

Media release

Ad hoc announcement pursuant to Art 53. LR

Zug, 11 November 2021

Excellent operating performance in Q3 2021 – Full deployment of Corporate bond proceeds raised in late September

- Increase of effective gross income to USD 30.0 million in Q3 2021 (+8.5% compared to Q3 2020)
- Rental income up to USD 26.7 million (+7.4%)
- Net operating income up to USD 15.0 million (+12.1%)
- Average occupancy rate increased to 95.9% (+0.5%)
- Rent collections continue to be at or above pre-pandemic levels
- Acquisition of two new properties and disposal of five properties

Q3 2021 Portfolio Performance Review

In Q3 2021, effective gross income reached USD 30.0 million, an 8.5% increase from Q3 2020. Rental income was up by 7.4% to USD 26.7 million. On a like for like basis*, rental income grew by 6.8% to USD 21.2 million. Net Operating Income (NOI) amounted to USD 15.0 million compared to USD 13.4 million (+12.1%) in Q3 2020. NOI margin improved 1.6% to 49.9% (Q3 2020: 48.3%). The average occupancy rate increased to 95.9% in Q3 2021 (Q3 2020: 95.4%). This reflects the renewal strategy put in place at the beginning of the pandemic as well as the fewer number of rehabbed units in the last months due to the COVID-19 situation.

Patrick Richard, Executive Member of the Board of Directors of Varia US, said: “The third quarter of the year generated excellent financial results. All key figures continued to increase and are backed by a very solid balance sheet. This is the result of our efficient strategy which pays off even in extraordinary times. Since the beginning of the year, Varia US has benefitted from positive market conditions to dispose of certain smaller, remote or low yielding assets and acquired larger assets in strong markets. Overall, we are confident that we will provide solid financial results for the full year 2021.”

Q3 2021 Portfolio Performance Snapshot (preliminary, unaudited figures)	Q3 2021 In USD	Q3 2020 In USD	Δ%
Effective Gross Income (EGI)	30.0 million	27.6 million	8.5
Effective Gross Income like for like*	23.8 million	22.0 million	7.9
Rental Income	26.7 million	24.9 million	7.4

Rental Income like for like*	21.2 million	19.8 million	6.8
Operating Expenses	15.0 million	14.3 million	5.2
Net Operating Income (NOI)	15.0 million	13.4 million	12.1
NOI like for like*	11.7 million	10.6 million	9.8
NOI Margin	49.9%	48.3%	1.6
NOI Margin like for like*	49.0%	48.2%	0.9
Properties	42	53	(20.8)
Units	10,902	10,896	0.1
Potential Rent per Month per Unit like for like*	886	843	5.1
Occupancy Rate – average	95.9%	95.4%	0.5
Occupancy Rate like for like* – average	96.2%	95.3%	0.9

* 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 US' Q3 2021 Report on the Company's website: <http://variausproperties.com/investors/quarterly-updates/>.

Ongoing high levels of rent collections – successful financial performance of properties

The main focus of Varia US in the third quarter 2021 has been successfully managing the operations and financial performance of the properties. Capex activities are ongoing in many properties and the end of the eviction moratorium has been well managed with little impact on the overall occupancy level. The Company has disposed of five smaller, non-strategic assets totaling 584 units and reinvested the significant proceeds into larger assets in more strategic markets by acquiring two properties in Indianapolis (Indiana; 256 units) and Fayetteville (North Carolina; 360 units). The portfolio, as of 30 September 2021, consisted of 42 properties totaling 10,902 units.

During the third 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 the last 18 months. As the US economy continues its strong rebound, Varia US expects rent collections to remain favorable.

At the end of the third quarter 2021, Varia US issued its second corporate bond for CHF 50 million and immediately invested the proceeds of the bond to acquire the LC Mathews property with 600 units in Louisville (Kentucky). The Company intends to close two further acquisitions by the end of this year. In addition, there are two smaller and remote assets that are expected to sell by the end of this year as well.



Key dates

Next fixed dividend payments	November 11, 2021 and February 11, 2022
Full-year results 2021	March 30, 2022
Annual General Meeting	April 29, 2022

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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

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