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## **Tricon Announces \$300 Million Investment led by Blackstone Real Estate Income Trust, Inc.**

**Toronto, Ontario – August 27, 2020** – Tricon Residential Inc. (TSX: TCN) ("Tricon", "Tricon Residential" or the "Company"), a rental housing company focused on serving the middle-market demographic in North America, announced today that a syndicate of investors led by Blackstone Real Estate Income Trust, Inc. ("BREIT"), a non-listed, perpetual-life real estate investment trust advised by an affiliate of Blackstone Real Estate, has agreed to make a \$300 million (C\$395 million) preferred equity investment (the "Investment") in Tricon through the purchase of newly-created units (the "Preferred Equity") which are issued by a Tricon subsidiary on a private placement basis and are exchangeable into a minority investment of Tricon. BREIT will acquire \$240 million of the Preferred Equity. The Investment provides several immediate benefits to Tricon:

**Validation of Tricon's Business** – The Investment demonstrates the financial strength of Tricon and that Blackstone Real Estate, a global leader in real estate investing, believes in the value and stability of Tricon's rental housing portfolio.

**Exchangeable Preferred Issuance at Attractive Pricing** – The exchange price of US\$8.50 per share (approximately C\$11.18) represents a 16% premium to Tricon's 30-day volume weighted average trading price ("VWAP") as of August 26, 2020 and is in line with the Company's reported IFRS book value per share as at Q2 2020.

**Strengthens Tricon's Balance Sheet** – Tricon expects to use the full net proceeds of the Investment to repay its corporate credit facility, reducing its proportionate leverage by approximately 500 basis points to approximately 56% net debt/assets (excluding convertible debentures) and enhancing its balance sheet flexibility. Tricon remains committed to reducing its leverage to a near-term target of 50-55% net debt/assets and expects the planned syndication of an equity interest in its U.S. multi-family portfolio to contribute further to this goal.

"This investment in Tricon illustrates Blackstone Real Estate's confidence in our business fundamentals and the value in our stock," said Gary Berman, CEO of Tricon Residential. "Blackstone inherently understands our business and is exceptionally well-positioned to help us bring our tech-enabled operating platform to its full potential. We are excited to have the support of one of the world's largest real estate investors, and we are confident that this investment will create significant value for both Tricon's and BREIT's shareholders."

Frank Cohen, Chairman and CEO of BREIT, said, "We are pleased to make this preferred equity investment in Tricon. We continue to see strong underlying fundamentals in the rental housing sector and believe the company's high quality, income-generating assets are poised to generate stable performance under the leadership of its best-in-class management team."

## Summary Investment Terms

Key terms of the Investment and Preferred Equity include:

- Quarterly cash dividend of 5.75% per annum through to the seventh anniversary of the Investment closing, subject to increases thereafter.
- Exchangeable for common shares of Tricon (“Common Shares”) at any time at the option of the holder at an initial exchange price of US\$8.50 per share (approximately C\$11.18), representing a 16% premium to the 30-day VWAP of the Common Shares on the Toronto Stock Exchange (the “TSX”) as of August 26. On an as-exchanged basis, the Preferred Equity will represent approximately 14% of the pro forma fully diluted outstanding Common Shares at closing. The exchange price will be subject to adjustment from time to time in accordance with the terms of the Preferred Equity.
- The Preferred Equity will not entitle the holders to vote as common shareholders of Tricon.

In connection with the Investment, Tricon and its subsidiary will enter into an investor rights agreement with BREIT providing for, among other things, customary registration rights, participation rights, consent rights, certain standstill and transfer restrictions and the right to nominate one director to Tricon’s board.

Tricon is pleased to welcome Frank Cohen, who will join Tricon’s board of directors (the “Board”) on the closing date of the Investment. Mr. Cohen, a Blackstone Senior Managing Director and Chairman and CEO of BREIT, will be appointed to the Board as BREIT’s initial nominee in connection with its investment.

