



LETTER TO COMPANY SHAREHOLDERS

February 15, 2024

Dear Company Shareholders:

You are invited to attend a special meeting of holders of common shares (the “**Company Shareholders**”) of Tricon Residential Inc. (“**Tricon**” or the “**Company**”) to be held virtually on Thursday, March 28, 2024 at 10:00 a.m. (Toronto time) (the “**Shareholder Meeting**”). The purpose of the Shareholder Meeting is to allow Company Shareholders to consider the proposed acquisition by Creedence Acquisition ULC (the “**Purchaser**”), an entity formed to effect the acquisition of the Company by Blackstone Real Estate Partners X L.P. (“**BREP X**”) and Blackstone Real Estate Income Trust, Inc. (“**BREIT**”), and collectively with BREP X and their respective affiliates, including the Purchaser, “**Blackstone**”), of all of the common shares of Tricon (each, a “**Common Share**”) not currently owned by Blackstone pursuant to which each Company Shareholder (other than Blackstone and any dissenting Company Shareholders) will be entitled to receive US\$11.25 in cash per Common Share (the “**Consideration**”) by way of a Court-approved statutory plan of arrangement (the “**Arrangement**”) pursuant to the provisions of the *Business Corporations Act* (Ontario).

A special committee of the Board of Directors of the Company (the “**Company Board**”) consisting entirely of independent directors (the “**Special Committee**”) conducted, with the assistance of its independent financial and legal advisors, a review of the Company’s operations and financing needs and alternatives available to the Company and obtained an independent valuation of the Common Shares. Following this process, and after careful consideration, the Special Committee unanimously recommended that the Unconflicted Company Board (as defined below) determine that the Arrangement is in the best interests of the Company and fair to the Company Shareholders (excluding Blackstone) and that the Company Board approve the Arrangement and recommend that the Company Shareholders vote **FOR** the Arrangement Resolution (as defined below).

The Company Board, with Frank Cohen (being the director on the Company Board appointed by Blackstone) having recused himself (the “**Unconflicted Company Board**”), after receiving the unanimous recommendation of the Special Committee and in consultation with its independent financial and legal advisors, determined that the Arrangement is in the best interests of the Company and fair to the Company Shareholders (excluding Blackstone) and unanimously recommends that the Company Shareholders vote **FOR** the Arrangement Resolution.

In reaching its recommendation, the Special Committee took into consideration, among other things, the following:

- *Significant premium to market price.* The Consideration of \$11.25 per Common Share in cash represents a premium of approximately 30% to the closing price of the Common Shares on the New York Stock Exchange (“**NYSE**”) as of January 18, 2024, the last trading day prior to the public announcement of the Arrangement, and a premium of approximately 42% to the volume weighted average share price on the NYSE over the 90-day period ended January 18, 2024.
- *Certainty of value of cash consideration.* The Consideration to be received by Company Shareholders is payable entirely in cash, providing Company Shareholders with certainty of value and liquidity immediately upon the closing of the Arrangement, in comparison to the risks, uncertainties and longer potential timeline for realizing equivalent value from the Company Board-approved strategic plan or possible strategic alternatives involving transactions in which all or a portion of the consideration would be payable in equity or would require a series of transactions involving sales of properties to separate acquirors.

