

QUARTERLY REPORT Q3 2024



VARIA
US PROPERTIES

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YTD AS OF
Q3/2024**

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KEY FIGURES YTD AS OF Q3/2024

RENTAL INCOME

Q3 2023: USD 95.7 million

USD million **82.9**

TOTAL INCOME

Q3 2023: USD -5.8 million

USD million **75.4**

EFFECTIVE GROSS INCOME (EGI)¹

Q3 2023: USD 112.9 million

USD million **100.5**

FAIR VALUE PORTFOLIO ADJUSTMENT

Q3 2023: USD -120.0 million

USD million **-23.6**

OPERATING PROFIT (LOSS)

(including revaluation)
Q3 2023: USD -86.2 million

USD million **14.4**

LOSS FOR THE PERIOD

Q3 2023: USD -91.9 million

USD million **-12.5**

NORMALIZED FFO³

Q3 2023: USD 10.1 million

USD million **8.9**

NORMALIZED FFO PER SHARE

Q3 2023: USD 1.00

USD **0.88**

YTD EARNINGS PER SHARE

Q3 2023: USD -9.08

USD **-1.23**

EBITDA²

Q3 2023: USD 32.6 million

USD million **39.4**

EBITDA MARGIN

(without revaluation)
Q3 2023: 28.8%

39.2%

NAV PER SHARE⁴

December 31, 2023: USD 39.23

USD **35.57**

¹ EGI defined as total income less unrealized revaluation.
² EBITDA defined as operating profit (loss) less unrealized revaluation.
³ Normalized FFO defined as FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items.
⁴ NAV per share is presented as of September 30, 2024. NAV excluding distribution payable is USD 37.35 at September 30, 2024, USD 40.42 at December 31, 2023.

SUMMARY PAGE OF KEY FIGURES

RESULTS (For the Period Ended)	Unit	September 30, 2024	September 30, 2023	Change
Rental Income	USD mio	82.9	95.7	-13.4%
Rental Income like for like*	USD mio	77.1	74.3	3.7%
Other Income and Insurance Proceeds	USD mio	16.0	18.4	-12.9%
Total Realized Income (total income less unrealized valuation)	USD mio	100.5	112.9	-11.0%
Realized Gains (Losses) on disposal of properties	USD mio	1.5	-1.2	-223.0% ⁴
Unrealized Loss on revaluation of properties	USD mio	-25.1	-118.7	-78.9% ³
Net Loss on revaluation of properties	USD mio	-23.6	-120.0	-80.4% ³
Revaluation of properties like for like*	USD mio	-25.1	-119.2	-79.0% ³
Total Income	USD mio	75.4	-5.8	-1394.0% ⁴

Operating Expenses	USD mio	61.0	80.3	-24.0%
Operating Profit (Loss) including revaluation	USD mio	14.4	-86.2	-116.7% ³
Operating Margin ¹	%	19.0	N/A	N/A
Operating Margin Excluding Revaluation ²	%	38.3	29.6	8.7%
EBITDA (Operating Profit (Loss) less unrealized revaluation)	USD mio	39.4	32.6	21.0%
EBITDA Margin	%	39.2	28.8	10.4%
Normalized EBITDA (EBITDA less insurance proceeds)	USD mio	36.7	29.8	23.1%
Normalized EBITDA Margin	%	37.5	26.4	11.1%
Net Loss before tax	USD mio	-18.0	-124.5	-85.6% ³
Net Loss	USD mio	-12.5	-91.9	-86.4% ³
Funds from Operations (FFO) (net profit or loss excluding fair value gain or loss and transaction costs, tax effected)	USD mio	8.7	9.3	-6.0%
Normalized FFO (FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items)	USD mio	8.9	10.1	-11.3%

BALANCE SHEET (As of)	Unit	September 30, 2024	December 31, 2023	Change
Total Assets	USD mio	1,265.0	1,366.9	-7.5%
Equity	USD mio	360.2	397.3	-9.3%
Equity ratio	%	28.5	29.1	-0.6%
Interest bearing Debt (gross of unamortized debt issuance costs)	USD mio	816.5	877.6	-7.0%
Interest bearing Debt ratio	%	64.5	64.2	0.3%
Average interest of debt at the property level	%	4.5	4.6	-0.1%
Average maturity of debt at the property level	years	5.9	6.5	-9.5%

PORTFOLIO	Unit	September 30, 2024	December 31, 2023	Change
Properties	number	27	31	-12.9%
Units as of	number	7,728	8,518	-9.3%
Units Like for Like as of**	number	7,728	7,728	0.0%
Units Like for Like as of the Month Ending***	number	7,728	7,728	0.0%
Portfolio value	USD mio	1,193.8	1,300.0	-8.2%
Portfolio Value Like for Like as of**	USD mio	1,193.8	1,198.0	-0.3%
Market value per unit	USD	154,482	152,619	1.2%
Gross Potential Income (Market per Colliers)	USD mio	133.0	141.8	-6.2%
Monthly rent per unit held for the full month ending	USD	1,248	1,223	2.0%
Monthly rent per unit Like for Like as of the Month Ending***	USD	1,248	1,226	1.8%
Occupancy rate as of	%	92.8	92.2	0.6%
Occupancy rate Like for Like as of the Month Ending***	%	92.8	91.8	1.0%

SHARE INFORMATION	Unit	2024	2023	Change
Market capitalization - September 30, 2024 and December 31, 2023	CHF mio	334.2	384.8	-13.2%
Earnings per share (EPS) - September 30, 2024 and 2023	USD / share	-1.23	-9.08	-86.5% ³
NAV - September 30, 2024 and December 31, 2023	USD / share	35.57	39.23	-9.3%
NAV excluding deferred taxes - September 30, 2024 and December 31, 2023	USD / share	41.01	45.45	-9.8%
NAV excluding distribution payable - September 30, 2024 and December 31, 2023	USD / share	37.35	40.42	-7.6%
Share price - September 30, 2024 and December 31, 2023	CHF / share	33.00	38.00	-13.2%
Funds from Operations (FFO) (net profit or loss excluding fair value gain and transaction costs, tax effected) - September 30, 2024 and 2023	USD / share	0.86	0.92	-6.0%
Normalized FFO (FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items) - September 30, 2024 and 2023	USD / share	0.88	1.00	-11.3%

¹ Operating Margin is calculated as Operating Profit (Loss) including revaluation divided by Total Income. Operating Margin for the nine months ended September 30, 2023 is not applicable as an operating loss was incurred during the period.
² 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.
³ Relative to Q3 2023, the loss for Q3 2024 decreased which represents income growth relative to the comparative period.
⁴ Total Income and Realized Gains (Losses) on disposal of properties presented losses in the comparative period and income/ gains in Q3 2024, which represents income growth relative to the comparative period. This reduction in loss is represented with a negative percentage change.

