VARIA U.S. PROPERTIES

INFORMATION ABOUT THE 1st QUARTER 2021 - Issued May 12, 2021

HIGHLIGHTS

Excellent financial results for Q1-2021 in spite of COVID-19 challenges with increases in Effective Gross Income*, Net Operating Income (NOI) and related operating margins.**

Average occupancy rate for Q1-2021 increases to 95.8% up from 93.1% for Q1-2020.

Rent collections during Q1-2021 and thereafter have been at or above pre-pandemic levels continuing the positive trend from 2020.

At the property level for Q1-2021:

- **Effective Gross Income: $28.6 million ($27.2 million for Q1-2020)**
- **NOI: $14.0 million ($12.9 million in Q1-2020)**
- **NOI margin: 49.1% (47.6% in Q1-2020)**

Strong like for like increases for Q1 2021 vs. Q1 2020 include :

- **Rental income up 5.4%**
- **NOI up 9.1%**
- **NOI Margin up 1.5%**

As of March 31, 2021 :

Total Units: 11,118

Number of properties: 47

Occupancy rate: 96.2%

**** Effective Gross Income (includes rental and other income)***
*****Net Operating Income (NOI) Operating profit less unrealized appreciation***

INTRODUCTION

Dear Investors,

This report provides an update regarding the latest developments and performance of the Company during Q1-2021. All figures are operating results in USD at the property level (unless otherwise indicated), which have neither been consolidated nor audited. This report is not intended to restate the 2020 Annual Report that was released on March 30, 2021, but rather focus on activities since the beginning of January. Further information about the Company can be found at variausproperties.com.

Since the start of the COVID-19 pandemic in the United States some fourteen months ago, the Company has adjusted operating practices at the property and corporate level to incorporate social distancing and hightened sanitation into everyday practices. At the property level, processes were redesigned and refined as virtual touring, leasing and significant direct communication with property residents through the third party property managers have become the new way of doing business. We are beginning to see economic recovery as unemployment rates continue to fall and things begin to open up as vaccines have been administered to over 42% of the US population according to the US Centers for Disease Control and Prevention (CDC).

The first quarter of 2021 produced excellent financial results compared to the pre-COVID era of Q1-2020 with increases in Effective Gross Income of 5.0%, Rental Income of 5.3% and Net Operating Income of 8.4%. Net Operating Income margin increased to 49.1% (from 47.6%) while average occupancy inceased to 95.8% as the Company continued its focus on operations and the value-add strategy. Like for like* properties (those properties that were held for both full periods) performed exceptionally well as Net Operating Income Margin Like for like* increased to 48.9% and average occupancy Like for like increased to an outstanding 95.9%. Additionally, the Company continued to maintain a very solid balance sheet during Q1-2021.

The Company sees several emerging opportunities as the initial shock of the pandemic subsides. During the first quarter, the Company closed on and onboarded three new properties in Indianapolis, Indiana. The properties, M Club, Aura and Retreat at Northwest consists of 849 units and completes the re-deployment of proceeds from the Cardinal sale completed in late 2020, as well as starts the investment of the proceeds from the December 2020 capital raise.

Q1-2021 PORTFOLIO PERFORMANCE REVIEW

A preliminary summary of the Varia portfolio Q1 operating results for 2021 and 2020 is provided below.

These figures are calculated at the property level and have not been consolidated at the Company level. They are unaudited and provided on a purely indicative basis. They do not correspond in all respects to IFRS figures. They are subject to change and the Company shall not be responsible for investment decisions based on them. Only the figures presented in the 2020 Annual Report or the 2020 Half Year Report should be considered.

