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TRICON RESIDENTIAL

Tricon Delivers Strong Q4 2020 Results as Single-Family Rental Flourishes

Toronto, Ontario - March 3, 2021 - Tricon Residential Inc. (TSX: TCN) ("Tricon" or the "Company"), a rental housing company catering to the middle-market demographic throughout the United States and Canada, announced today its consolidated financial results for the year ended December 31, 2020. The Company also provided an update on recent operating trends. All financial information is presented in U.S. dollars unless otherwise indicated.

The Company reported strong operational and financial results in the fourth quarter, including the following highlights:

- Net income increased by 87% year-over-year to $81.5 million, and diluted earnings per share increased by 86% to $0.39;
- Core FFO per share increased by 60% year-over-year to $0.16 (C$0.21) driven by strong performance in the growing single-family rental business and improved earnings from for-sale housing investments, both of which benefited from robust demand driven by de-urbanization, de-densification and work-from-home trends over the course of the COVID-19 pandemic;
- Same home Net Operating Income ("NOI") for the single-family rental business increased by 5.1% year-over-year, and same home NOI margin increased to a record-high 66.8%, as a result of continued revenue growth and controlled expense management. Same home occupancy increased by 1.4% year-over-year to 97.3%, and blended rent growth was 5.6% (comprised of new lease rent growth of 11.3% and renewal rent growth of 3.0%);
- As of the end of February, Tricon had collected 99% of rents billed in Q4 2020 across its single-family rental business and 98% of rents billed in its U.S. multi-family rental business; and
- Subsequent to quarter-end, the Company announced a joint venture with two leading institutional investors who will acquire an 80% ownership interest in Tricon's U.S. multi-family rental portfolio. The transaction is valued at $1.331 billion, including in-place debt, and is expected to close in March of 2021.

In addition to strong quarterly operational and financial results, Tricon achieved several significant strategic milestones in 2020:

- During the year, the Company completed its transition to a rental housing company by realigning its corporate structure and senior reporting relationships, adopting consolidated accounting and REIT-like disclosure, and rebranding as Tricon Residential Inc. The Company's rebranding created a unified company which is now supported by a new resident-centric website (www.triconresidential.com), as announced on January 6, 2021.
- In September 2020, Tricon issued exchangeable preferred units of a subsidiary to a syndicate of investors led by Blackstone Real Estate Income Trust for aggregate subscription proceeds of

$300 million. The net proceeds from this transaction were used to repay a substantial portion of Tricon's corporate credit facility, resulting in an improved net debt to assets ratio of 55.3% on a proportionate basis as at December 31, 2020 and enhanced balance sheet flexibility.

- On an annual basis, Core FFO per share increased by 69% year-over-year to $0.49 (C$0.66), positioning the Company well within reach of its Core FFO per share target of $0.52 to $0.57 in 2022.

“Heading into the pandemic in 2020, we expected our rental business to exhibit defensive characteristics, but our performance so far has exceeded our forecasts. Tricon’s fourth quarter results demonstrated the strength of our Sun Belt-focused investment strategy, the resilience of our middle-market resident demographic, and the exceptional demand for single-family homes. Moreover, the results showcased our operational excellence, as our team has embraced the challenges and uncertainties of the pandemic to drive innovation and improve efficiency in every aspect of our business," said Gary Berman, President and CEO of Tricon.

“Even with elevated bad debt, forbearance of late fees, and our decision to limit rent increases on renewals, our core single-family rental business delivered record same home NOI margin of 66.8% and same home NOI growth of 5.1%. Meanwhile, our U.S. multi-family business is seeing green shoots in the form of positive blended rent growth of 1.1% in January while maintaining occupancy above 94% and generating stable FFO. Even our for-sale housing business, which had a highly uncertain outlook at the start of the pandemic, has performed remarkably well in the back half of the year and is benefiting from the same trends of de-urbanization, de-densification and work-from-home that are driving single-family rental.”

