



Tricon's Strong Q2 2020 Results Underscore Resilience of Core Single-Family Rental Business

Toronto, Ontario - August 5, 2020 - Tricon Residential Inc. (TSX: TCN) ("Tricon" or the "Company"), formerly Tricon Capital Group Inc., a rental housing company focused on serving the middle-market demographic in North America, announced today its consolidated financial results for the three and six months ended June 30, 2020. The Company also provided an update on recent operating trends. All financial information is presented in U.S. dollars unless otherwise indicated. Highlights for the quarter include:

- Earnings per diluted share of \$0.09 compared to \$0.03 in Q2 2019 driven by higher net income from growth in the rental portfolio, stronger operating metrics in Tricon's single-family rental business as well as lower corporate overhead expenses year-over-year.
- Net Operating Income ("NOI") of \$77.0 million compared to \$50.8 million in Q2 2019 primarily driven by a larger single-family rental portfolio along with improved operating metrics and the inclusion of a full-quarter results from the U.S. multi-family portfolio (as opposed to a half-month of results in Q2 2019). In addition, NOI for Q2 2020 was approximately \$2.5 million higher than in Q1 2020, notwithstanding higher bad debt expense as a result of the pandemic.
- Core FFO per share of \$0.11 (C\$0.15) in Q2, an increase of 175% year-over-year and in line with Q1 2020 when excluding Canadian multi-family development income.
- Throughout Q2 and the month of July, Tricon collected 99% of historical rents across its single-family rental business and 98% of historical rents in its U.S. multi-family rental business. Less than 1% of residents requested deferral plans in the month of July, and approximately 2% of single-family residents and 4% of U.S. multi-family residents are currently on deferral plans.
- The Company changed its name from "Tricon Capital Group Inc." to "Tricon Residential Inc." on July 7, 2020 following receipt of shareholder approval of the amendment of the Company's articles. The Company's common shares continue to trade on the TSX under the trading symbol "TCN".

"Tricon's Q2 results mark the first full quarter of the COVID-19 pandemic's impact on our business, and I'm immensely proud of the results achieved by our team and the resilience of our Sun Belt-focused, middle-market rental strategy," said Gary Berman, Tricon's President and CEO. "In an environment where the broader population is prioritizing health and working from home becomes more prevalent, households are increasingly seeking out single-family housing in suburban neighborhoods. These de-urbanization and de-densification trends are greatly benefiting our core single-family rental business which achieved record same home occupancy of 97.5% and strong same home NOI growth of 5.1%, notwithstanding our decision to moderate or forego rent increases on renewals. With building amenities largely closed in the quarter, our U.S. multi-family rental portfolio struggled to drive rent but managed to sustain occupancy of 93.5% while reducing turnover by 7% compared to last year. We continue to see strength in our rental business heading into Q3,

and believe that Tricon is well-positioned to emerge from this crisis as a relative winner in the larger real estate universe."

Financial Highlights

For the periods ended June 30	Three months		Six months	
(in thousands of U.S. dollars, except per share amounts which are in U.S. dollars, unless otherwise indicated)	2020	2019	2020	2019
Financial highlights on a consolidated basis				
Net income (loss), including:	\$ 17,341	\$ 10,707	\$ (23,164)	\$ 33,373
Fair value gain on rental properties	10,304	26,952	30,941	59,626
Income (loss) from investments in for-sale housing	3,155	3,346	(76,424)	5,573
Basic earnings (loss) per share	0.09	0.07	(0.12)	0.22
Diluted earnings (loss) per share	0.09	0.03	(0.12)	0.22
Dividends per share	C\$ 0.07	C\$ 0.07	C\$ 0.14	C\$ 0.14
Weighted average shares outstanding - basic	194,001,974	155,787,146	194,562,871	150,063,994
Weighted average shares outstanding - diluted	195,196,126	174,133,167	194,562,871	151,936,857
Non-IFRS⁽¹⁾ measures on a proportionate basis				
Core funds from operations ("Core FFO")	\$ 22,967	\$ 7,308	\$ 50,001	\$ 16,008
Adjusted funds from operations ("AFFO")	17,084	(100)	37,475	3,070
Core FFO per share ⁽²⁾	0.11	0.04	0.24	0.10
Core FFO per share (CAD) ^{(2),(3)}	0.15	0.05	0.33	0.13
AFFO per share ⁽²⁾	0.08	—	0.18	0.02
AFFO per share (CAD) ^{(2),(3)}	0.11	—	0.25	0.03

(1) Non-IFRS measures are presented to illustrate a normalized picture of the Company's performance.

