

# PRESENTATION

## HALF-YEAR 2021 RESULTS

## IMPORTANT NOTICE

This presentation includes forward-looking information and statements, including statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including the economic conditions in the property markets relevant to us. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- business risks associated with the volatile economic environment and political conditions
- costs associated with natural disasters affecting our properties
- changes in governmental regulations
- changes in currency exchange and interest rates, and
- such other factors as may be discussed from time to time in prospectuses

Although we believe that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved. This presentation contains non-GAAP measures of performance. We provide definitions of these measures and reconciliations between these measures and their IFRS counterparts as we believe are appropriate.

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# AGENDA

AUGUST 31, 2021

**Key achievements**

**Financials HY 2021**

**Portfolio and growth strategy**

**Outlook**



# KEY ACHIEVEMENTS

## KEY ACHIEVEMENTS HALF-YEAR 2021

### ■ Key outcomes

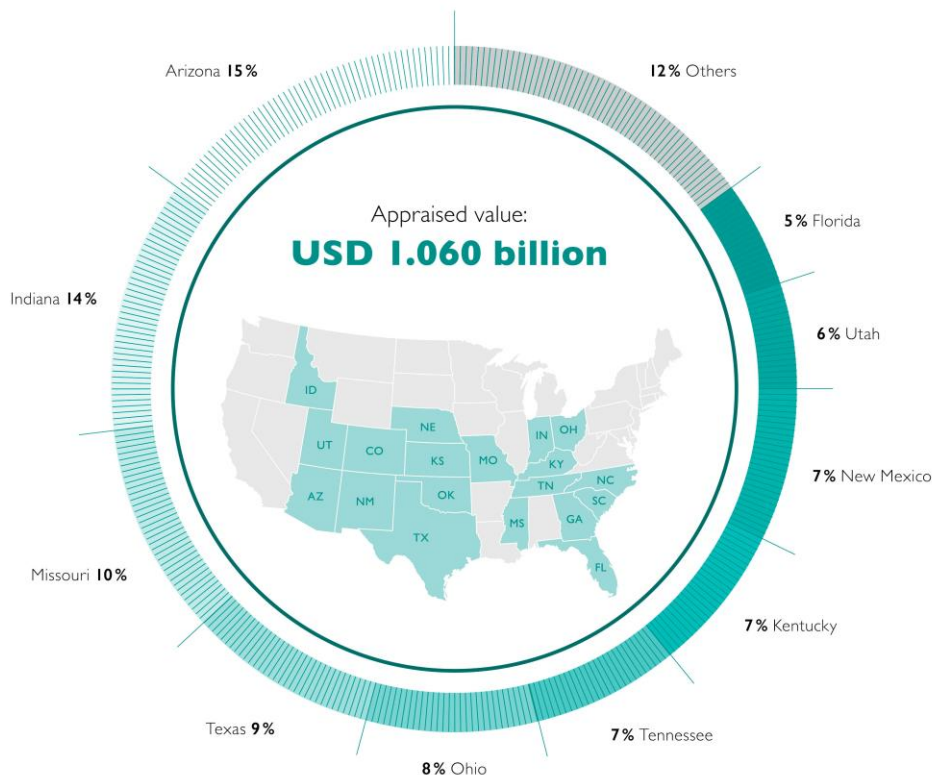
- Total portfolio value of USD 1.060 billion (end of 2020: USD 928.2 million)
- NAV per share of USD 40.19 (June 30, 2020: USD 35.43)
- Realized gain on disposal of properties of USD 12.7 million (June 30, 2020: NIL)
- Earnings per share of USD 4.81 (HY 2020: 0.76)

## KEY ACHIEVEMENTS HALF-YEAR 2021

- Corporate activities and operations
  - Resilient and diversified portfolio generating strong and growing financial performance as the key driver to sustainable success of the Company
  - Acquisition of four promising assets in Indiana and Kentucky and disposition of three assets in Idaho and Mississippi according to the Company's strategy
  - Subsequent to June 30, 2021, two assets in North Carolina and Kentucky are under contract, one disposition has been closed, six further dispositions are considering this year