* Like for Like compares assets that were held for the full periods of Q3 2023 and Q3 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 September 30, 2024

PORTFOLIO VALUE*

December 31, 2023: USD 1,300.0 million

USD million **1,193.8**

NUMBER OF PROPERTIES

December 31, 2023: 31

27

NUMBER OF UNITS

December 31, 2023: 8,518

7,728

AVERAGE MONTHLY RENT PER UNIT

December 31, 2023: USD 1,223

USD **1,248**

INTEREST-BEARING DEBT RATIO

December 31, 2023: 64.2%

64.5%

GROSS POTENTIAL INCOME*

December 31, 2023: USD 141.8 million

USD million **133.0**

MARKET VALUE PER UNIT

December 31, 2023: USD 152,619

USD **154,482**

OCCUPANCY RATE

December 31, 2023: 92.2%

92.8%

EFFECTIVE GROSS INCOME*

December 31, 2023: USD 132.7 million

USD million **123.9**

DEAR SHAREHOLDERS,

Over the last three months, the market has continued its gradual improvement and some of the uncertainties mentioned in our half year report have subsided.

Many markets have seen, or will soon see, a peak in supply which should reduce downward pressure on market rents and improve vacancy rates. Inflation has continued to decelerate, although some elements of the core Consumer Price Index (CPI) remain higher than expected or desired. The Federal Reserve reduced the federal funds rate for the first time in September by 50 basis points and in November by an additional 25 basis points. The insurance market remained relatively stable despite two major hurricanes (Helene and Milton) that hit Florida, Georgia, and the Carolinas, creating devastation not seen in decades. The Company's assets fared well during the hurricanes with minimal damage, which is a testament to the quality of Varia's portfolio.

Uncertainty surrounding the US Presidential election has now passed after an orderly voting process. However, the full impact of the election on the commercial real estate market remains to be seen. While the situation in Ukraine and the Middle East does not seem to be deteriorating further, things could however change quickly in either conflict and the populations continue to bear incredibly difficult burdens.

All in all, the market and macroeconomic landscape seem to be improving and the Board of Directors is confident in what lies ahead of us and in the positioning of the Company to benefit from the rebound.

The Company continues to present positive operational results in Q3 2024. For the first time in almost two years now, valuations are starting to improve and cap rates are slightly compressing.

For the three months ending September 30, 2024, operating profit increased to USD 18.3 million (compared to a loss of USD 51.1 million for the comparative period), and net income for the quarter is USD 1.0 million (compared to a loss of USD 45.0 million for the three months ending September 30, 2023). These improvements are driven by the fair value gain seen in Q3 2024, confirming the trends we started to anticipate in June 2024, and represent a positive sign for the months and quarters to come.

On a more granular level, like for like rents have increased by 3.7% or USD 2.8 million for the first nine months of 2024, compared to the first nine months of 2023. Operating margin excluding revaluation has improved over the first nine months of the year to 38.3% (29.6% for the same period in 2023). EBITDA is higher at USD 39.4 million (USD 32.6 million for the same period in 2023) and the EBITDA margin increased to 39.2% (28.8% for the same period in 2023).

Normalized Funds from Operations are stable at USD 8.9 million for the first nine months of the year (USD 10.1 million in the comparative period).

Following the sale of four properties in the portfolio over the first nine months of the year, the portfolio value decreased from USD 1,300 million as of December 31, 2023 to USD 1,194 million as of September 30, 2024, and the number of units decreased from 8,518 to 7,728, respectively. However, on a same store basis, the value of the portfolio is only down USD 4.2 million or 0.3% compared to December 31, 2023, which seems to indicate that we may have reached the bottom of the market. Occupancy is up to 92.8% (92.2% as of December 31, 2023) and the average rent per unit per month on a like for like basis increased to USD 1,248 compared to USD 1,226 as of December 31st 2023.

The total loss per share for the first nine months of the year has been limited to USD 1.23 (compared to a loss of USD 9.08 as of September 30, 2023). On a quarterly basis, for the first time since a long time, the earnings per share is positive at 0.10 USD per share.

On the sustainability side, Varia US scored 4 stars and achieved 87 points (83 points in 2023) on its third GRESB submission, ranking 3rd among its peer group which is composed of eleven large US publicly traded multifamily companies and REITs. This excellent outcome demonstrates the capacity of the Company to report on actual data, as well as its clear leadership in sustainability initiatives. Our investments in ESG have four main benefits for all our stakeholders: i) reduce the risks of our investments in all three dimensions of ESG; ii) avoid building obsolescence and value reduction over time; iii) create new revenue streams and reduce operating expenses, therefore increasing net operating income which supports a higher valuation (assuming a constant cap rate); and iv) improve the resident's experience and quality of life thereby improving our ability to attract new residents and support our retention rate which also increases our net operating income.

Outlook

As we publish this report, the economic and political environment seems to be in a better place than we were twelve months ago. The market sentiment is more positive as we approach 2025 and the political uncertainties have been reduced. This does not mean that surprises are not possible in the future or that the market will not react strongly to a policy shift, but the fundamentals of the economy seem to be strong and oriented for a better tomorrow.




Varia US will continue its strategy of improving the quality of its portfolio. It expects to sell older assets on a regular basis in the next few months and years and to start acquiring newer and better positioned assets. This is where we will find opportunities for value creation in the future.