“Looking ahead to 2021, we have many exciting valuation catalysts in the works, ranging from executing on our key financial priorities to growing our business with third-party capital. With $0.49 of Core FFO reported for the year, we are firmly on track to reach our 2022 FFO target of $0.52-$0.57, and we expect to achieve this strong growth while reducing our leverage to ~50% net debt to assets upon the closing of our U.S. multi-family syndication in March. Beyond this, we aim to close several private fundraising initiatives in the coming months that are expected to meaningfully increase our scale and operating efficiency. All in all, we look forward to a prolific year of growth for Tricon in 2021.”

Financial Highlights

For the periods ended December 31	Three months		Twelve 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, including:	**$ 81,478**	**$ 43,557**	**$ 116,413**	**$ 110,335**
Fair value gain on rental properties	106,995	32,025	198,314	116,548
Income (loss) from investments in for-sale housing	10,191	2,964	(61,776)	9,646
Basic earnings per share	**0.41**	**0.22**	**0.58**	**0.62**
Diluted earnings per share	**0.39**	**0.21**	**0.58**	**0.61**
Dividends per share	**$ 0.07**	**$ 0.07**	**$ 0.28**	**$ 0.28**
Weighted average shares outstanding - basic	194,679,682	195,269,680	194,627,127	172,735,776
Weighted average shares outstanding - diluted	212,445,547	213,682,237	195,795,473	191,081,128
Non-IFRS(1) measures on a proportionate basis				
Core funds from operations ("Core FFO")	$ 39,910	$ 21,748	$ 109,584	$ 55,011
Adjusted funds from operations ("AFFO")	32,465	15,923	81,709	28,388
Core FFO per share(2)	0.16	0.10	0.49	0.29
Core FFO per share (CAD)(2),(3)	0.21	0.13	0.66	0.38
AFFO per share(2)	0.13	0.07	0.36	0.15
AFFO per share (CAD)(2),(3)	0.17	0.09	0.48	0.20

(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, including the assumed conversion of convertible debentures and exchange of preferred units issued by Tricon PIPE LLC, which were 248,247,018 and 224,015,498 for the three and twelve months ended December 31, 2020, respectively, and 213,682,237 and 191,081,128 for the three and twelve months ended December 31, 2019, respectively.
(3) USD/CAD exchange rates used are 1.3030 and 1.3415 for the three and twelve months ended December 31, 2020, respectively, and 1.3200 and 1.3269 for the three and twelve months ended December 31, 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 fourth quarter of 2020 was $81.5 million compared to $43.6 million in the fourth quarter of 2019, and included:

- Revenue from rental properties of $122.0 million compared to $109.9 million in the fourth quarter of 2019 driven primarily by the single-family rental business, reflecting 8.3% growth in the number of homes to 22,766, combined with a 4.2% increase in average effective monthly rent, and a 1.9% increase in occupancy.
- Direct operating expenses of $42.7 million compared to $40.1 million in the fourth quarter of 2019, mainly representing incremental costs to manage the larger single-family rental home portfolio and a 5.0% increase in property taxes, partially offset by a decrease in repairs, maintenance and turnover expenses driven by improved cost containment discipline as well as lower resident turnover.

- Income from investments in for-sale housing of $10.2 million compared to $3.0 million in the fourth quarter of 2019 driven by higher valuations at certain projects, as historically low mortgage rates and de-urbanization trends are increasing demand for new single-family housing.

- Fair value gain on rental properties of $107.0 million compared to $32.0 million in the fourth quarter of 2019, owing to significant home price appreciation in Tricon's core markets for its single-family rental homes. The increase in home prices is underpinned by population growth in Tricon's Sun Belt markets driven by in-migration, de-densification and de-urbanization trends, all of which have fuelled demand for suburban homes.

Net income for the twelve months ended December 31, 2020 was $116.4 million compared to net income of $110.3 million for the twelve months ended December 31, 2019, and included:

- Revenue from rental properties of $478.2 million and direct operating expenses of $169.5 million compared to $361.8 million and $130.5 million in the prior year, respectively, as a result of the continued growth in the single-family rental business as discussed above and the addition of the U.S. multi-family rental portfolio in the second quarter of 2019.