# VARIA US PROPERTIES AT A GLANCE

## Geographic breakdown of Varia Properties as of June 30, 2021



- Portfolio value of USD 1.060 billion exceeding the one billion mark first time (end of 2020: USD 928.2 million)
- 45 assets
- 10,870 units
- 17 different States in the US
- Geographical diversification:
  - Regionally balanced strategy
  - 15% of the properties are located in Arizona
  - Indiana and Missouri follow with a proportion of 14% and 10% respectively
- Well positioned in markets where population and job growth are very strong
- Targeting larger assets of a more institutionalized grade



FINANCIALS HY 2021



## HY 2021 KEY FIGURES (1/4)

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

HY 2020: USD 54.6 million

USD  
million

**71.1**

### FAIR VALUE PORTFOLIO ADJUSTMENT

HY 2020: USD -2.2 million

USD  
million

**54.8**

### TOTAL INCOME

HY 2020: USD 52.4 million

USD  
million

**113.2**

### REALIZED GAIN ON THE DISPOSAL OF PROPERTIES

HY 2020: USD 0

USD  
million

**12.7**

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

HY 2020: USD 23.1 million

USD  
million

**33.5**

### EBITDA MARGIN

(without revaluation)

HY 2020: 42.3%

**47.2%**

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

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

## HY 2021 KEY FIGURES (2/4)

### PROFIT FOR THE PERIOD

HY 2020: USD 6.8 million

USD  
million

**48.7**

### FFO <sup>1</sup>

HY 2020: USD 11.4 million

USD  
million

**20.7**

### FFO PER SHARE

HY 2020: USD 1.26

USD

**2.04**

### NAV PER SHARE

HY 2020: USD 35.43

USD

**40.19**

### NAV PER SHARE

(excluding deferred taxes)  
HY 2020: USD 38.68

USD

**45.02**

### NAV PER SHARE

(excluding distribution payable)  
HY 2020: USD 38.18 million

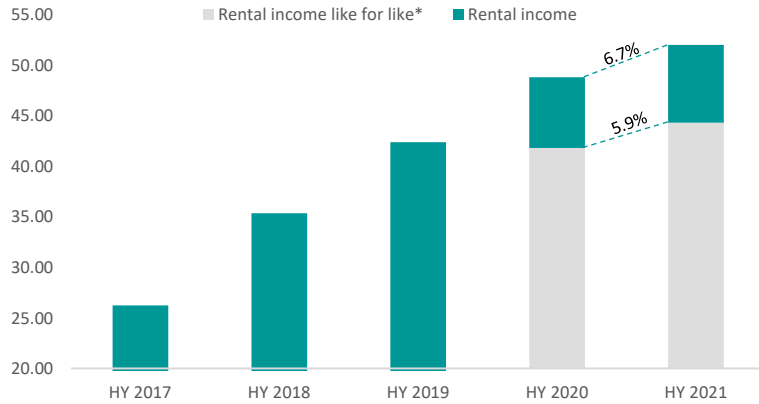
USD

**42.36**

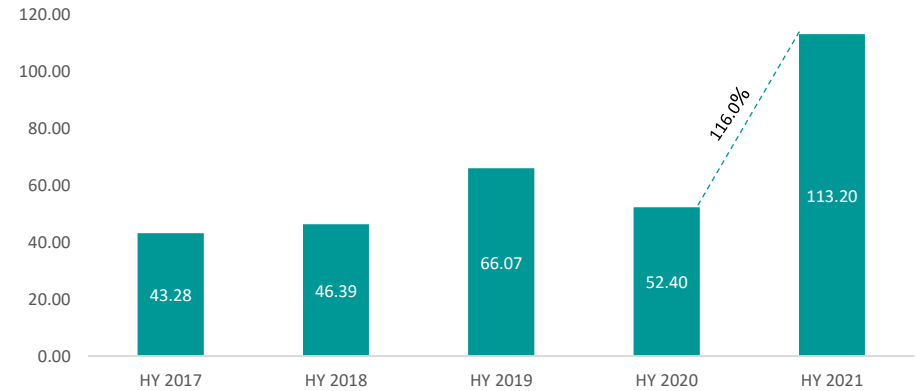
<sup>1</sup> Funds from Operations (FFO) defined as EBITDA less interest expense