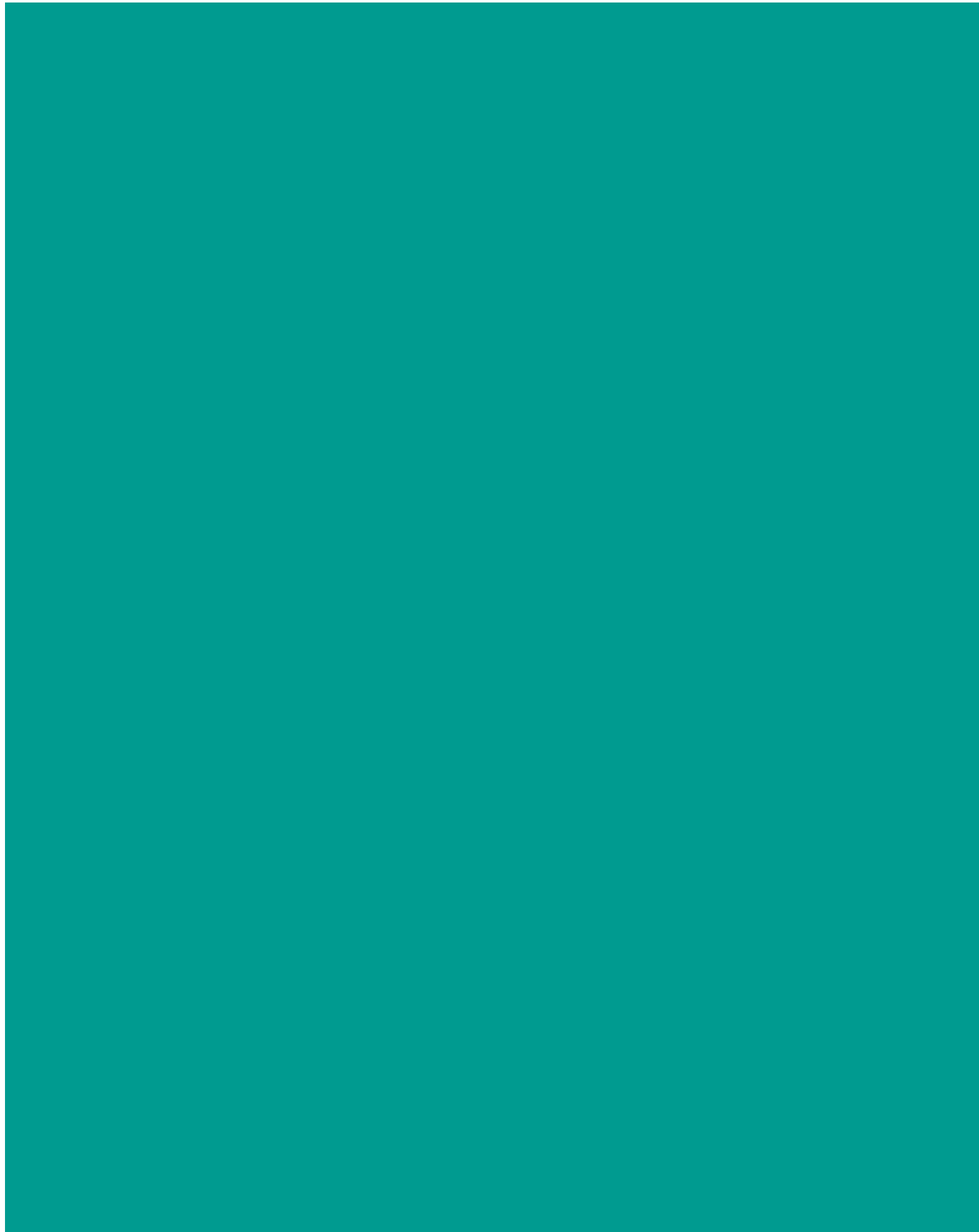
Conclusion

The Board of Directors is confident in the proficiency of the team in place to continue managing the portfolio as we slowly exit a challenging period. The exciting potential of significant new value creation for investors is intact and we look forward to coming back to you with strong results. As opportunities appear in our pipeline, we look forward to cultivating organic growth and improvement, both quantitatively and qualitatively, for the Company.

We thank you for your 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



CONSOLIDATED IFRS FINANCIAL STATEMENTS

September 30, 2024

CONSOLIDATED IFRS FINANCIAL STATEMENTS

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Varia US Properties AG and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2024 AND DECEMBER 31, 2023

ASSETS	Notes	September 30, 2024 in USD	December 31, 2023 in USD
Current assets:			
Cash and cash equivalents		54,293,491	46,799,126
Rent and other receivables		2,359,613	5,282,492
Current portion of derivative financial instruments	8	299,775	2,833,857
Income tax receivable		–	12,600
Prepaid expenses and other current assets		3,796,869	2,311,101
Assets held for sale	1	30,900,000	–
Total current assets		91,649,748	57,239,176
Noncurrent assets:			
Investment property	1	1,162,940,000	1,300,010,000
Escrow accounts		9,828,390	9,523,176
Other assets		25,000	54,803
Derivative financial instruments	8	557,407	41,747
Total noncurrent assets		1,173,350,797	1,309,629,726
Total assets		1,265,000,545	1,366,868,902
LIABILITIES AND EQUITY			
Current liabilities:			
Current maturities of interest-bearing loans and borrowings	2	–	14,463,391
Trade and other payables		20,824,308	21,520,008
Distribution payable	8	18,016,352	12,083,423
Income tax payable		972,952	2,505,790
Rent received in advance		1,034,851	2,100,458
Liabilities associated with assets held for sale	1	21,183,737	–
Total current liabilities		62,032,200	52,673,070
Noncurrent liabilities:			
Interest-bearing loans and borrowings, net of current maturities	2	787,741,934	853,921,771
Deferred tax liability		55,061,153	63,021,178
Total noncurrent liabilities		842,803,087	916,942,949
Total liabilities		904,835,287	969,616,019
Equity			
Issued share capital		10,297,221	10,297,221
Share premium from capital contributions		179,994,254	191,058,954
Legal reserves		6,764,557	6,764,557
Revaluation reserves	3	224,655	2,721,938
Retained earnings		162,884,571	186,410,213
Total equity		360,165,258	397,252,883
Total liabilities and equity		1,265,000,545	1,366,868,902

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 SEPTEMBER 30, 2024 AND 2023

