



Media release - Ad hoc announcement pursuant to Art 53. LR

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Varia US Properties AG delivers strong Q1 2022 results – rental income up 21% year over year, significant increase of net profit to USD 100.8 million

- **Rental income up 21% year over year to around USD 30.9 million (Q1 2021: USD 25.5 million)**
- **Net gain from fair value adjustment up to USD 123.8 million (Q1 2021: USD 21.3 million)**
- **Profit for the period significantly increased to USD 100.8 million (Q1 2021: USD 23.8 million)**
- **Pleasing portfolio development with higher portfolio value, increased average monthly rent and stable average occupancy rate**
- **Institutionalization of the portfolio is intended to lead to a better ESG performance and significantly reduced capital expenditure (CAPEX) requirements**
- **Varia US Properties AG (the “Company” or “Varia US”) continues to expect a flattening of the fair value adjustments, as well as a certain normalization of the US inflation as interest rates increase**

On the operation side, Varia US Properties’ effective gross income increased to USD 35.1 million in Q1 2022, compared to USD 28.8 million in Q1 2021. Rental income grew by almost 21% to around USD 30.9 million (Q1 2021: USD 25.5 million), and by 7.5% on a like for like basis. EBITDA (defined as operating profit less unrealized revaluation) grew to USD 15.0 million in Q1 2022 from USD 12.1 million in Q1 2021, and the EBITDA margin increased by 0.7% between Q1 2022 and Q1 2021. Profit for the period significantly increased to USD 100.8 million (Q1 2021: USD 23.8 million) mainly due to the fair value adjustment.

The average monthly rent grew 2.2% to USD 952/unit compared to USD 932/unit at the end of 2021, and the average occupancy rate remained stable at 94.7% (compared to 94.6% at the end of 2021). The value of the total portfolio recorded an increase of 9.1% to USD 1.54 billion compared to USD 1.41 billion at the end of 2021.

Patrick Richard, Executive Member of the Board of Directors of Varia US, said: “Today, Varia US for the first time published fully consolidated financial statements on a quarterly basis. We strongly believe this effort is key to better inform our shareholders of the Company’s activities, and to keep them updated in a rapidly changing market.” He added: “Since the beginning of the year, inflation has continued to spike, interest rates rose, supply chain issues were not resolved and a war started in Ukraine. These events, as significant and tragic as they are, had a limited impact on our Company’s operational and financial performance during the first

quarter of the year with Varia US delivering significant growth in rental income, EBITDA and net profit, as well as portfolio value appreciation.”

Q1 2022 Key figures (unaudited)	Q1 2022 In USD	Q1 2021 In USD	Δ%
Rental Income	30.9 million	25.5 million	20.9
Rental Income like for like*	23.1 million	21.4 million	7.5
Effective Gross Income (EGI)	35.1 million	28.8 million	21.8
Operating Expenses	20.1 million	16.8 million	20.2
EBITDA (Operating Profit less unrealized revaluation)	15.0 million	12.1 million	23.9
Profit for the Period	100.8 million	23.8 million	324.3
	As of 31 March 2022	As of 31 December 2021	
Properties	43	43	0.0
Units	11,887	11,887	0.0
Portfolio Value	1,54 billion	1,41billion	9.1
Average Monthly Rent per Unit**	USD 952	USD 932	2.1
Average Occupancy Rate	94.7%	94.6%	0.1

* 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.

Varia US' complete and fully consolidated Q1 2022 Report is available for download on the Company's website at <https://variausproperties.com/investors/quarterly-updates/>.

Interest rates expected to increase – Ongoing portfolio optimization

With reference to the outlook for 2022, and as communicated on 30 March 2022, the Company continues to expect a certain normalization of the inflation as interest rates increase, as well as some kind of flattening of the US multifamily market. However, rents are expected to continue to increase at a higher pace than usual, compensating for higher operating expenses. Varia US expects capitalization rates stabilize, thereby limiting future fair value adjustments of the portfolio.

Over the next few weeks and months, the Company plans to pursue its strategy to dispose of older and more remote assets, while acquiring newer properties located in more desirable



areas in larger metropolitan areas. This institutionalization of the portfolio is intended to support the Company's efforts to achieve a better ESG performance of the overall portfolio and to significantly reduce its CAPEX requirements. Therefore, and as planned, the Company is currently submitting for the first time its utility consumption data as well as other key indicators for the whole portfolio to the Global Real Estate Sustainability Benchmark (GRESB) and intends to report on the results later this year.

Financial calendar

Next fixed quarterly dividend payment	10 August 2022
Half-Year 2022 Results	29 August 2022
Q3 2022 Report	17 November 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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