- *Transaction represents compelling value relative to alternatives.* Prior to entering into the Arrangement Agreement, the Special Committee and the Unconflicted Company Board, with the assistance of their financial and legal advisors, and based upon their collective knowledge of the business, operations, financial condition, earnings and prospects of the Company, as well as their collective knowledge of the current and prospective environment in which the Company operates (including economic and market conditions), assessed the relative benefits and risks to the Company's security holders, employees and residents of various alternatives reasonably available to the Company, including continued execution of the Company's existing Company Board-approved strategic plan and the possibility of soliciting other potential buyers of the Company. As part of that evaluation process, the Special Committee unanimously was of the view that:
 - the Consideration represents greater value for the Company Shareholders than would reasonably be expected from the continued execution of the Company Board-approved strategic plan;
 - contacting other bidders before announcing a transaction would result in significant risks to the Company and its business, including the risk that it could jeopardize the availability of the Blackstone proposal and that market leaks and rumours regarding a potential transaction would disrupt relationships with joint venture partners, jeopardize transactions currently in the pipeline, risk employee turnover, increase turnover in the Company Shareholder base and lead to potential Common Share price volatility; and
 - there exists a limited universe of potential third parties with an interest in acquiring the Company, and it is unlikely that any other party would be willing to acquire the Company on terms that are more favourable to Company Shareholders, from a financial point of view, than the Arrangement, due to the size and varied nature of the Company's portfolio and business lines, the Company's cross border structure and the fact that leverage constraints could impact the price that public company bidders may be able to pay.
- *Rigorous arm's length negotiation process.* The Arrangement Agreement is the result of a rigorous arm's length negotiation process that was undertaken with the oversight and participation of the Special Committee and the Unconflicted Company Board and their financial and legal advisors which included price increases by Blackstone from its initial proposed price of \$11.00 per Common Share. The Special Committee concluded that \$11.25 per Common Share is the highest price that Blackstone was willing to pay to acquire the Company.
- *Scotia Capital Formal Valuation and Fairness Opinion.* The Special Committee received a formal valuation and fairness opinion from Scotia Capital Inc., which states that, as of the date thereof, and based upon and subject to the analyses, assumptions, limitations and qualifications set out therein: (i) the fair market value of a Common Share is in the range of \$9.80 to \$12.90 per Common Share, and (ii) the Consideration to be received by the Company Shareholders (excluding Blackstone) pursuant to the Arrangement is fair, from a financial point of view, to the Company Shareholders (excluding Blackstone).
- *Blackstone's reputation and track record of closing transactions.* The Special Committee concluded that it is likely that Blackstone will complete the Arrangement if all conditions are satisfied given (i) Blackstone's proven ability to complete large acquisition transactions, including substantial experience with take-private transactions, (ii) Blackstone's extensive experience in the real estate industry, (iii) Blackstone's substantial available capital and (iv) the Purchaser Termination Fee of \$526 million payable to the Company if the Arrangement Agreement is terminated in certain circumstances (representing approximately 15% of the Company's equity value (assuming the exchange of all Preferred Units)), \$466.843 million of which payment is guaranteed by BREP X and \$59.157 million of which payment is guaranteed by BREIT Operating Partnership L.P.
- *Reasonable timeline to closing.* The Arrangement is structured as a statutory plan of arrangement under the *Business Corporations Act* (Ontario). The completion of the Arrangement is expected to occur in the second quarter of this year, and is subject to customary closing conditions, including court approval, the approval of

the Company Shareholders and required regulatory approvals under the *Competition Act* (Canada) and *Investment Canada Act*.

The negotiations leading to the execution and announcement of the Arrangement Agreement were supervised by the Special Committee, which was comprised solely of independent directors and advised by experienced and qualified independent financial and legal advisors. The Arrangement is subject to the following approvals from Company Shareholders and the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), which provides additional protection to the Company Shareholders (excluding Blackstone):

- (a) a special resolution (the “**Arrangement Resolution**”), the full text of which is outlined in Appendix “A” of the accompanying management information circular (the “**Circular**”), must be approved by at least two-thirds (66 2/3%) of the votes cast by Company Shareholders present or represented by proxy at the Shareholder Meeting, voting as a single class;
- (b) as the Arrangement constitutes a “business combination” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the Arrangement Resolution must also be approved by a simple majority (more than 50%) of the votes cast by Company Shareholders present or represented by proxy at the Shareholder Meeting, excluding, for this purpose, the votes attached to the Common Shares held by Blackstone, David Berman, Gary Berman and any other Company Shareholders required to be excluded under MI 61-101; and
- (c) the Arrangement must be approved by the Court, which will consider, among other things, the procedural and substantive fairness of the Arrangement to Company Shareholders (excluding Blackstone).