(2) Core FFO per share and AFFO per share are calculated using the total number of weighted average potential dilutive shares outstanding, which was 211,677,963 and 212,281,634 for the three and six months ended June 30, 2020, respectively, and 174,133,167 and 168,426,511 for the three and six months ended June 30, 2019, respectively.

(3) USD/CAD exchange rates used are 1.3853 and 1.3750 for the three and six months ended June 30, 2020, respectively, and 1.3377 and 1.3420 for the three and six months ended June 30, 2019, respectively.

The comparative figures in the table above and throughout this news release have been recast to conform with the Company's current reporting framework under consolidation, adopted effective January 1, 2020.

Net income for the second quarter of 2020 was \$17.3 million compared to \$10.7 million in the second quarter of 2019, and included:

- Revenue from rental properties of \$118.9 million compared to \$78.7 million in the second quarter of 2019 reflecting the U.S. multi-family rental portfolio acquisition in June 2019 and significant growth of the single-family rental portfolio along with improvements in average monthly rent and occupancy.
- Direct operating expenses of \$41.9 million compared to \$27.9 million in the second quarter of 2019, resulting from the aforementioned growth in the multi-family rental and single-family rental portfolios.

- Compensation and general and administration expense of \$15.6 million, largely unchanged from the same period in the prior year as a result of the Company's cost containment efforts.
- Fair value gain on rental properties of \$10.3 million compared to \$27.0 million in the second quarter of 2019.

Core funds from operations ("Core FFO") for the second quarter of 2020 was \$23.0 million, an increase of \$15.7 million or 214% compared to \$7.3 million in the second quarter of 2019, reflecting growth and operational improvements in the rental portfolios and a decrease in corporate overhead.

Adjusted funds from operations ("AFFO") for the second quarter of 2020 was \$17.1 million, an increase of \$17.2 million compared to (\$0.1) million in the second quarter of 2019. This increase is in line with the change in Core FFO, as well as a decrease in recurring capital expenditures of \$1.5 million, mainly driven by reduced expenditures in the single-family rental business.

Operating Highlights

Single-family rental operating metrics in the table below and throughout this news release reflect Tricon's proportionate share of the managed portfolio and exclude limited partners' interests in the SFR JV-1 portfolio.

For the periods ended June 30 (in thousands of U.S. dollars, except percentages and units)	Three months		Six months	
	2020	2019	2020	2019
SINGLE-FAMILY RENTAL				
Net operating income (NOI)	\$ 49,192	\$ 42,946	\$ 96,860	\$ 84,246
Same home net operating income (NOI) margin	66.1%	65.6%	65.9%	65.6%
Same home net operating income (NOI) growth	5.1%	N/A	5.3%	N/A
Bad debt as a percentage of revenue ⁽¹⁾	1.6%	0.8%	1.2%	0.8%
Same home occupancy	97.5%	96.4%		
Same home annualized turnover	22.7%	30.3%		
Same home average quarterly rent growth - blended	4.7%	6.3%		
U.S. MULTI-FAMILY RENTAL^{(2),(3)}				
Net operating income (NOI)	\$ 15,752	\$ 16,556	\$ 32,191	\$ 33,041
Net operating income (NOI) margin	56.8%	58.1%	57.2%	58.6%
Bad debt as a percentage of revenue ⁽¹⁾	1.8%	0.9%	1.7%	0.9%
Occupancy	93.5%	94.7%		
Annualized turnover	46.5%	53.5%		
Average quarterly rent growth - blended	(2.2%)	1.9%		

(1) Bad debt is expressed as a percentage of gross revenue. Tricon reserves 100% of residents' accounts receivable balances that are aged greater than 30 days as bad debt.

