	Sole-Ownership	1966	2,585,850	252	95.63%	7.00%	5,041,760	778,194	275,505
	Sole-Ownership	1979	3,716,563	360	93.61%	5.75%	6,471,420	1,258,842	372,918
	Sole-Ownership	2020	2,649,770	243	96.30%	5.00%	4,923,130	485,471	235,513
	Sole-Ownership	1973	2,473,436	336	91.96%	5.75%	5,182,236	2,044,532	347,620
	Sole-Ownership	1978	1,646,990	207	93.72%	5.50%	3,764,820	324,091	164,933
	Sole-Ownership	1982	1,874,813	300	92.67%	5.75%	3,887,260	448,958	212,074
	Sole-Ownership	1972	2,945,665	400	91.69%	5.75%	6,422,035	1,120,157	481,540
	Sole-Ownership	2001	1,620,082	228	93.42%	5.25%	3,562,940	673,873	210,648
	Sole-Ownership	1988 & 1991	4,940,174	600	89.33%	5.00%	10,036,415	1,571,035	587,208
	Sole-Ownership	1979	2,377,398	388	89.95%	5.75%	4,846,980	1,694,920	303,544
	Sole-Ownership	1986	1,295,209	200	91.50%	6.25%	2,800,459	625,522	191,200
	Sole-Ownership	1987	1,792,452	256	91.41%	5.75%	4,005,320	835,350	202,000
	Sole-Ownership	1985	2,473,351	352	92.33%	6.00%	4,805,450	521,784	211,720
	Sole-Ownership	2000	1,943,163	272	91.91%	5.00%	4,806,720	838,351	299,102
	Sole-Ownership	2015	2,124,404	161	93.17%	5.25%	4,129,320	615,593	195,115
	Sole-Ownership	2012	4,768,230	360	92.50%	5.50%	7,600,020	1,870,902	425,784
	Sole-Ownership	2000	3,102,024	348	93.10%	5.00%	6,006,390	1,047,182	325,611
	Sole-Ownership	1996	1,266,779	156	100.00%	5.75%	2,310,096	554,519	147,148
	Sole-Ownership	1985	2,361,744	346	86.71%	5.75%	5,731,420	535,374	251,639
	Sole-Ownership	1969	1,121,416	183	92.90%	6.50%	2,150,440	249,075	98,868
			<b>70,761,730</b>	<b>8,518</b>		<b>5.58%</b>	<b>142,776,250</b>	<b>23,364,290</b>	<b>7,939,767</b>

<sup>1</sup> The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service.

<sup>2</sup> As percentage of the total gross potential income as calculated by Colliers.