The 28,123,624 Common Shares beneficially owned or controlled, directly or indirectly, by BREIT, along with the 4,266,422 Common Shares and the 2,113,977 Common Shares beneficially owned or controlled, directly or indirectly, by David Berman and Gary Berman, respectively, collectively representing approximately 11.70% of the Common Shares as of the Record Date, will be excluded for the purposes of the “minority approval” required under MI 61-101. Frank Cohen (the director on the Company Board appointed by Blackstone) does not own any Common Shares and accordingly need not be excluded for the purposes of the “minority approval” required under MI 61-101.

In connection with the proposed Arrangement, all directors and executive officers of the Company have advised the Company that they intend to vote or cause to be voted all Common Shares beneficially held by them, if any, in favour of the Arrangement Resolution.

The Arrangement is currently expected to be completed in the second quarter of this year based on the assumption that all required Company Shareholder, Court and regulatory approvals are obtained and all other conditions to the Arrangement are satisfied or waived prior to such date.

The Shareholder Meeting will be held on Thursday, March 28, 2024 at 10:00 a.m. (Toronto time) in virtual format via live audio webcast at <https://web.lumiconnect.com/#/411155572>, Password: tricon2024 (case sensitive) and Meeting ID: 411-155-572. As the Company aims to maximize Company Shareholder participation, the Shareholder Meeting will be in a virtual-only format, which will be conducted via live audio webcast. All Company Shareholders, regardless of geographic location, will have an equal opportunity to participate at the Shareholder Meeting. Company Shareholders will not be able to attend the Shareholder Meeting in person. Registered Company Shareholders and duly appointed proxyholders will be able to attend, participate or vote at the Shareholder Meeting online. Guests and non-registered Company Shareholders (being shareholders who hold their Common Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) must duly appoint themselves as proxyholder in order to be able to vote or ask questions at the Shareholder Meeting. The online Shareholder Meeting will ensure that Company Shareholders who attend the Shareholder Meeting will be afforded the same rights and opportunities to participate as they would at an in-person meeting.

Please arrange for your proxy to be received by the Company's transfer agent, TSX Trust Company ("TSX Trust"), at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, by no later than 10:00 a.m. (Toronto time) on Tuesday, March 26, 2024 (or, if the Shareholder Meeting is adjourned or postponed, 48 hours, excluding Saturdays, Sundays and statutory holidays, prior to the commencement of the reconvened Shareholder Meeting). Late proxies may be accepted or rejected by the Chair of the Shareholder Meeting at his or her discretion, subject to the terms of the Arrangement Agreement, and the Chair of the Shareholder Meeting is under no obligation to accept or reject any particular late proxy.

Company Shareholders should review the accompanying notice of special meeting of Company Shareholders and the Circular, which describes, among other things, the background to the Arrangement as well as the reasons for the determinations and recommendations of the Special Committee and the Company Board. The Circular contains a detailed description of the Arrangement and includes additional information to assist you in considering how to vote at the Shareholder Meeting. **You are urged to read this information carefully and, if you require assistance, you are urged to consult your financial, legal, tax or other professional advisors.**

Your vote is important regardless of the number of Common Shares you own. If you are unable to attend the Shareholder Meeting, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy or voting instruction form, as applicable, so that your Common Shares can be voted at the Shareholder Meeting in accordance with your instructions. If you are a registered Company Shareholder, we also encourage you to complete, sign, date and return the enclosed letter of transmittal, which will help the Company arrange for the prompt payment for your Common Shares if the Arrangement is completed.

If you have any questions about the information contained in this Circular or require assistance in completing your form of proxy please contact our proxy solicitation agent and shareholder communications advisor, Laurel Hill Advisory Group, at 1-877-452-7184 (toll-free in North America), or by calling 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com. Questions on how to complete the letter of transmittal should be directed to the Company's transfer agent, TSX Trust, at 1-866-600-5869 (toll-free within North America) or at 416-342-1091 (outside of North America) or by email at txstis@tmx.com.

On behalf of the Company Board, we would like to take this opportunity to thank you for the support you have shown as Company Shareholders.

Yours very truly,

(signed) David Berman

David Berman

Executive Chairman of the Board of Directors