(2) The financial information presented in the table includes prior-year results for comparability although Tricon's U.S. multi-family rental portfolio was acquired on June 11, 2019 (refer to Section 4.2.1 of the Company's MD&A).

(3) The total property results equate to same property results for the U.S. multi-family rental portfolio.

Single-family rental NOI was \$49.2 million for the three months ended June 30, 2020, an increase of \$6.2 million or 14.5% year-over-year. The variance in NOI is attributable to an increase of \$8.2 million in rental revenue as a result of a larger leased portfolio (Tricon's proportionate share of leased homes was 16,953 in Q2 2020 compared to 15,695 in Q2 2019) as well as solid blended

rent growth of 4.5% and higher occupancy of 97.1%. The increase in rental revenue was partially offset by higher direct operating expenses of \$1.8 million associated with a larger leased portfolio.

Single-family rental same home NOI growth was 5.1% in Q2. Same home revenues increased by 4.2%, driven by higher occupancy and rent growth, partially offset by an increase in bad debt expense in anticipation of a higher amount of uncollectible rents as a result of the COVID-19 pandemic. Same home operating expenses increased by 2.7%, driven primarily by higher property taxes as a result of higher assessed property values.

U.S. multi-family rental NOI was \$15.8 million for the second quarter of 2020 compared to \$16.6 million for the same period in 2019. The variance in NOI is attributable to a decrease of \$0.7 million in rental revenue, primarily driven by lower leasing demand and higher anticipated uncollectible amounts caused by the COVID-19 pandemic. As a partial offset to lower rents and lower occupancy, operating expenses were largely in line with the previous year and the annualized turnover rate declined to 46.5%, reflective of proactive asset management, a focus on resident retention, and residents' reduced desire to move during the pandemic.

Change in Net Assets

As at June 30, 2020, Tricon's net assets increased by \$12.2 million to \$1,606 million compared to \$1,594 million on March 31, 2020. The change is primarily attributable to net income for the quarter of \$17.0 million (which includes a fair value gain on rental properties of \$10.3 million) partially offset by a dividend payment of \$9.5 million, among other items.

The fair value gain of \$10.3 million is attributable to a \$32.8 million increase in Tricon's single-family rental portfolio driven by home price appreciation, partially offset by a \$22.5 million fair value loss on the U.S. multi-family rental portfolio as a result of reduced near-term expectations for occupancy and increased leasing concessions, which together drove a decrease in current NOI assumptions. No fair value adjustments were made to the Canadian multi-family development portfolio.

Investment Activity

Tricon acquired 68 single-family rental homes during the quarter, representing the closing on homes that were under contract prior to the onset of the COVID-19 pandemic, and bringing its total managed portfolio to 21,622 homes. The Company temporarily paused its acquisition program as a result of the pandemic and expects to resume acquisitions in the third quarter of 2020, subject to market conditions.

Across Tricon's Canadian multi-family developments, construction continues at The Taylor, West Don Lands (Block 8) and The Ivy, subject to essential construction regulations, and is largely being funded by construction loans. In June 2020, Tricon completed the purchase of the outstanding 50% interest in The James development site and the 75% outstanding interest in the adjacent Shops of Summerhill, and now fully controls one of the most coveted development sites in Toronto.

During the quarter, investments in for-sale housing distributed \$7.3 million to Tricon primarily from the disposition of the Fulshear Farms separate account investment located in Houston, Texas.

Balance Sheet and Liquidity

As at June 30, 2020, Tricon's consolidated net debt (excluding convertible debentures) was \$4.0 billion compared to total assets of \$6.6 billion, for a net debt to assets ratio of 61.3%.

Tricon's liquidity consists of a \$500 million corporate credit facility with approximately \$170 million of undrawn capacity as at June 30, 2020. This facility matures in July 2022. The Company also had approximately \$33 million of unrestricted cash on hand.

Tricon's near-term debt maturities include three debt instruments in its single-family rental business totalling \$424.8 million, which have initial maturities in 2020 that are extendible at Tricon's option. In addition, Tricon's U.S. multi-family business has a \$112.9 million credit facility with a major Canadian financial institution that matures in December 2020. The Company is in active discussions with the lender to extend this maturity to the end of 2021.