# HY 2021 KEY FIGURES – FINANCIAL 2021 (3/4)

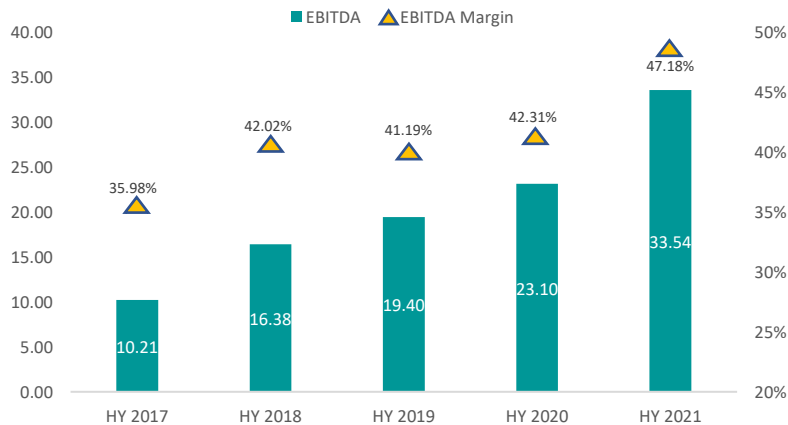
### Rental income in Mio



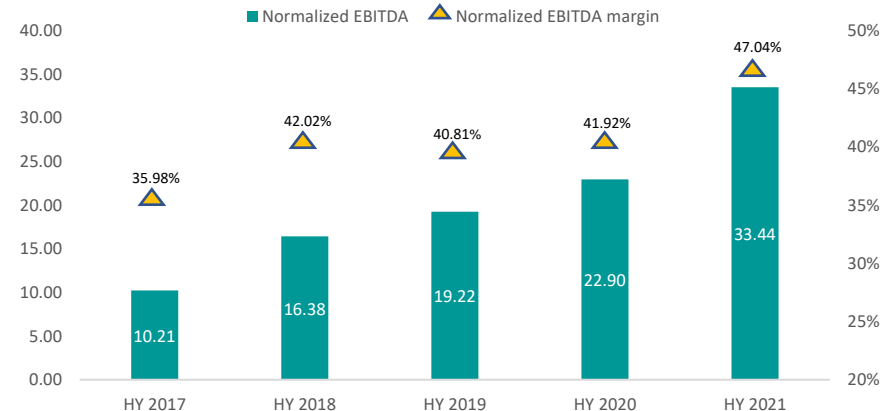
### Total Income in Mio



### EBITDA (Mio) & EBITDA Margin

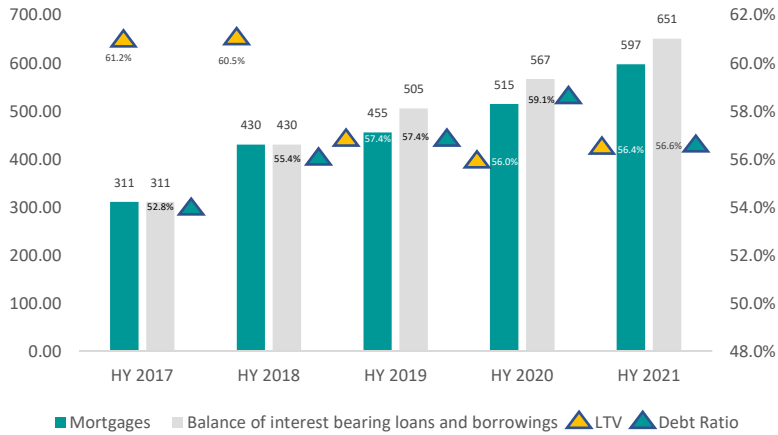