- Income from investments in Canadian multi-family developments of $14.1 million compared to $7.7 million in the prior year, attributable to fair value gains recognized across multiple projects upon achieving key development milestones.

- Fair value gain on rental properties of $198.3 million compared to $116.5 million in the prior year driven by home price appreciation in the single-family rental portfolio, partially offset by a fair value loss of $22.5 million recognized on the U.S. multi-family rental portfolio in the second quarter of 2020, as reduced demand for multi-family living contributed to a downward adjustment in stabilized NOI assumptions.

- Loss from investments in for-sale housing of $61.8 million compared to income of $9.6 million in 2019, as a significant write-down of $79.6 million was recognized in the first quarter of 2020 in the context of a precipitous drop in sales and uncertainty over the timing of future cash flows brought on by the pandemic; this write-down was partially recovered in the latter part of 2020 through improvements in project performance as discussed above.

Core funds from operations ("Core FFO") for the fourth quarter of 2020 was $39.9 million, an increase of $18.2 million or 84% compared to $21.7 million in the fourth quarter of 2019. The increase was attributable to solid operating results from Tricon's growing single-family rental business, reflecting strong rent growth and higher occupancy, coupled with stable FFO from the U.S. multi-family portfolio, improved performance of the Company's investments in for-sale housing, and a decrease in corporate interest expense.

Core FFO for the year ended December 31, 2020 was $109.6 million, an increase of $54.6 million or 99% compared to $55.0 million in the prior year. This increase was mainly attributable to the items noted above, along with the inclusion of a full year of results from the U.S. multi-family rental portfolio compared to a seven month inclusion in 2019.

Adjusted funds from operations ("AFFO") for the three and twelve months ended December 31, 2020 was $32.5 million and $81.7 million, respectively, an increase of $16.5 million and $53.3 million from the same periods in the prior year. These variances reflect the increase in Core FFO discussed above, along with higher recurring capital expenditures attributable to the full-year inclusion of the U.S. multi-family rental portfolio results. While Tricon's single-family rental portfolio has expanded in 2020, the Company was able to lower recurring capital expenditures as a result of reduced turnover and a targeted reduction in elective capital projects during the COVID-19 pandemic.

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 December 31	Three months		Twelve months	
(in thousands of U.S. dollars, except percentages and units)	**2020**	**2019**	**2020**	**2019**
SINGLE-FAMILY RENTAL				
Net operating income (NOI)	$ 50,476	$ 45,493	$ 197,528	$ 173,865
Same home net operating income (NOI) margin	66.8%	65.3%	66.3%	65.5%
Same home net operating income (NOI) growth	5.1%	N/A	5.6%	N/A
Bad debt as a percentage of revenue(1)	2.8%	0.8%	1.6%	0.8%
Same home occupancy	97.3%	95.9%		
Same home annualized turnover	22.2%	25.7%		
Same home average quarterly rent growth - blended	5.6%	5.3%		
U.S. MULTI-FAMILY RENTAL(2),(3)				
Net operating income (NOI)	$ 15,604	$ 16,964	$ 62,909	$ 67,170
Net operating income (NOI) margin	56.6%	59.4%	56.6%	59.0%
Bad debt as a percentage of revenue(1)	3.0%	1.1%	2.2%	0.9%
Occupancy	93.6%	94.9%		
Annualized turnover	46.5%	51.3%		
Average quarterly rent growth - blended	(1.8%)	1.1%		

(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 $50.5 million for the three months ended December 31, 2020, an increase of $5.0 million or 11.0% compared to the same period in 2019. The variance in NOI is attributable to an increase of $6.9 million or 10.2% in rental revenue, mainly explained by a larger rental portfolio (Tricon's proportionate share of rental homes was 17,698 in Q4 2020 compared to 17,054 in Q4 2019), higher average monthly rent ($1,464 in Q4 2020 compared to $1,405 in Q4 2019), and a 1.9% increase in occupancy. The higher rental revenue was partially offset by a $1.5 million increase in bad debt expense as a result of higher resident delinquency from ongoing unemployment related to the COVID-19 pandemic. Direct operating expenses increased by 1.7%, reflecting additional costs required to manage the larger portfolio of homes and normal course increases in property taxes, net of savings from improved cost containment discipline as well as lower resident turnover.