On July 21, 2020, SFR JV-1 closed a new securitization transaction involving the issuance and sale of six classes of fixed-rate pass-through certificates with a face amount of approximately \$553 million, a weighted average coupon of 2.34% and a term to maturity of six years. The transaction proceeds were used to refinance existing short-term SFR JV-1 debt and resulted in approximately \$62 million of net proceeds distributed to SFR JV-1 investors (including 34% to Tricon).

Post Q2 Operational Update

In light of the ongoing COVID-19 pandemic, the Company provided a more current update on its operations.

Single-family rental

In the single-family rental business, same home occupancy for July remained stable at 97.4%. As of July 31, 2020, the Company had collected 97% of July rents (higher than June by 40 basis points) and fewer than 1% of Tricon's single-family rental residents had requested a rent deferral plan in July because of economic hardship. Average blended rent growth for the same home portfolio in July is on an upward trend from previous months at 5.5%, driven by 12.2% and 2.0% growth on new move-ins and renewals, respectively. Renewal growth has trended down since March as the Company has elected to forego rent increases for existing residents but expects this direction to reverse commencing in August.

	April	May	June	July ⁽¹⁾
Same home				
Average rent growth - renewal	4.7%	3.5%	1.7%	2.0%
Average rent growth - new move-in	5.6%	8.9%	10.9%	12.2%
Average rent growth - blended	5.0%	5.1%	4.1%	5.5%
Occupancy	97.4%	97.6%	97.6%	97.4%
Total portfolio				
Percentage of billings collected as of July 31, 2020	100%	99%	99%	97%
Billings collected as a percentage of historical average	100%	99%	99%	98%

(1) July results are preliminary and subject to finalization upon review. The Company continues to collect July billings.

U.S. multi-family rental

In the U.S. multi-family rental business, same property occupancy for July was slightly lower at 92.5%. As of July 31, 2020, the Company had collected 95% of July rents and fewer than 1% of Tricon's multi-family rental residents had requested a rent deferral plan in July because of economic hardship. Average blended rent growth for the same property portfolio in July is on an upward trend from the previous quarter, mainly driven by 1.2% growth on renewals.

Same property	April	May	June	July⁽¹⁾
Average rent growth - renewal	0.8%	(1.2%)	0.6%	1.2%
Average rent growth - new move-in	(9.4%)	(5.1%)	(2.2%)	(3.8%)
Average rent growth - blended	(3.4%)	(2.6%)	(0.6%)	(1.4%)
Occupancy	93.6%	93.7%	93.0%	92.5%
Percentage of billings collected as of July 31, 2020	98%	98%	97%	95%
Billings collected as a percentage of historical average	98%	98%	98%	97%

(1) July results are preliminary and subject to finalization upon review. The Company continues to collect July billings.

Tricon's Ongoing Commitment to Living with Dignity and Diversity

At Tricon, we have always sought to improve the lives of our employees, our residents, and those in our broader communities. We strive to make the world a better place through our guiding principles, which inspire us to go above and beyond and commit to excellence in everything we do. Living our corporate purpose every day starts with our own employees and so we are excited to share the following initiatives that we committed to in Q2:

- ***Living wage***

As part of our ESG program and ongoing commitment to our employees, we strive to prioritize our team members, providing them with an opportunity to learn, to grow and to earn a respectable level of income. By paying a living wage, we can provide financial security for our employees and their families and allow them to live with dignity. This is why we are establishing a minimum base salary threshold so that every full-time employee in the U.S. and Canada feels comfortable that they can pay their bills, and still have a portion left over to save for retirement and unforeseen expenses. The minimum base salary in the U.S. is \$36,400 per year and in Toronto is C\$46,000 per year.