	Three Months Ended September 30, 2024 in USD	Three Months Ended September 30, 2023 in USD
Rental income	26,608,456	28,768,963
Other income	4,557,024	5,062,773
Insurance proceeds	502,089	744,497
Net income (loss) from fair value adjustment on investment property	9,159,031	(62,791,803)
Total income (loss)	40,826,600	(28,215,570)
Real estate operating expenses	8,537,183	9,502,357
Expenses for third-party on-site workforces	3,905,889	3,839,133
Repairs, maintenance and minor replacements	2,454,977	2,831,305
Property management fees	852,007	952,910
Transaction costs	3,503,848	1,209,239
Other expenses	3,231,827	4,552,655
Total operating expenses	22,485,731	22,887,599
Operating profit (loss)	18,340,869	(51,103,169)
Interest expense	10,935,389	10,702,088
Debt defeasance	–	(7,109)
Net foreign currency exchange losses (gains)	5,048,453	(688,763)
Total finance costs	15,983,842	10,006,216
Income (loss) before income taxes	2,357,027	(61,109,385)
Income tax expense (benefit)	1,372,215	(16,142,765)
Income (loss) for the quarter	984,812	(44,966,620)
Earnings per share: Basic and diluted earnings, on income (loss) for the quarter	0.10	(4.44)
Other comprehensive loss Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge	(960,372)	(604,094)
Cost of hedging	(56,359)	(79,144)
Other comprehensive loss for the quarter	(1,016,731)	(683,238)
Total comprehensive loss for the quarter	(31,919)	(45,649,858)

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Varia US Properties AG and Subsidiaries

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	Notes	Nine Months Ended September 30, 2024 in USD	Nine Months Ended September 30, 2023 in USD
Rental income	1	82,924,498	95,740,268
Other income	1	13,296,623	15,621,306
Insurance proceeds		2,727,581	2,767,193
Net loss from fair value adjustment on investment property	1	(23,560,775)	(119,954,592)
Total income (loss)		75,387,927	(5,825,825)
Real estate operating expenses	6	26,787,638	29,935,375
Expenses for third party on-site workforces		11,331,066	12,707,803
Repairs, maintenance and minor replacements		6,794,983	8,714,177
Property management fees		2,687,555	3,217,493
Transaction costs		4,337,592	13,122,444
Other expenses		9,099,070	12,637,536
Total operating expenses		61,037,904	80,334,828
Operating profit (loss)		14,350,023	(86,160,653)
Interest expense	4	31,686,128	36,492,183
Debt defeasance	4	–	652,135
Net foreign currency exchange losses	4	636,665	1,205,325
Total finance costs		32,322,793	38,349,643
Loss before income taxes		(17,972,770)	(124,510,296)
Income tax benefit	5	(5,511,828)	(32,608,197)
Loss for the period		(12,460,942)	(91,902,099)
Earnings per share: Basic and diluted earnings on loss for the period	3	(1.23)	(9.08)
Other comprehensive loss Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge reserve	3	(2,356,450)	(1,018,000)
Cost of hedging reserve	3	(140,833)	(27,361)
Other comprehensive loss for the period		(2,497,283)	(1,045,361)
Total comprehensive loss for the period		(14,958,225)	(92,947,460)

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Varia US Properties AG and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR NINE MONTHS ENDED SEPTEMBER 30, 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
Balance at December 31, 2022		10,297,221	226,123,836	4,481,011	5,247,327	362,767,606	608,917,001
Loss for the period		–	–	–	–	(91,902,099)	(91,902,099)
Changes in cash flow hedging reserve		–	–	–	(1,018,000)	–	(1,018,000)
Changes in cost of hedging reserve		–	–	–	(27,361)	–	(27,361)
Other comprehensive loss		–	–	–	(1,045,361)	–	(1,045,361)
Total comprehensive loss		–	–	–	(1,045,361)	(91,902,099)	(92,947,460)
Allocation to legal reserves		–	–	2,283,546	–	(2,283,546)	–
Capital and retained earnings distributions		–	(18,170,122)	–	–	(18,170,122)	(36,340,244)
Balance at September 30, 2023		10,297,221	207,953,714	6,764,557	4,201,966	250,411,839	479,629,297
Balance at December 31, 2023		10,297,221	191,058,954	6,764,557	2,721,938	186,410,213	397,252,883
Loss for the period		–	–	–	–	(12,460,942)	(12,460,942)
Changes in cash flow hedging reserve	3	–	–	–	(2,356,450)	–	(2,356,450)
Changes in cost of hedging reserve	3	–	–	–	(140,833)	–	(140,833)
Other comprehensive loss		–	–	–	(2,497,283)	–	(2,497,283)
Total comprehensive loss		–	–	–	(2,497,283)	(12,460,942)	(14,958,225)
Capital and retained earnings distributions	3	–	(11,064,700)	–	–	(11,064,700)	(22,129,400)
Balance at September 30, 2024		10,297,221	179,994,254	6,764,557	224,655	162,884,571	360,165,258

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Varia US Properties AG and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	Notes	Nine Months Ended September 30, 2024 in USD	Nine Months Ended September 30, 2023 in USD
Cash flows from operating activities:			
Loss before income tax		(17,972,770)	(124,510,296)
Adjustments to reconcile loss before income tax to net cash provided by operating activities:			
Net loss from fair value adjustment on investment property	1	23,560,775	119,954,592
Finance costs	4	32,322,793	38,349,643
		37,910,798	33,793,939
Working capital adjustments:			
Decrease (increase) in rent and other receivables		2,922,879	(482,727)
Increase in prepaid expenses and other current assets		(1,485,768)	(2,184,909)
Increase in escrow accounts		(305,214)	(4,759,786)
Decrease (increase) in other assets		29,803	(238)
(Decrease) increase in trade and other payables, excluding accrued interest		(241,592)	1,764,028
Decrease in rent received in advance		(1,065,607)	(236,186)
Cash generated from operating activities		37,765,299	27,894,121
Income taxes received		191,888	3,379,064
Income taxes paid		(4,182,234)	(3,396,809)
Net cash provided by operating activities		33,774,953	27,876,376
Cash flows from investing activities:			
Capital expenditure on investment property	1	(21,590,775)	(22,679,592)
Proceeds from sale of investment property	1	104,200,000	242,325,000
Net cash provided by investing activities		82,609,225	219,645,408
Cash flows from financing activities:			
Payments of principal on interest bearing loans and borrowings		(60,833,274)	(220,075,112)
Interest paid		(33,405,413)	(36,866,719)
Counterparty payments received on interest rate cap option contracts		3,145,197	2,353,502
Payments made on purchase of interest rate cap option contracts		(707,000)	–
Counterparty payments received on sale of rate cap option contracts		80,000	75,000
Debt defeasance paid	4	–	(652,135)
Payments of debt issuance costs	2	–	(2,090,989)
Proceeds from interest-bearing loans and borrowings	2	–	50,323,391
Payment of capital distribution and retained earnings		(17,240,219)	(30,573,072)
Net cash used by financing activities		(108,960,709)	(237,506,134)
Net increase in cash and cash equivalents		7,423,469	10,015,650
Cash and cash equivalents at beginning of year		46,799,126	77,354,907
Exchange gain on cash and cash equivalents		70,896	1,338,788
Cash and cash equivalents at end of period		54,293,491	88,709,345