Additional information regarding the Investment and the terms of the Preferred Equity will be included in a material change report to be filed by Tricon on [www.sedar.com](http://www.sedar.com). This press release is only a summary of certain principal terms of the Investment and is qualified in its entirety by reference to the more detailed information contained in the material change report.

The closing date is expected to occur in late August or early September, subject to receipt of TSX approval.

### Transaction Advisors

Morgan Stanley acted as Tricon’s sole private placement agent. Goodmans LLP acted as Tricon’s legal advisor, with U.S legal support provided by Paul, Weiss, Rifkind, Wharton & Garrison LLP. Skadden, Arps, Slate, Meagher & Flom LLP acted as legal advisor to Morgan Stanley. Simpson Thacher & Bartlett LLP and Davies Ward Phillips & Vineberg LLP acted as BREIT’s legal advisor.

### About Tricon Residential

Founded in 1988, Tricon Residential is a rental housing company catering to the middle-market demographic throughout the United States and Canada. Tricon Residential owns and manages over 30,000 single-family rental homes and multi-family rental units through an integrated, technology-enabled operating platform. More information about Tricon Residential is available at [www.triconresidential.com](http://www.triconresidential.com).

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**Additional Early Warning Disclosures of BREIT**

*BREIT is making the Investment through BREIT Debt Parent LLC (the “Investor”), a subsidiary of Blackstone Real Estate Income Trust, Inc. (“BREIT”).*

*Pursuant to a subscription agreement with Tricon and Tricon PIPE LLC, the Tricon subsidiary issuing the Preferred Equity (the “Subsidiary”), dated August 26, 2020, the Investor has agreed to purchase 240,000 units of the Preferred Equity for an aggregate purchase price of US\$240 million and one Common Share at market price (collectively, the “Purchased Securities”).*

*Immediately prior to this Investment, the Investor and its affiliates (including BREIT) owned no voting or equity securities in the capital of Tricon. Upon closing of the Investment, the Investor and its affiliates will own one Common Share and 240,000 units of the Preferred Equity, representing approximately 12% of the currently outstanding Common Shares, assuming the exchange of all of the Preferred Equity for Common Shares at the initial exchange price of US\$8.50, but on an otherwise non-diluted basis. When acquired, the Purchased Securities, and any Common Shares issued to the Investor on exchange of the Preferred Equity, will be held by the Investor for investment purposes. Depending on market conditions and other factors, including Tricon’s business and financial condition, the Investor or its affiliates (including BREIT) may acquire additional securities of Tricon or dispose of some or all of the securities of Tricon that it owns at such time.*

*An early warning report with additional information in respect of the foregoing matters will be filed and made available on the System for Electronic Document Analysis and Review (SEDAR) at [www.sedar.com](http://www.sedar.com) under Tricon’s profile. The Investor’s address is 345 Park Avenue, New York, NY USA 10154. Tricon’s head office is located at 7 St. Thomas Street, Suite 801, Toronto, Ontario M5S 2B7.*

**Forward Looking Statements**

*Certain statements contained in this news release are forward-looking statements and are provided for the purpose of presenting information about management’s current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These forward-looking statements include: the expected pro forma fully diluted ownership represented by the Preferred Equity, the anticipated use of the net investment proceeds and associated impact on Company leverage, the Company’s leverage targets and planned syndication of its U.S. multi-family portfolio, the expected timing for completing transaction, the appointment of Mr. Cohen as a member of the Board and the prospect of future strategic opportunities between Tricon and BREIT.*

*Such statements are subject to significant known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such*

*statements and, accordingly, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Forward-looking information herein is based on various assumptions and expectations that Tricon believes are reasonable in the circumstances. Such assumptions include the timing of receipt of necessary TSX approval, that all conditions to the closing of the Investment will be satisfied, that the Investment will be completed on the terms set forth in the relevant transaction agreements, and the anticipated impact of COVID-19. Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons including but not limited to the assumptions, risks and uncertainties described above and under the heading "Risk Factors" in Tricon's annual information form for the fiscal year ended December 31, 2019. These forward-looking statements reflect current expectations of the Company as at the date of this news release and speak only as at the date of this news release. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.*