Single-family rental same home NOI growth was 5.1% in the fourth quarter of 2020. This favourable change was driven by a 5.6% increase in rental revenue as a result of a 1.4% growth in occupancy and 4.1% higher average monthly rent ($1,464 in Q4 2020 compared to $1,407 in Q4 2019), partially offset by an increase in bad debt expense. Same home operating expenses decreased by 1.6%, attributable to lower repairs, maintenance and turnover costs owing to a reduced turnover rate and controlled scoping of maintenance work.

U.S. multi-family rental NOI was $15.6 million for the fourth quarter of 2020 compared to $17.0 million for the same period in 2019, a $1.4 million or 8.0% decrease. The variance in NOI is attributable to a 3.4% decrease in rental revenue caused by a 1.3% drop in occupancy, along with incremental bad debt of $0.5 million and additional concessions of $0.4 million associated with softer leasing demand in light of the negative economic impact of the COVID-19 pandemic. Operating expenses also increased by 3.2%, reflecting higher property insurance premiums and incremental third-party property management expenses. The fourth quarter performance improved sequentially compared to Q3 2020, as NOI increased by 3.2% assisted by a 0.8% increase in occupancy and a 15.3% decrease in the annualized turnover rate.

Change in Net Assets

As at December 31, 2020, Tricon's net assets increased by $76.7 million to $1,735 million compared to $1,658 million as at September 30, 2020. The change is primarily attributable to a fair value gain of $107.0 million on Tricon's single-family rental portfolio, which reflects a combination of Broker Price Opinions ("BPOs") and home price appreciation of 1.5% (6.0% annualized), net of capital expenditures. The Company also recognized a fair value gain of $8.3 million on the Canadian multi-family development portfolio as Blocks 3/4/7 of the West Don Lands projects achieved significant development milestones, and $10.2 million of income from for-sale housing investments as the performance of the underlying projects improved during the quarter. No fair value adjustments were made to the U.S. multi-family rental portfolio in Q4.

The fair value gains described above were partially offset by a fair value loss of $16.4 million on derivative financial instruments and common share dividends of $9.1 million.

Investment Activity

After restarting its acquisition program in Q3 following a COVID-19-related pause in the first half of the year, Tricon purchased 842 single-family rental homes during the quarter, bringing its total managed portfolio to 22,794 homes.

Across Tricon's Canadian multi-family developments, construction continues to progress at The Taylor, West Don Lands (Block 8) and The Ivy, subject to public health regulations, and is largely being funded by construction loans. During the quarter, the Company received the final form zoning by-law and demolition permits for The James, as well as Ministerial Zoning Orders to accelerate entitlements at Blocks 3/4/7 and Block 20 of the West Don Lands projects.

Balance Sheet and Liquidity

As at December 31, 2020, Tricon's consolidated net debt (excluding convertible debentures) was $4.0 billion compared to total assets of $7.2 billion, for a net debt to assets ratio of 55.3% on a proportionate basis.

Tricon's liquidity consists of a $500 million corporate credit facility with approximately $474 million of undrawn capacity as at December 31, 2020. The Company also had approximately $55 million of unrestricted cash on hand, resulting in total liquidity of $529 million compared to $234 million as at December 31, 2019.

On November 10, 2020, Tricon 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 $441 million, a weighted average coupon of 1.83% and a term to maturity of seven years. The net transaction proceeds were used to repay Tricon's 2016-1 securitized financing, refinance existing short-term single-family rental debt, and repatriate approximately $59 million for corporate debt reduction and single-family rental acquisitions. During the quarter, Tricon also negotiated additional extension options on its two single-family rental warehouse credit facilities, extending their maturity dates into Q4 2022.

As a result of the transactions described above, Tricon extended the weighted average time to maturity of its debt to 3.7 years as at December 31, 2020, representing an increase of 0.3 years from Q3. In addition, Tricon reduced its weighted average interest rate by 0.25% to 3.12% compared to 3.37% in Q3 2020, due in large part to its refinancing transactions completed at favourable rates in addition to a decrease in LIBOR.