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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 multi-family 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 September 30, 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 September 30, 2024, and for the nine months then ended were authorized by the Board of Directors for issue on November 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:

USD/CHF average exchange rate for the period January 1, 2024 to September 30, 2024	0.88098
USD/CHF exchange rate at September 30, 2024	0.84307
USD/CHF average exchange rate for the period January 1, 2023 to September 30, 2023	0.90206
USD/CHF exchange rate at September 30, 2023	0.91269

Basis of Preparation and Material Accounting Policies

The condensed consolidated interim financial statements for the interim reporting period as of September 30, 2024 and for the nine 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 and four were disposed during the nine months ended September 30, 2024, compared to the 2023 annual report:

Property	Location	Fair Value of Investment Property at December 31, 2023 in USD	Capital Improvements in USD	Net Gain (Loss) From Fair Value Adjustment on Investment Property in USD	Sale of Investment Property in USD	Fair Value of Investment Property at September 30, 2024 in USD
Beau Jardin	St. Louis, MO	20,000,000	62,487	1,962,513	(22,025,000)	–
Lochwood Apartments	New Albany, IN	20,200,000	289,800	2,135,200	(22,625,000)	–
Mayfield Apartments	Mayfield, OH	39,650,000	130,975	(2,230,975)	(37,550,000)	–
Willows of Cumming	Cumming, GA	22,200,000	161,480	(361,480)	(22,000,000)	–
		102,050,000	644,742	1,505,258	(104,200,000)	–

The total investment property at fair value, including assets held for sale, decreased from USD 1,300,010,000 as of December 31, 2023 to USD 1,193,840,000 as of September 30, 2024. The components of changes in value related to investment properties are as follows as of September 30, 2024:

	in USD
Investment property and assets held for sale at December 31, 2023	1,300,010,000
Capital improvements	21,590,775
Sale of investment property	(104,200,000)
Net loss from fair value adjustment on investment property	(23,560,775)
Fair value of investment property at September 30, 2024	1,193,840,000
Investment property held for sale	(30,900,000)
Investment property excluding assets held for sale at September 30, 2024	1,162,940,000

As of September 30, 2024, the Company had approximately USD 4.4 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 September 30, 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 nine months ended

September 30, 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 September 30, 2024 with a total fair value of USD 30.9 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 September 30, 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 September 30, 2024:

	in USD
Investment Property	30,900,000
Total assets held for sale	30,900,000
Interest bearing loans and borrowings	21,183,737
Total liabilities associated with assets held for sale	21,183,737

Income Related to Investment Properties

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

	Nine Months Ended September 30, 2024 in USD	Nine Months Ended September 30, 2023 in USD
Rental income (in accordance with IFRS 16)	82,924,498	95,740,268
Net loss from fair value adjustment on investment property	(23,560,775)	(119,954,592)
Other income (revenues from contracts with customers):		
Monthly and one-time fees	7,091,343	8,501,159
Utility fees charged through to tenants	5,396,701	6,166,476
Interest Income	808,579	953,671
Total other income	13,296,623	15,621,306
Total income (loss) related to investment properties	72,660,346	(8,593,018)

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 investment properties, including assets held for sale, in

the amount of USD 1,193,840,000 as of September 30, 2024. During the nine months ended September 30, 2024, the Company sold four properties (see Note 1). This transaction resulted in USD 60.8 million of principal payments.

	in USD
Balance of mortgages as of December 31, 2023, including any liabilities associated with assets held for sale	809,198,648
Cash movements:	
Payments of principal on mortgages	(60,833,274)
Noncash movements:	
Amortization of debt issuance costs	1,528,705
Balance of mortgages as of September 30, 2024, including any liabilities associated with assets held for sale	749,894,079
Balance of bonds as of December 31, 2023	59,186,514
Noncash movements:	
Amortization of debt issuance costs	203,175
Effect of foreign currency translation adjustment	(358,097)
Balance of bonds as of September 30, 2024	59,031,592
Balance of interest-bearing loans and borrowings as of September 30, 2024	808,925,671

The fixed and variable advance terms on the credit facilities are as follows as of September 30, 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
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%	38,960,805	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 September 30, 2024:

Years Ending September 30,	in USD
2025	288,018
2026	60,360,855
2027	13,041,106
2028	161,653,511
2029	52,199,641
Thereafter	528,907,804
Total future scheduled principal payments	816,450,935
Loan costs and accumulated amortization	(7,525,264)
Liabilities associated with assets held for sale	(21,183,737)
Total interest bearing loans and borrowings	787,741,934

NOTE 3 EQUITY

Changes to equity during the nine months ended September 30, 2024 compared to the 2023 annual report include a change in revaluation reserves related to the interest rate cap derivatives, a decrease in retained earnings due to the net loss for the nine months ended September 30, 2024, and a decrease in both retained

earnings and the share premium from capital contributions for dividends declared on April 24, 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		(2,356,450)	(2,356,450)
Reclassification of forecasted transactions no longer expected to occur from OCI to profit or loss	32,158	–	32,158
Costs of hedging deferred and recognized in OCI	(172,991)		(172,991)
Counter party payments accrued or received from hedging instrument recognized in OCI	–	3,125,999	3,125,999
Counter party payments accrued or received from hedging instrument reclassified from OCI to profit or loss	–	(3,125,999)	(3,125,999)
Closing Balance September 30, 2024	(122,798)	347,453	224,655

For the nine months ended September 30, 2024, counterparty payments accrued or received in the amount of USD 3,125,999 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.