### Normalized EBITDA (Mio) & Normalized EBITDA Margin

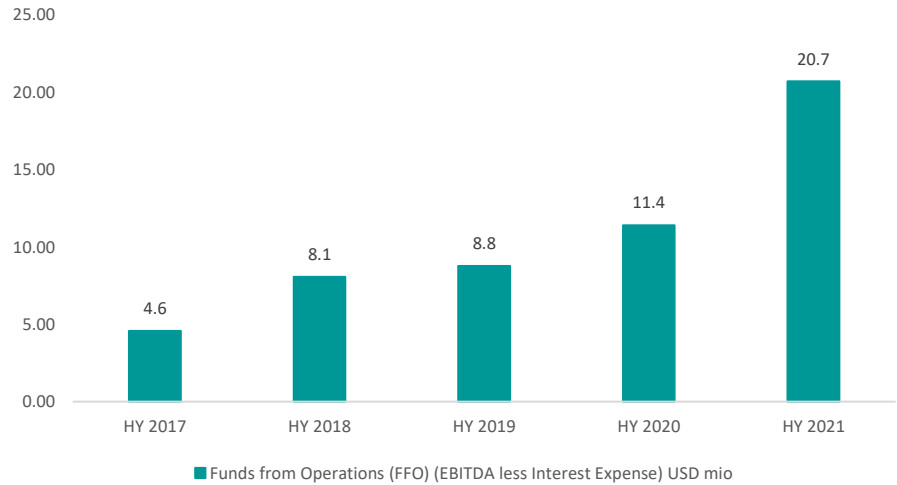


# HY 2021 KEY FIGURES – FINANCIAL 2021 (4/4)

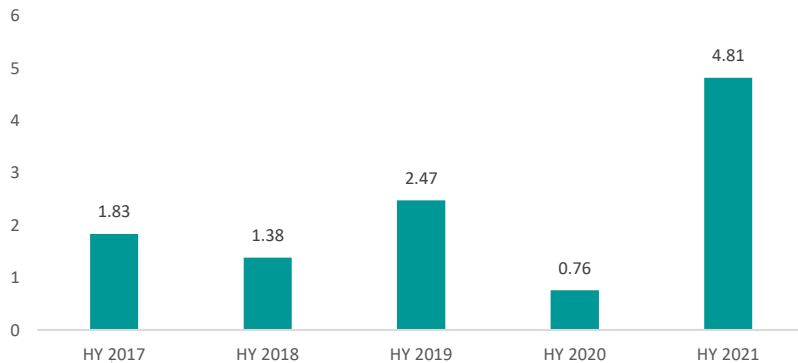
## Debt in Mio



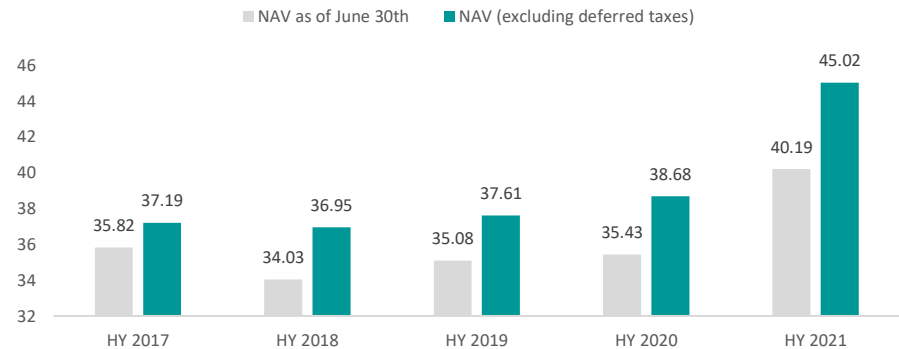
## FFO in Mio (Funds from operations)