RESULTS (for the quarter ended)	Unit	Q1 2021	Q1 2020	Change %
Effective Gross Income	USD Mio	28.6	27.2	5.0%
*Effective Gross Income like for like**	USD Mio	*25.6*	*24.3*	*5.3%*
Rental Income	USD Mio	25.5	24.3	5.3%
*Rental Income like for like**	USD Mio	*22.9*	*21.7*	*5.4%*
Operating Expenses	USD Mio	14.5	14.3	1.9%
NOI	USD Mio	14.0	12.9	8.4%
*NOI like for like**	USD Mio	12.5	11.4	9.1%
NOI less Finance Cost	USD Mio	8.3	7.6	10.2%
NOI Margin	%	49.1%	47.6%	1.5%
*NOI Margin like for like**	%	*48.9%*	*47.2%*	1.7%
Properties as of March 31	Number	47	53	(11.3)%
Units as of March 31	Number	11,118	10,896	2.0%
*Potential Rent per Month per Unit like for like**	USD	858	837	*2.5%*
Occupancy Rate - average	%	95.8%	93.1%	2.7%
Occupancy Rate like for like - average*	%	*95.9%*	*93.0%*	*2.9%*

* Like for like compares assets that were held for the full periods presented.

Note: Some amounts and percentages do not directly calculate due to rounding.

General Overview

At the end of Q1-2021, the Company portfolio had 47 properties for a total of 11,118 units. Overall, Q1-2021 reflected strong performance on the revenue side while expenses were effectively controlled and optimized due in part to cost cutting measures during the pandemic. Occupancy rates have increased significantly from Q1-2020 continuing the growth trend in place prior to the outbreak of the COVID-19 pandemic.

Income

Effective Gross Income increased $1.4 million (or 5.0%) from $27.2 million in Q1-2020 to $28.6 million in Q1-2021, driven by a focus on capturing rental income increases and boosted by a significant decline in physical vacancy.

Rental Income, defined as gross potential rent less economic/physical vacancy, increased $1.3 million (or 5.3%) from $24.3 million in Q1-2020 to $25.5 million in Q1-2021. Like for like* rental income increased $1.2 million (or 5.4%) from $21.7 million in Q1-2020 to $22.9 million in Q1-2021, driven mostly by a constant push for higher rental rates and occupancy increases across the portfolio while managing concessions.

Occupancy (average) in Q1-2021 climbed 2.7% to 95.8% compared to Q1-2020 at 93.1%. Same store occupancy (average) was very strong climbing 2.9% to 95.9%. This is the result of the renewal strategy put in place at the beginning of the pandemic, as well as of the fewer number of units that have been rehabbed in the last few months, due to the COVID-19 situation.

Operating Activity and Overall Results

Operating Expenses increased slightly from $14.3 million in Q1-2020 to $14.5 million in Q1-2021. The increases on the expense side are primarily the result of higher real estate taxes and insurance costs in certain markets partially offset by controllable operating costs decreasing mostly driven by the continued conservative maintenance spending and cost reduction strategies during the pandemic.

NOI increased $1.1 million (or 8.4%) from $12.9 million in Q1-2020 to $14.0 million in Q1-2021.

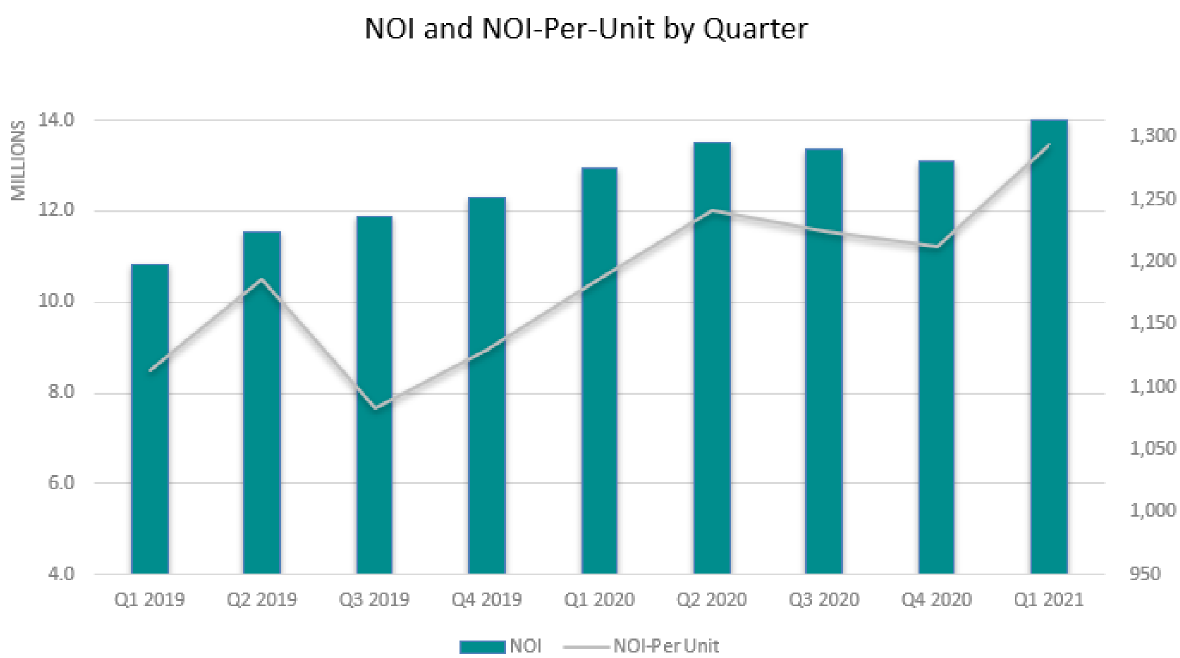
NOI Margin increased from 47.6% in Q1-2020 to 49.1% in Q1-2021. Same store results were excellent increasing from 47.2% in Q1-2020 to 48.9% in Q1-2021 reflecting the continued push to increase overall profitability of the portfolio.