- ***BlackNorth CEO Pledge***

Tricon is also enhancing our commitment to diversity and inclusion. We will be participating in the BlackNorth Initiative and have joined several of the largest businesses in Canada in signing a "CEO pledge" committing Tricon to take demonstrable and positive action to acknowledge and counter systemic anti-Black racism. The commitments in the pledge align with a number of the Company's even broader diversity and inclusion initiatives already underway in both the U.S. and Canada. In signing the pledge, we have committed to ensuring that 3.5% of our executive and board roles are held by Black leaders by 2025.

We all feel proud to work for a company that puts people first and carefully balances the interests of all our stakeholders (our team, our residents and our investors). When we bestow upon every person the dignity they deserve, we will all take one step closer to creating an enduring legacy of positive social change.

Quarterly Dividend

The Company announced a dividend of seven cents per share in Canadian dollars payable on or after October 15, 2020 to shareholders of record on September 30, 2020.

Tricon's dividends are designated as eligible dividends for Canadian tax purposes in accordance with subsection 89(14) of the *Income Tax Act* (Canada), and any applicable corresponding provincial and territorial legislation. Tricon has a Dividend Reinvestment Plan ("DRIP") which allows eligible shareholders of the Company to reinvest their cash dividends in additional common shares of the Company. Common shares issued pursuant to the DRIP in connection with the announced dividend will be issued from treasury at a 1% discount from the market price, as defined in the DRIP. Participation in the DRIP is optional and shareholders who do not participate in the plan will

continue to receive cash dividends. A complete copy of the DRIP is available in the Investor Information section of Tricon's website at www.triconresidential.com.

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on Thursday, August 6, 2020 to discuss the Company's results. Please call 647-427-2311 or 1-866-521-4909 (Conference ID #7087334). The conference call will also be accessible via webcast, and a supplementary conference call presentation will be provided at www.triconresidential.com (Investor Information - Events). A replay of the conference call will be available from 1 p.m. ET on August 6, 2020 until midnight ET on September 6, 2020. To access the replay, call 1-800-585-8367 or 416-621-4642, followed by passcode 7087334.

This press release should be read in conjunction with the Company's Financial Statements and Management's Discussion and Analysis (the "MD&A") for the three and six months ended June 30, 2020, which are available on Tricon's website at www.triconresidential.com and have been filed on SEDAR (www.sedar.com). The financial information therein is presented in U.S. dollars.

About Tricon Residential Inc.

Founded in 1988, Tricon is a rental housing company focused on serving the middle-market demographic. Tricon owns and operates approximately 30,000 single-family rental homes and multi-family rental units in 21 markets across the United States and Canada, managed with an integrated technology-enabled operating platform. More information about Tricon is available at www.triconresidential.com.

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This news release may contain forward-looking statements pertaining to expected future events (including expected future acquisitions of single-family rental homes and the ongoing impact of the current COVID-19 pandemic), financial and operating results, and projections of the Company. Such forward-looking information and statements involve risks and uncertainties and are based on management's current expectations, intentions and assumptions in light of its understanding of relevant current market conditions, its business plans, and its prospects. If unknown risks arise, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. Examples of such risks are described in the Company's continuous disclosure materials from time to time, available on SEDAR at www.sedar.com. Accordingly, although the Company believes that its anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

The Company has included herein certain supplemental measures of key performance, including, but not limited to, net operating income ("NOI"), funds from operations ("FFO"), core funds from operations ("Core FFO"), adjusted funds from operations ("AFFO"), Core FFO per share, AFFO per share, Core FFO payout ratio and AFFO payout ratio, as well as certain key indicators of the performance of its investees. The Company utilizes these measures in managing its business, including performance measurement and capital allocation, and believes that providing these performance measures on a supplemental basis is helpful to investors in assessing the overall performance of the Company's business. However, these measures are not recognized under IFRS. Because non-IFRS measures do not have standardized meanings prescribed by IFRS, Tricon's use of these measures may not be comparable to similar measures reported by other issuers and they should not be construed as alternatives to net income (loss) or cash flow from the Company's activities, determined in accordance with IFRS, in measuring the Company's performance. The definition, calculation and reconciliation of the non-IFRS measures used herein are provided in Sections 4 and 5 of the Company's MD&A for the three and six months ended June 30, 2020, which is available on SEDAR at www.sedar.com.