## Earnings per share (EPS) for the Half Year ended June 30



## NAV



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

In USD million (For the six months ended)	June 30, 2021	June 30, 2020
Rental income	52.0	48.8
Other income and insurance proceeds	6.4	5.8
<b>Total rental income</b>	<b>58.4</b>	<b>54.6</b>
Realized Gain on disposal of properties	12.7	--
Effective gross income	71.1	54.6
Net gain (Loss) from fair value adjustment on investment property*	54.8	(2.2)
<b>Total income</b>	<b>113.2</b>	<b>52.4</b>
Total operating expenses	37.5	31.5
<b>Operating profit (including revaluation)</b>	<b>75.6</b>	<b>20.9</b>
Net profit before tax	63.1	7.0
<b>Profit for the period</b>	<b>48.7</b>	<b>6.8</b>
* Include realized gain on disposal of properties		
Basic and diluted earnings per share (in USD) calculated on the weighted average number of ordinary shares outstanding	4.81	0.76

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>Assets in USD million</b>	<b>As of June 30, 2021</b>	<b>As of December 31, 2020</b>
Total current assets	170.7	116.8
Total non-current assets	978.8	940.5
<b>Total assets</b>	<b>1,149.5</b>	<b>1,057.3</b>
<b>Liabilities and equity in USD million</b>	<b>As of June 30, 2021</b>	<b>As of December 31, 2020</b>
Total current liabilities	92.2	37.0
Total non-current liabilities	650.4	630.7
<b>Total liabilities</b>	<b>742.5</b>	<b>667.7</b>
<b>Total equity</b>	<b>407.0</b>	<b>389.6</b>
<b>Total liabilities and equity</b>	<b>1,149.5</b>	<b>1,057.3</b>



# PORTFOLIO AND GROWTH STRATEGY

## PORTFOLIO HY 2021 KEY FIGURES (1/2)

### PORTFOLIO VALUE<sup>1</sup>

End of 2020: USD 928.2 million

USD  
million

**1,059.6**

### NUMBER OF PROPERTIES

End of 2020: 44

**45**

### NUMBER OF UNITS

End of 2020: 10,269

**10,870**

### AVERAGE MONTHLY RENT PER UNIT

End of 2020: USD 824

USD

**882**

### INTEREST- BEARING DEBT RATIO

End of 2020: 56.8%

**56.5%**

### POTENTIAL GROSS INCOME<sup>1</sup>

End of 2020: USD 114.4 million

USD  
million

**122.2**

<sup>1</sup> Data appraised by third party appraisers



## PORTFOLIO HY 2021 KEY FIGURES (2/2)

### AVERAGE MARKET VALUE PER UNIT

End of 2020: USD 90,390

USD

**97,481**

### OCCUPANCY RATE

End of 2020: 95.4%

**96.3%**

### EFFECTIVE GROSS INCOME <sup>1</sup>

End of 2020: USD 110.8 million

USD  
million

**114.1**

<sup>1</sup> Data appraised by third party appraisers

## 4 NEW ACQUISITIONS EXECUTED OVER THE PERIOD

Property	Tripack (Aura, Retreat NW, M Club)	Lockwood
MSA	Indianapolis, IN	Kentucky, KY
Units	849	200
Year of construction	1970 – 1979	1989
Acquisition price	USD 86,700,000	USD 20,000,000
Price per unit	USD 102,100	USD 100,000
Type of property	B	B
Type of market	B	B