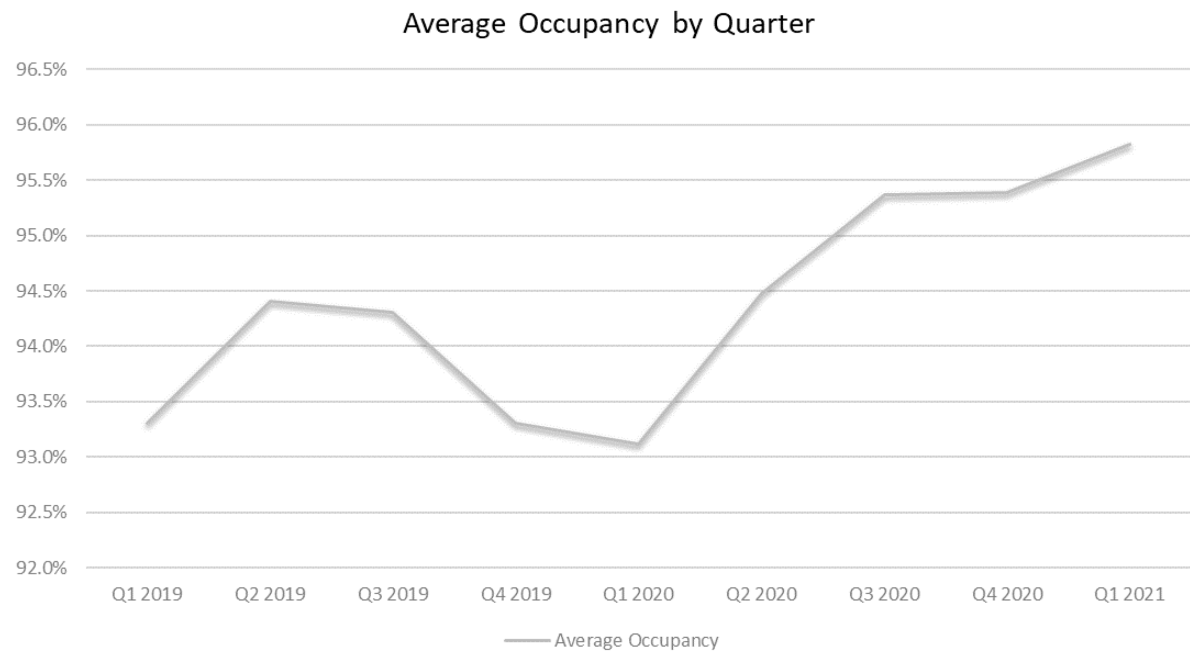
Portfolio Trajectory and Resilience During COVID-19 Pandemic