Earnings per share as of September 30:	2024 in USD	2023 in USD
Earnings per share attributable to equity holders for the period:		
Loss for the period attributable to ordinary equity holders of the Company	(12,460,942)	(91,902,099)
Calculation of weighted-average number of shares:		
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)	(1.23)	(9.08)
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)	(1.23)	(9.08)

NAV per share:	as of September 30, 2024 in USD	as of December 31, 2023 in USD
Equity attributable to Varia US Properties AG Shareholders	360,165,258	397,252,883
Number of shares	10,126,018	10,126,018
NAV per share	35.57	39.23
Equity attributable to Varia US Properties AG Shareholders (excluding deferred taxes)	415,226,411	460,274,061
Number of shares	10,126,018	10,126,018
NAV per share (excluding deferred taxes)	41.01	45.45

NOTE 4 FINANCE COSTS

Finance costs for the nine months ended September 30, 2024 and 2023 amounted to approximately USD 32.3 million and USD 38.3 million, respectively. Finance costs include interest paid and accrued on interest-bearing loans and borrowings of approximately USD 31.7 million and USD 36.5 million, respectively, debt defeasance costs of USD 0 and USD 0.7 million, respectively, and the foreign exchange net loss of USD 0.6 million (gains

of USD 4,629,866 less losses of USD 5,266,531) and foreign exchange net loss of USD 1.2 million (gains of USD 2,546,319 less losses of USD 3,751,644), 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:

	Nine Months Ended September 30, 2024 in USD	Nine Months Ended September 30, 2023 in USD
Provision for income tax benefit:		
Deferred U.S. federal and state income benefit	(6,017,250)	(36,621,993)
Current U.S. federal and state income tax expense	–	2,498,000
Current Swiss federal, cantonal and communal income tax expense	505,422	1,515,796
Total income tax benefit	(5,511,828)	(32,608,197)

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 nine months ended September 30, 2024 and September 30, 2023. Due to the net losses incurred during the nine months ended September 30, 2024 and 2023, which were both driven by the fair value loss on investment property, the Company realized approximately USD 6.0

million and USD 34.1 million (USD 36.6 million of deferred tax benefits less USD 2.5 million of current tax expense), respectively, of US federal and state income tax benefits on the Consolidated Statement of Profit or Loss and Other Comprehensive Income. For the nine months ended September 30, 2024, there was no current US federal and state income tax expense. All Swiss income taxes are current for the nine months ended September 30, 2024 and 2023.

NOTE 6 REAL ESTATE OPERATING AND OTHER EXPENSES

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

	Nine Months Ended September 30, 2024 in USD	Nine Months Ended September 30, 2023 in USD
Utility expenses	7,505,702	8,606,322
Property and other taxes	10,320,924	11,700,426
Property insurance	5,318,689	6,261,457
Contract services at property level	1,717,304	1,590,985
Advertising expenses	1,925,019	1,776,185
Total real estate operating expenses	26,787,638	29,935,375
Legal, audit, and accounting fees	781,232	1,600,168
Professional fees	606,924	733,410
Asset management fees	3,223,276	5,186,864
General and administrative	4,487,638	5,117,094
Total other expenses	9,099,070	12,637,536

**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 nine months ended September 30:

For the nine months ended September 30:	2024 in USD	2023 in USD
Asset management fees charged to Varia direct subsidiaries	3,223,276	5,186,684
Transaction fees	–	522,250
Promotion fee on sale of properties	3,431,275	8,272,657
Refinancing fees	–	491,100
Construction management fees	1,390,166	518,065

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 September 30, 2024 and December 31, 2023, are comprised of accrued asset management fees of USD 1,084,346 and USD 1,546,266, respectively.

Key management compensation: The Board of Directors is considered key management. Expense in the amount of CHF 557,724 was paid or accrued as of September 30, 2024 (as of September 30, 2023: CHF 526,663). There were no outstanding amounts due to the Board of Directors as of September 30, 2024 and December 31, 2023. On June 3, 2024, Board members subscribed a total of 5,500 shares at a price of CHF 34.80 each. These shares were sold to Board members at a 50% discounted price of CHF 17.40 for a total expense of CHF 95,700 for the nine months ended September 30, 2024. The sale of shares to members of the Board of the Directors resulted in an expense for social charges totaling CHF 2,602 for the nine months ended September 30, 2024.

**NOTE 8
FINANCIAL RISK MANAGEMENT**

The Group's currency positions at September 30, 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	September 30, 2024 in USD	December 31, 2023 in USD	Liabilities	September 30, 2024 in USD	December 31, 2023 in USD
Cash and cash equivalents	1,723,055	399,145	Trade and other payables and interest bearing loans	2,513,124	1,149,993
Rent and other receivables	19,501	65,080	Distribution payable	18,016,352	12,083,423
Total assets	1,742,556	464,225	Bond borrowing	59,307,130	59,665,227
			Net liabilities	(78,094,050)	(72,434,418)

The maturity analysis of financial liabilities, actual cash flows including interest, is as follows as of September 30, 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	8,336,755	–	–	8,336,755
Distribution payable	18,016,352	–	–	18,016,352
Interest bearing loans and borrowings, including interest	34,866,758	355,468,749	578,074,221	968,409,728
Interest bearing bond, including interest	1,705,078	60,159,595	–	61,864,673
	62,924,943	415,628,344	578,074,221	1,056,627,508

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:

	September 30, 2024 in USD	December 31, 2023 in USD
Current assets		
Interest rate cap option contracts – cash flow hedges	299,775	2,833,857
Non-current assets		
Interest rate cap option contracts – cash flow hedges	557,407	41,747
Total derivative financial instrument assets	857,182	2,875,604

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

Interest Rate Cap Option Contracts	September 30, 2024 in USD	December 31, 2023 in USD
Carrying Amount	857,182	2,875,604
Notional Amount	134,843,000	172,521,688
Maturity Dates	October 1, 2024 – October 1, 2026	February 1, 2024 – January 1, 2026
Hedge Ratio	1:1	1:1
Weighted average hedged rate for the year	4.79%	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 September 30, 2024.

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.

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 September 30, 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	–	–	21,590,775	21,590,775
Net change in fair value (unrealized)	–	–	(23,560,775)	(23,560,775)
Investment property sold	–	–	(104,200,000)	(104,200,000)
Investment property held for sale	–	–	(30,900,000)	(30,900,000)
Investment property at September 30, 2024	–	–	1,162,940,000	1,162,940,000
Derivative financial instruments at December 31, 2023	–	2,875,604	–	2,875,604
Purchase of derivative financial instruments	–	707,000	–	707,000
Sale of derivative financial instruments	–	(80,000)	–	(80,000)
Net change in fair value	–	480,577	–	480,577
Reclassification of counterparty payments earned out of OCI	–	(3,125,999)	–	(3,125,999)
Derivative financial instruments at September 30, 2024	–	857,182	–	857,182

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 September 30, 2024, include:

Future Rental Cash Inflows 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.

Estimated Occupancy Rates Based on current and expected future market conditions after expiry of any current lease. The occupancy rates applied range from 87.8% to 98.8%.