## 3 PROPERTIES SOLD OVER THE PERIOD

Property	Parkview	Towne Square	The Woodlands
Location	Caldwell, Idaho	Boise, Idaho	Jackson, Mississippi
Year of recapitalization*	2018	2018	2018
Number of units	87	160	200
Acquisition price at recapitalization date	USD 4,350,000	USD 11,680,000	USD 9,100,000
Disposition price	USD 8,250,000	USD 22,250,000	USD 13,800,000
Price per unit	USD 94,827	USD 139,062	USD 69,000
Gross IRR	27%	47%	27%
Gross Multiple	2.15x	3.55x	2.12x

\* These three deals were acquired in January 2016, and recapitalized in January 2018, when the Company brought out the previous Non Interest equity holder. All numbers above are based on the performance of the assets after January 2018

## ESG STRATEGY AND OTHER INITIATIVES

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- Varia US is working with the Green Building Initiative ([www.thegbi.org](http://www.thegbi.org)) and Corporate Sustainability Strategies ([www.corporatesustainabilitystrategies.com](http://www.corporatesustainabilitystrategies.com)) to develop its ESG strategy and to frame its initiatives
  - Top-down approach to define targets and policies
  - Bottom-up approach to increase building efficiencies at portfolio level and to reinforce its social impact with the residents
- It is the goal to publish the first ESG report together with Annual Report 2021 and to assess its performance through the GRESB benchmark ([www.gresb.com](http://www.gresb.com)) in 2022 or 2023
- The Company also continued to optimize and reduce its electricity and water consumption on a daily basis. It also planted 150,000 trees in two reforestation projects in Florida and Texas to support the Arbor Day Foundation ([www.arborday.org](http://www.arborday.org))
- Varia US partnered with Esusu, a US non-profit organization. It reports the on-time payment of rents to credit bureaus to help renters build credit. A good credit score is key in the US to qualify for a job, buy a car or find a place to live



## OUTLOOK 2021 (2nd half)

### MARKET

- Strong market expected for the 2<sup>nd</sup> half of 2021
- High market liquidity with capital inflow in the multifamily sector
- Continuous support from governmental authorities to support tenants affected by Covid
- End of eviction moratorium
- Above average rent increase in markets with immigration and job growth
- Low interest environment
- Continuous cap rate compression
- Valuation increase

## OUTLOOK 2021 (2nd half)

<p><b>INVESTMENT</b></p>	<ul style="list-style-type: none"> <li>→ Further expansion of the portfolio with targeted acquisitions             <ul style="list-style-type: none"> <li>→ Two additional deals in North Carolina &amp; Kentucky likely closed in next few weeks</li> <li>→ Look out for new investment opportunities offering attractive risk adjusted returns</li> </ul> </li> <li>→ Divestment of non-strategic assets (small, remote and below distribution average)</li> </ul>
<p><b>STRATEGY</b></p>	<ul style="list-style-type: none"> <li>→ Targeting newer and larger assets in better locations in order to increase the diversity of the portfolio and to reduce the execution risk</li> <li>→ Enter new markets to benefit from positive population and job growth</li> <li>→ Ongoing optimization and diversification of the portfolio</li> <li>→ Continuation of development of ESG strategy and intended publication of first ESG report together with Annual Report 2021</li> </ul>
<p><b>FINANCIALS</b></p>	<ul style="list-style-type: none"> <li>→ Delivery of solid results in US Dollar</li> <li>→ Continuation of quarterly distributions for the business year 2021</li> <li>→ Sustain a stable and growing dividend for shareholders</li> </ul>

## INFORMATION

### INVESTOR INFORMATION

Listing: SIX Swiss Exchange  
Currency: USD  
Ticker symbol: VARN  
ISIN: CH 030 528 529 5  
Listing date: December 8, 2016

### FINANCIAL CALENDAR

Q3 2021 Update	November 11, 2021
Full-year results 2021	March 30, 2022
Annual General Meeting	April 29, 2022

### CONTACT INFORMATION

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### PAYMENT DATES QUARTERLY DIVIDENDS\*

- August 11, 2021
- November 11, 2021
- February 11, 2022
- May 11, 2022

\* **For the business year 2021**