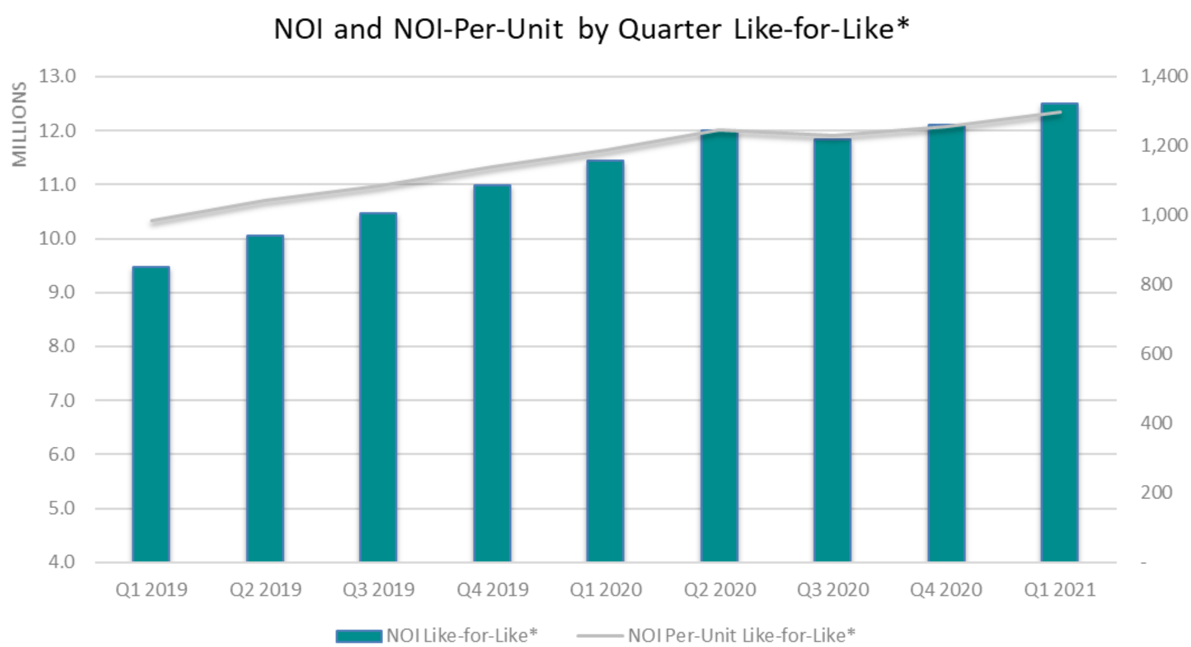
As we have come through what is hopefully the worst of the pandemic, we are better able to reflect on the resiliency of the portfolio and key operating trends.

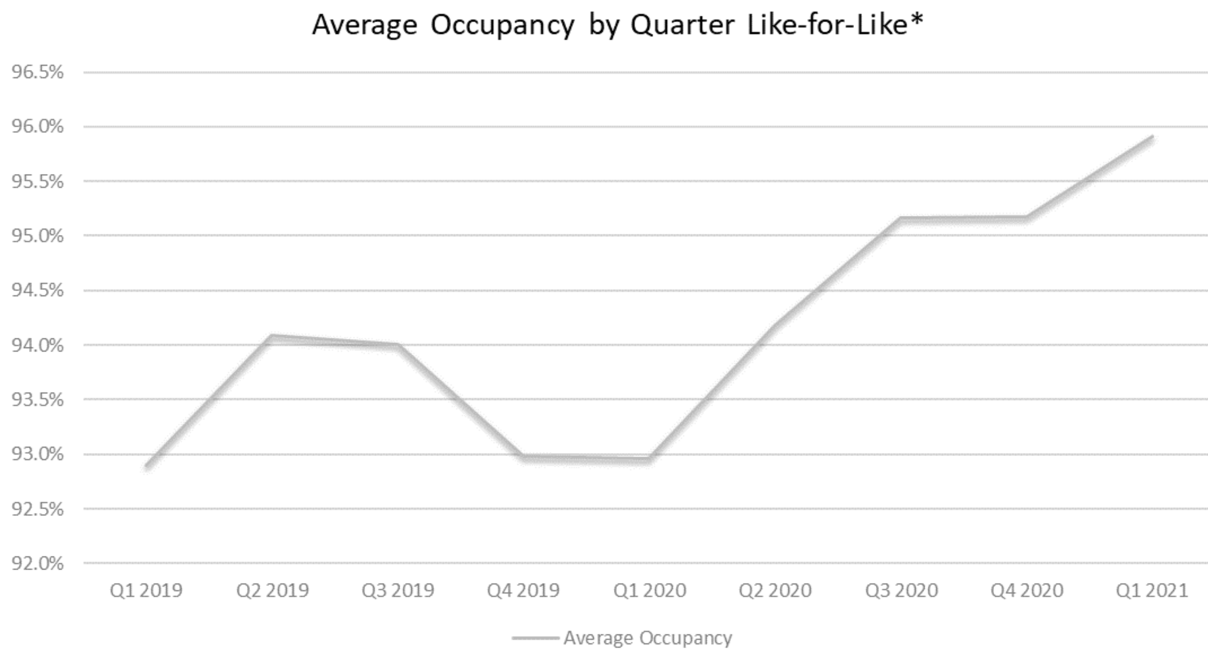
As demonstrated in the graphs below, NOI has been steadily increasing from the first quarter of 2019. Q2-2020 reflects lower than normal operating costs at the property level as the pandemic fully set in with Q3 and Q4-2020 returning to more normal spending levels and catching up on maintenance that was deferred in Q2. The overall trend reflects strong growth through acquisitions as well as healthy operational returns on our value-add strategy on existing properties. Occupancy levels have also been steadily increasing from the first quarter of 2020.