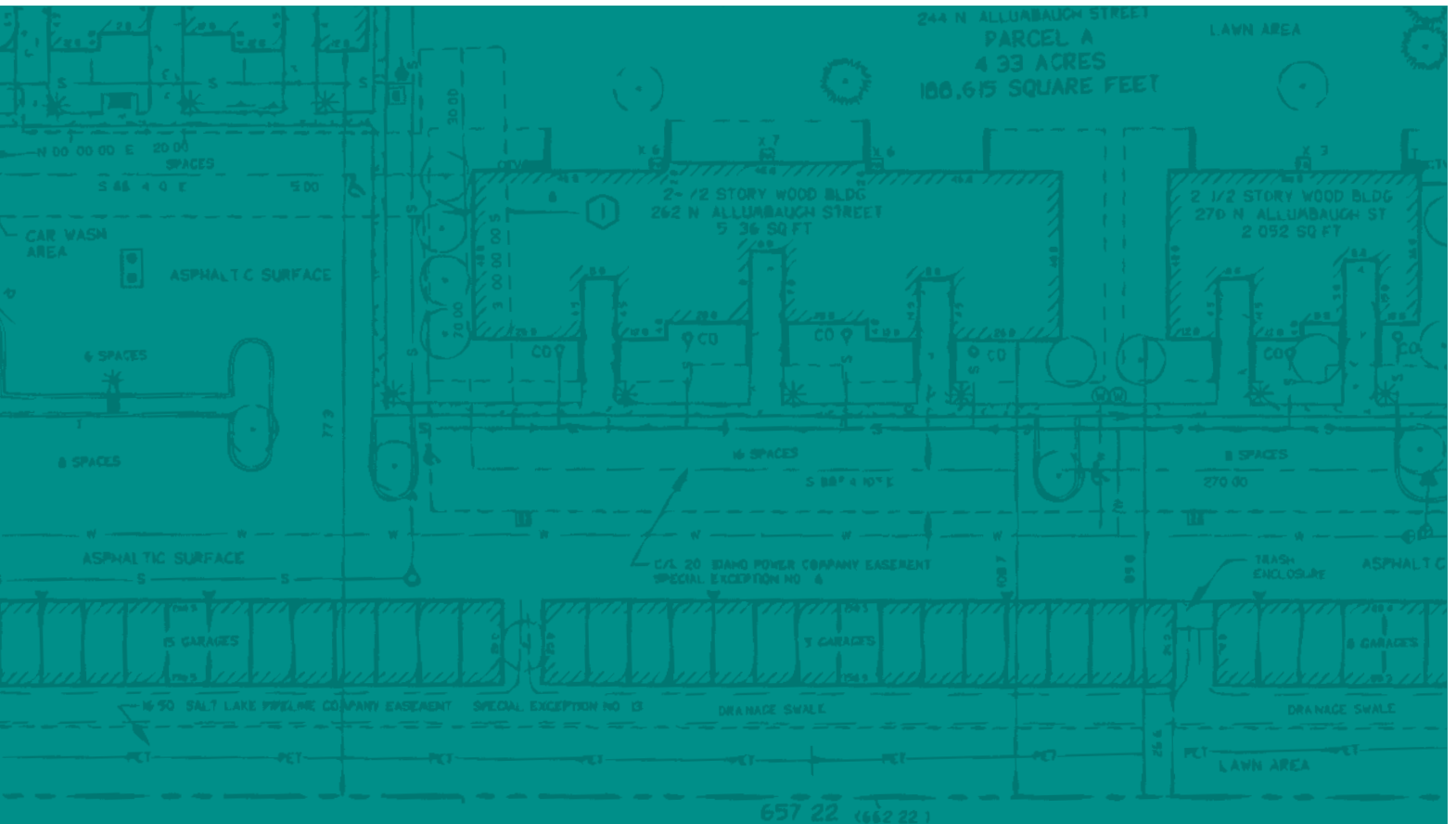
<sup>3</sup> Total potential rental revenue assuming the existing rents in place, as well as market rent values for all vacant units.

<sup>4</sup> As of March 31, 2024, 100% of the lettable area of the properties was for residential use.

<sup>5</sup> The direct capitalization rate for Amaze @ NoDa, JRG Lofts and Residences at Echelon cannot be recalculated solely by dividing net operating income by fair value due to Colliers' inclusion of the present value of multi-year property tax abatements in the determination of overall fair value for these assets. The present values of multi-year property tax abatements for Amaze @ NoDa, JRG Lofts and Residences at Echelon as appraised by Colliers are USD 4 million, USD 13.8 million and USD 3.4 million, respectively. The abatement periods range from 3 to 26 years and are valued at discount rates ranging from 3.0% to 5.4%.

## Contact for Investors

Juerg Staehelin  
c/o IRF Reputation AG  
Raemistrasse 4  
P.O. Box  
CH-8024 Zurich  
Phone +41 43 244 81 51  
investors@variausproperties.com



## VARIA US PROPERTIES AG

Gubelstrasse 19  
6300 Zug  
Switzerland  
Phone CH +41 (0)22 552 40 30  
Phone US +1 727 339 6630  
info@variausproperties.com  
variausproperties.com

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