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Media Release

Zug, 30 June 2020

Varia Europe Properties AG announces 2019-year results

- **Total Income of EUR 0.76 million**
- **EBITDA of EUR 0.41 million**
- **Net Profit for the year of EUR 0.56 million**
- **Portfolio value of EUR 41.28 million**
- **NAV/share growth to EUR 1.49 (2018: EUR 1.42)**
- **Earnings per share of EUR 0.0435 (2018: 0.0769)**

Varia Europe Properties AG announced today the results of the financial year 2019. The Company was able to deliver positive returns across its diversified strategies and markets with a portfolio of greater depth and breadth thanks to the capital increase occurred last year. 2019 has been a year of consolidation for the company and its portfolio, including the capital increase of EUR 26.13m and a distribution of CHF 0.13/share. Overall, the full-year results are in line with the objectives and underline the effectiveness of Varia Europe's Strategy.

Performance

In 2019, Varia Europe recorded a total revenue of EUR 0.76m (EUR 1.03m total revenue in 2018) with a realized gain of EUR 0.12m and an unrealized gain of EUR 0.64m. Operating expenses increased from EUR 0.2m in 2018 to EUR 0.34m in 2019 mainly driven by the share capital reduction costs.

EBITDA is down to EUR 0.4m in 2019, but the Company net profit for the year stood at EUR 0.56m thanks to a deferred tax benefit of EUR 166k.

Total shareholder equity moved from EUR 17.15 million in 2018 to EUR 42.4 million in 2019.

NAV increased to EUR 1.49/share from EUR 1.42/share. Last year Varia Europe distributed a total of CHF 0.13/share (9.2% dividend yield in 2019 equivalent to 7.2% versus share price at year end) of which CHF 0.05 were distributed in relation to 2019 operations, and before the capital increase of December 2019.

Portfolio and outlook

As of 31 December 2019, the portfolio consisted of 17 lines of investment with a fair value of EUR 41.3 million. Spain remains the larger allocation in the portfolio at 68%, while the income component of the portfolio slightly increased to 39%.

Development projects allocation increased to 55% mainly due to the new allocation to the Spanish private residential sector strategy which will be a key investment for the next years within the portfolio. In addition to this new position Varia Europe will be allocating to new markets in 2020 as well as more niche investments that could benefit from the accelerating trends implied by the COVID situation.



The COVID crisis has not affected the portfolio from a valuation point of view as of today. The impact to Varia Europe will be mainly on the calendar of cash recovery in developments (due to the temporary interruptions of construction works) and to some extent in the bridge loan strategies, but it is not expected that this should affect the Company results.

Annual General Meeting:

The Board of Directors has decided to organize the Shareholder Meeting on July 23, 2020.

The media release and the 2019 annual report are available on the website of Varia Europe at <https://www.variaeuropeproperties.com/investor-relations/financial-statements/>

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About Varia Europe Properties AG

Varia Europe Properties AG is a Swiss based company tailoring investment strategies to the European real estate market. Our Ambition is to maintain best in class asset allocation by creating a diversified portfolio of real estate and real estate backed opportunities which are expected to provide steady capital value growth and income potential. We have a purely bottom-up approach to project selection.

More information: <http://www.variaeuropeproperties.com>

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