Maintenance Costs Including necessary investments to maintain functionality of the property for its expected useful life.

Capitalization Rates 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 4.75% to 7.00%.

On the basis of a sensitivity analysis of investment real estate as of September 30, 2024 with fair value of USD 1,193,840,000, an isolated increase in the capitalization rates by 50 basis points would lead to a decrease of approximately USD 99 million in value while a decrease in

the capitalization rate by 50 basis points would lead to an increase in value of approximately USD 118 million as illustrated by the following table in increments of 10 basis points:

As of September 30, 2024:	Stabilized NOI, Decrease 1% in USD	Stabilized NOI, As Reported in USD	Stabilized NOI, Increase 1% in USD
Capitalization rate, decrease 50 bps	104,993,000	118,113,000	131,232,000
Capitalization rate, decrease 40 bps	79,792,000	92,657,000	105,522,000
Capitalization rate, decrease 30 bps	55,550,000	68,170,000	80,790,000
Capitalization rate, decrease 20 bps	32,213,000	44,598,000	56,982,000
Capitalization rate, decrease 10 bps	9,733,000	21,890,000	34,047,000
Capitalization rate, as reported	(11,938,000)	–	11,938,000
Capitalization rate, increase 10 bps	(32,843,000)	(21,116,000)	(9,388,000)
Capitalization rate, increase 20 bps	(53,021,000)	(41,497,000)	(29,974,000)
Capitalization rate, increase 30 bps	(72,509,000)	(61,183,000)	(49,856,000)
Capitalization rate, increase 40 bps	(91,343,000)	(80,207,000)	(69,070,000)
Capitalization rate, increase 50 bps	(109,555,000)	(98,602,000)	(87,650,000)

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 September 30, 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 September 30, 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 737.6 million and USD 788.0 million at September 30, 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 58.3 million as of September 30, 2024 and USD 60.0 million as of December 31, 2023.

**NOTE 9
SUBSEQUENT EVENTS**

There were no subsequent events which would require adjustment to or disclosure in the accompanying condensed consolidated interim financial statements.

Property Portfolio as of September 30, 2024

based on Colliers figures

Property	Address	City	State	Zip Code	Fair Value in USD	Ownership Form	Year of Construction	Net Operating Income ¹ in USD	Units	Occupancy Rate ²	Vacancy Rate	Cap Rate	Gross Potential Income ³ in USD	Site Size in sq. ft.	Net Lettable Area ⁴ in sq. ft.
Amaze @ NoDa	3750 Philemon Avenue	Charlotte	North Carolina	28206	74,900,000	Sole-Ownership	2019	3,557,750	298	95.00%	5.00%	4.75%	6,080,410	431,680	221,270
Ashford	1200 North Dairy Ashford Road	Houston	Texas	77079	55,500,000	Sole-Ownership	2015	2,775,221	312	93.60%	6.40%	5.00%	6,230,280	135,579	260,852
Avenue 8 Apartments	1050 West 8th Avenue	Mesa	Arizona	85210	40,400,000	Sole-Ownership	1986	2,422,197	194	92.30%	7.70%	6.00%	3,906,000	385,158	213,400
Bellevue Hills Apartments	11829 Amerado Boulevard	Bellevue	Nebraska	68123	28,600,000	Sole-Ownership	1974	1,861,579	264	96.60%	3.40%	6.50%	4,099,552	788,000	243,960
Breckinridge Square	203 Breckinridge Square	Louisville	Kentucky	40220	35,700,000	Sole-Ownership	1970	2,051,633	294	92.90%	7.10%	5.75%	4,954,325	695,261	332,090
Brent Village	1409 Buck Drive	Bellevue	Nebraska	68005	14,900,000	Sole-Ownership	1971	968,037	180	94.40%	5.60%	6.50%	2,474,193	404,236	147,869
Brookwood Apartments	201 South Kolb Road	Tucson	Arizona	85710	27,900,000	Sole-Ownership	1973	1,746,512	272	92.30%	7.70%	6.25%	3,720,760	432,586	206,784
Cordova Creek	7965 Humphrey Hill Drive	Memphis	Tennessee	38016	24,000,000	Sole-Ownership	1986	1,681,446	196	91.30%	8.70%	7.00%	3,473,410	851,162	214,038
JRG Lofts	437 West 6th Street	Covington	Kentucky	41011	56,900,000	Sole-Ownership	2021	2,987,250	178	93.80%	6.20%	5.25%	4,196,806	60,952	131,543
Mission Palms Apartments	951 West Orange Grove Road	Tucson	Arizona	85704	64,760,000	Sole-Ownership	1979	3,723,797	360	92.50%	7.50%	5.75%	6,494,060	1,258,842	372,918
Residences at Echelon Apartments	3500 SW Hollywood Drive	Lee's Summit	Missouri	64082	54,700,000	Sole-Ownership	2020	2,871,750	243	98.80%	1.20%	5.25%	4,971,375	485,471	235,552
Retreat Northwest	1130 Racquet Club North Drive	Indianapolis	Indiana	46260	43,700,000	Sole-Ownership	1973	2,515,433	336	87.80%	12.20%	5.75%	5,296,356	2,044,532	347,620
Ridge on Spring Valley	5704 Spring Valley Road	Dallas	Texas	75254	27,600,000	Sole-Ownership	1978	1,586,820	207	91.80%	8.20%	5.75%	3,816,120	324,091	166,194
River Oaks Apartments	7730 East Broadway Boulevard	Tucson	Arizona	85710	30,480,000	Sole-Ownership	1982	1,752,691	300	91.30%	8.70%	5.75%	3,962,700	448,958	212,074
Rolling Hills Apartments	9100 Rainbow Springs	Louisville	Kentucky	40241	51,700,000	Sole-Ownership	1972	3,100,195	400	93.00%	7.00%	6.00%	6,488,770	1,120,157	504,640
Shawnee Station	6405 Maurer Road	Shawnee	Kansas	66217	30,900,000	Sole-Ownership	2001	1,620,082	228	95.61%	4.39%	5.25%	3,669,000	673,873	210,648
St. Matthews Apartments	400 Mallard Creek Road	Louisville	Kentucky	40207	102,600,000	Sole-Ownership	1988 & 1991	5,127,662	600	95.00%	5.00%	5.00%	10,012,848	1,571,035	587,718
The M Club	7007 Courthouse Drive	Indianapolis	Indiana	46226	40,100,000	Sole-Ownership	1979	2,403,159	388	90.50%	9.50%	6.00%	4,905,340	1,686,441	303,544
The Meadows Apartment Homes	2154 Meadow Glade Lane	Memphis	Tennessee	38134	20,000,000	Sole-Ownership	1986	1,347,958	200	95.00%	5.00%	6.75%	2,837,478	625,522	191,200
The Wylde at Eagle Creek	6612 Eagle Pointe Drive North	Indianapolis	Indiana	46254	31,400,000	Sole-Ownership	1987	1,885,191	256	95.70%	4.30%	6.00%	3,990,720	835,350	202,000
Tierra Pointe Apartments	6801 & 6901 Los Volcanes Road NW	Albuquerque	New Mexico	87121	42,200,000	Sole-Ownership	1985	2,531,682	352	94.00%	6.00%	6.00%	4,809,361	521,784	211,720
Varia at Oakcrest Apartments	1310 Oakcrest Drive	Columbia	South Carolina	29223	40,100,000	Sole-Ownership	2000	2,003,005	272	90.10%	9.90%	5.00%	4,806,840	838,351	299,102
Varia at Highland Village	120 Main Street	Highland Village	Texas	75077	43,000,000	Sole-Ownership	2015	2,255,482	161	91.30%	8.70%	5.25%	4,234,960	615,593	195,115
West End at Fayetteville	3050 Plantation Garden Boulevard	Fayetteville	North Carolina	28303	92,000,000	Sole-Ownership	2012	4,832,049	360	97.50%	2.50%	5.25%	7,653,660	1,870,902	425,784
Wild Oaks	7987 NE Flintlock Road	Kansas City	Missouri	64158	64,800,000	Sole-Ownership	2000	3,402,742	348	92.00%	8.00%	5.25%	6,314,100	1,047,182	325,488
Wood Hollow Apartments	3875 Post Oak Boulevard	Euless	Texas	76040	38,000,000	Sole-Ownership	1985	2,186,121	346	93.90%	6.10%	5.75%	5,681,120	535,374	251,639
Zona Village	2855 West Anklam Road	Tucson	Arizona	85745	17,000,000	Sole-Ownership	1969	1,106,338	183	92.30%	7.70%	6.50%	2,186,440	249,075	98,868
Total					1,193,840,000			66,303,784	7,728			5.55%	131,266,984	20,937,149	7,113,630

