

Media release

Zug, 12 May 2021

Excellent operating performance continues into Q1 2021 in spite of COVID-19 challenges – increased effective gross income (+5.0%) and net operating income (+8.4%)

- **Increase of effective gross income from USD 27.2 million in Q1 2020 to USD 28.6 million in Q1 2021 (+5.0%)**
- **Rental income up 5.3% to USD 25.5 million (Q1 2020: USD 24.3 million)**
- **Net operating income up 8.4% to USD 14.0 million (Q1 2020: 12.9 million)**
- **Average occupancy rate increased at 95.8% (93.1% in Q1 2020)**
- **Rent collections at or above pre-pandemic levels – further tailwind expected by US American Rescue Plan**
- **Acquisition of three new properties in Indiana for USD 87 million**
- **New credit facility implemented allowing for reduced debt and defeasance costs**

Q1 2021 Portfolio Performance Review

In Q1 2021, effective gross income reached USD 28.6 million, a 5.0% increase from Q1 2020. Rental income was up by 5.3% to USD 25.5 million. On a like for like basis*, rental income grew by 5.4% to USD 22.9 million. Net Operating Income (NOI) amounted to USD 14.0 million compared to USD 12.9 million (+8.4%) in Q1 2020. NOI margin improved 1.5% to 49.1% (Q1 2020: 47.6%). NOI less finance cost amounted to USD 8.3 million, an increase of 10.2%. The average occupancy rate increased at 95.8% in Q1 2021 (Q1 2020: 93.1%). This reflects the continued focus of the Company on operations and the value-add strategy.

Patrick Richard, Executive Member of the Board of Directors of Varia US Properties, said: “The first quarter of the year produced excellent financial results and overall portfolio performance. This is the result of our strong and resilient portfolio and of all the intense work done in the last several months even in the midst of the pandemic. The ongoing increase of our key figures underpins the efficiency of our strategy even in a challenging business environment. We continue to see interesting investment opportunities in our target markets and intend to benefit from the currently attractive growing suburban markets in the US in order to further strengthen our portfolio. Overall, we continue to believe we will produce solid financial results for the full year 2021.”

Q1 2021 Portfolio Performance Snapshot (preliminary, unaudited figures)	Q1 2021 In USD	Q1 2020 In USD	Δ%
Effective Gross Income (EGI)	28.6 million	27.2 million	5.0
Effective Gross Income like for like*	25.6 million	24.3 million	5.3
Rental Income	25.5 million	24.3 million	5.3
Rental Income like for like*	22.9 million	21.7 million	5.4
Operating Expenses	14.5 million	14.3 million	1.9
Net Operating Income (NOI)	14.0 million	12.9 million	8.4
NOI like for like*	12.5 million	11.4 million	9.1
NOI Margin	49.1%	47.6%	1.5
NOI Margin like for like*	48.9%	47.2%	1.7
NOI less Finance Cost	8.3 million	7.6 million	10.2
Properties	47	53	(11.3)
Units	11,118	10,896	2.0
Potential Rent per Month per Unit like for like*	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.

Please find more detailed information about Varia's Q1 2021 Report on the Company's website: <http://variausproperties.com/investors/quarterly-updates/>.

Focus on operations and financial performance – ongoing portfolio optimization

The main focus of Varia US Properties in the first quarter 2021 has been successfully managing the operations and financial performance of the properties as the Company did since the start of the COVID-19 pandemic in the US in March 2020. It also acquired a three properties portfolio in Indianapolis (Indiana) for USD 87 million. The portfolio consists of 849 units and completed the re-deployment of proceeds from the sale of the Cardinal portfolio in late 2020 as well as started the investment of the proceeds of the capital increase from December 2020. The portfolio, as of 31 March 2021, consisted of 47 properties totalizing 11,118 units.

The new US administration in Washington announced the American Rescue Plan in continuing to address the COVID-19 pandemic and related economic issues by supporting citizens with various payments during the first quarter 2021. The plan already seems to be having a positive impact on rent collections. During and after the end of the first quarter 2021, rent collections

have been at or above pre-pandemic levels. These very positive collections levels remain consistent with the high levels that have been experienced since the beginning of the pandemic over a year ago. Varia US expects rent collections to remain stable as the US and world markets continue to normalize.

At the end of Q4 2020, Varia US put in place an unlimited credit facility with Fannie Mae. This facility will provide the Company with more flexibility in the management of its debt portfolio. It will further enhance the company's competitive advantage by reducing interest cost as well as enabling faster acquisition closings which are viewed favorably by sellers in the bid process.

In the second quarter 2021, Varia US continues to push forward with strategic on and off-market acquisitions and dispositions to further strengthen its portfolio.

Financial calendar

Next fixed quarterly dividend payment	12 May 2021
Half-Year 2021 Results	31 August 2021
Q3 2021 Report at portfolio level	11 November 2021

Contact information

Juerg Staehelin, IRF

Phone: +41 43 244 81 51, E-mail: investors@variausproperties.com

About Varia US Properties AG

Varia US Properties AG is a Swiss based real estate company exclusively investing in U.S. multifamily housing with a main focus on secondary and tertiary markets. Established in 2015, the Company acquires, holds, transitions and repositions properties in the boundaries of metropolitan regions of the U.S. in order to secure rental income and value growth. More information: www.variausproperties.com

Disclaimer

This communication expressly or implicitly contains certain forward-looking statements concerning Varia US Properties AG and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Varia US Properties AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Varia US Properties AG is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.