Post Q4 Operational Update

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

Single-family rental

In the single-family rental business, same home occupancy for January remained stable at 97.3%. As of February 28, 2021, the Company had collected 97% of January rents and fewer than 1% of Tricon's single-family rental residents requested a rent deferral plan in January because of economic hardship. The Company continues to collect January rents and expects the percentage collected to increase. Average blended rent growth for the same home portfolio in January was 6.0% (higher than December by 0.5%) driven by 10.6% and 4.0% growth on new move-ins and renewals, respectively.

	October 2020	November 2020	December 2020	January 2021(1)
Same home				
Average rent growth - renewal	3.0%	2.8%	3.2%	4.0%
Average rent growth - new move-in	11.5%	11.3%	11.1%	10.6%
Average rent growth - blended	5.5%	5.7%	5.5%	6.0%
Occupancy	97.2%	97.4%	96.2%	97.3%
Total portfolio				
Percentage of billings collected as of February 28, 2021	99%	99%	98%	97%
Billings collected as a percentage of historical average	100%	100%	100%	100%

(1) January results are preliminary since the Company continues to collect January rents. Accordingly, the number is subject to upwards adjustments.
(2) As of February 28, 2021, the Company had collected 99% of all Q4 billings, representing 100% of historical collections.

U.S. multi-family rental

In the U.S. multi-family rental business, same property occupancy for January improved to 94.6%. As of February 28, 2021, the Company had collected 96% of January rents and none of Tricon's multi-family rental residents requested a rent deferral plan in January. Average blended rent growth for the same property portfolio also increased in January to 1.1%, registering the first month of positive blended rent growth since February of 2020, mainly driven by improvements in rent growth on new move-ins.

Same property	October 2020	November 2020	December 2020	January 2021[1]
Average rent growth - renewal	2.2%	2.9%	2.5%	2.8%
Average rent growth - new move-in	(5.7%)	(4.8%)	(6.2%)	(0.4%)
Average rent growth - blended	(1.6%)	(1.2%)	(2.2%)	1.1%
Occupancy	93.3%	93.5%	94.0%	94.6%
Percentage of billings collected as of February 28, 2021	98%	98%	97%	96%
Billings collected as a percentage of historical average	99%	98%	98%	99%

(1) January results are preliminary since the Company continues to collect January rents. Accordingly, the number is subject to upwards adjustments.
(2) As of February 28, 2021, the Company had collected 98% of all Q4 billings, representing 98% of historical collections.

Texas Storm Update

In February of 2021, a severe winter storm hit Texas that devastated the state's power grid and natural gas production, leaving thousands of people without power across the state and millions experiencing water disruptions. Based on assessments completed to date, approximately 570 of Tricon's single-family rental homes and 200 multi-family units in Texas were affected. The Company is expecting no material financial impact as a result of this storm as Tricon's rental properties are insured under property and casualty insurance policies, subject to certain deductibles and limits. The Company is managing the restoration processes, while remaining focused on our employees' and residents' well-being.

Quarterly Dividend

The Company announced a dividend of seven cents per common share in Canadian dollars payable on or after April 15, 2021 to shareholders of record on March 31, 2021.

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, March 4, 2021 to discuss the Company's results. Please call (647) 427-2311 or (866) 521-4909 (Conference ID # 2792615). The conference call will also be accessible via webcast, and a supplementary conference call presentation will be provided at www.triconresidential.com (Investors - News & Events). A replay of the conference call will be available from 1 pm ET on March 4, 2021, until midnight ET on April 4, 2021. To access the replay, call (800) 585-8367 or (416) 621-4642, followed by passcode 2792615.

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 year ended December 31, 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 31,000 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, financial and operating results, and projections of the Company (including statements related to targeted financial performance and leverage; and expected future syndications of assets and formation of new investment vehicles and the benefits to the Company of such transactions). 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 and AFFO per share, as well as certain key indicators of its operating performance. 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 year ended December 31, 2020, which is available on SEDAR at www.sedar.com.