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

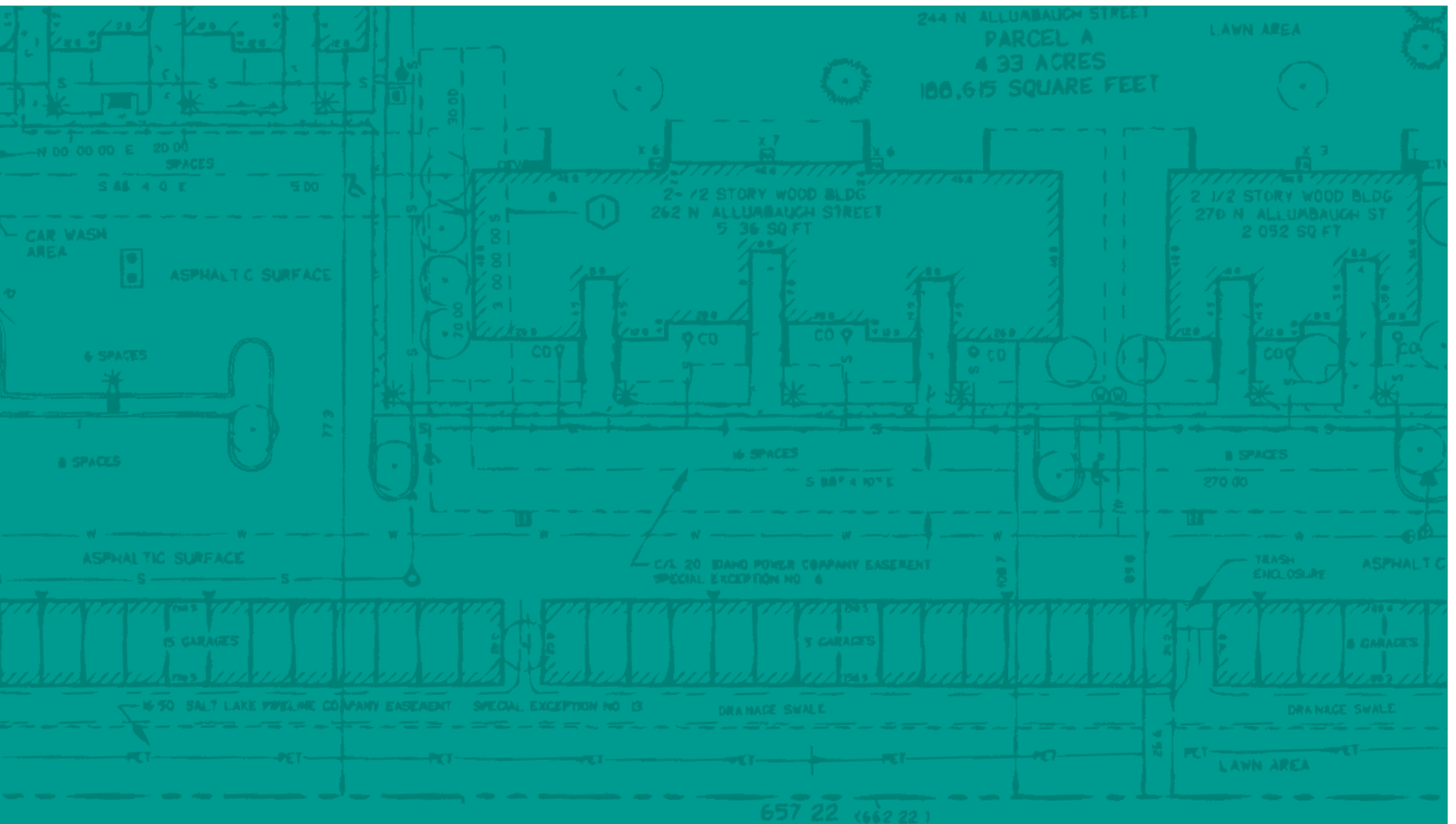
² As percentage of the total gross potential income as calculated by Colliers.

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

⁴ As of September 30, 2024, 100 % of the lettable area of the properties was for residential use.

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