On a like for like basis, NOI has shown a consistent increase from the beginning of 2019 reflecting the continued focus on improving profitability of the existing portfolio. Occupancy has been very solid with improvements noted throughout 2020 even in the midst of the pandemic.




Average Occupancy by Quarter
96.5%
96.0%
95.5%
95.0%
94.5%
94.0%
93.5%
93.0%
92.5%
92.0%
Q1 2019
Q2 2019
Q3 2019
Q4 2019
Q1 2020
Q2 2020
Q3 2020
Q4 2020
Q1 2021
Average Occupancy


NOI and NOI-Per-Unit by Quarter Like-for-Like*
MILLIONS
13.0
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
1,400
1,200
1,000
800
600
400
200
-
Q1 2019
Q2 2019
Q3 2019
Q4 2019
Q1 2020
Q2 2020
Q3 2020
Q4 2020
Q1 2021
NOI Like-for-Like*
NOI Per-Unit Like-for-Like*



RELEVANT TOPICS AND Q2 OUTLOOK

At the end of Q4-2020, the Company put in place an unlimited credit facility with Fannie Mae, which provides for overall better loan terms and debt management flexibility as well as allowing for supplemental loans on a cross-collateralized basis. This facility will further enhance our competitive advantage by reducing interest cost as well as enabling faster acquisition closings which are viewed favorably by sellers in the bid process.

During the first quarter, the new US administration in Washington announced the American Rescue Plan in continuing to address the COVID-19 pandemic and related economic issues. Key aspects of the plan that will assist the multifamily industry include:

- $27.4 billion in dedicated rental assistance
- $1,400 payments to individuals earning less than $75,000 and couples earning less than $150,000
- $300 a week in extra unemployment assistance through September 6

The early impact of the plan already appears to be having a positive impact on rent collections. During and after the end of Q1-2021, rent collections have been at or over 100% of the expected collected amounts. These very positive collections levels remain consistent with the high levels that have been experienced since the pandemic began over a year ago. We expect collections to remain stable as the US and world markets continue to normalize after the twists and turns of 2020.

In Q2 2021, the Company continues to push forward with on and off-market acquisitions and dispositions, leveraging the Company brand and strength of the organization to secure and execute on deals.

NEXT REPORT

The next report will be the 2021 Half Year Report that will be published on August 31, 2021.

TERMS

Structure	Real Estate Company	**Life duration**	Unlimited
Incorporation	Switzerland	**Market Cap on March 31, 2021**	CHF 384.79M
Inception	September 2015	**SIX ticker**	VARN
Asset Manager	Stoneweg SA	**ISIN**	CH0305285295

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