

ONTARIO 7-YEAR — \$500 MILLION DMTN CAD GREEN BOND

Background

- On February 12, 2020, the Province of Ontario priced a \$500 million Green Bond. The transaction represents the seventh Green Bond offering from the Province of Ontario, and the Province's second Green Bond issue in 2019–20. This was also the Province's first Green Bond issue offered in the Domestic Medium Term Note (DMTN) program.
- Ontario is currently the largest issuer of Canadian dollar Green Bonds at \$5.25 billion issued and \$4.75 billion outstanding.
- Nine projects have been selected as eligible to receive funding from the issue. In addition to the Clean Transportation and Energy Efficiency and Conservation Framework categories, this will be the Province's first Green Bond to provide funding for a project under the Climate Adaptation and Resilience category.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.

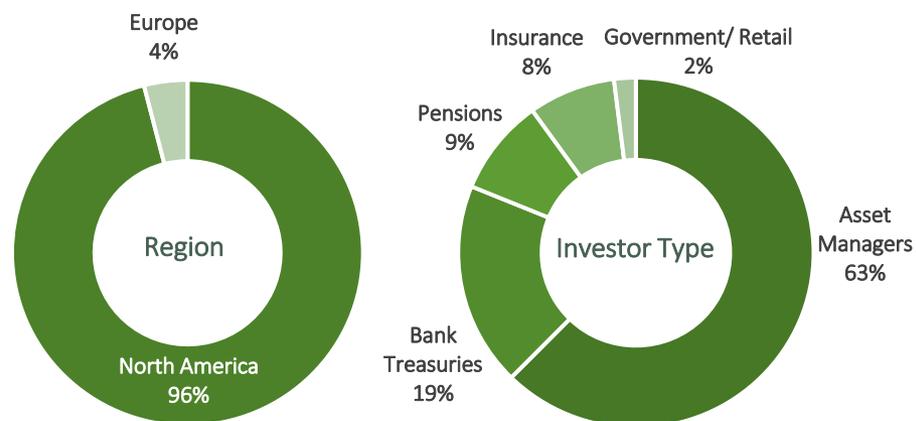
Execution Highlights

- On Tuesday, February 11, the deal was officially announced with initial spread guidance set in the context of the market, which was in the area of +51.0 bps.
- The transaction was met with strong investor demand and the order book grew in excess of \$3.1 billion — this was the largest order book of all the Province's Green Bond offerings. The final size and spread were set at \$500 million and +49.5 bps. The issue was priced slightly through Ontario's benchmark curve.
- Out of the Province's seven Green Bond issues, this transaction also had the largest number of investors. 59 investors participated in the trade with interest driven by Asset Managers (63%) and Bank Treasuries (19%).
- Demand was largest from domestic Canadian investors, highlighting the increasing number of Canadian funds with socially responsible investing mandates and needs. Investors with Green mandates and/or UN PRI signatories represented 75% of overall sales.

Transaction Summary

| | |
|---------------------------|---|
| Issuer: | Province of Ontario |
| Issuer Ratings: | Aa3/AA-/AA (low)/A+ (all stable) |
| Size: | CAD 500 Million |
| Coupon: | 1.85% |
| Pricing Date: | February 12, 2020 |
| Settlement Date: | February 14, 2020 |
| Maturity Date: | February 1, 2027 |
| Re-offer Spread: | +49.5 bps over the CAN 1.50% June 1, 2026 |
| Re-offer Price: | \$99.727 |
| Issue Yield: | 1.892% |
| Joint Bookrunners: | BMO Capital Markets, CIBC Capital Markets, RBC Capital Markets, Scotiabank, and TD Securities |

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.

ONTARIO 7-YEAR — \$500 MILLION DMTN CAD GREEN BOND

Ontario's Green Bond Framework

- Ontario's Framework aligns with [Ontario's Environment Plan](#).¹
- The Framework was developed in consultation with the Center for International Climate and Environmental Research — Oslo (CICERO) and is consistent with the Green Bond Principles.
- The Framework sets out the types of projects that may be eligible for proceeds from Green Bonds and excludes fossil fuel and nuclear energy projects. Eligible project categories include, without limitation:

-  Clean Transportation
-  Energy Efficiency and Conservation
-  Clean Energy and Technology
-  Forestry, Agriculture and Land Management
-  Climate Adaptation and Resilience

Use and Management of Green Bond Proceeds

- Proceeds are paid into the Consolidated Revenue Fund of Ontario.
- Proceeds are invested short-term in Government of Canada treasury bills.
- An amount equal to the net proceeds of each Green Bond issue is recorded in a designated account in the Province's financial records. These designated accounts are used to track the use and allocation of funds to eligible projects.
- Green Bond projects are expected to be funded within one year from the date of issue.
- An assurance audit is performed by the Auditor General of Ontario verifying amounts allocated to selected projects and tracking the Green Bond proceeds. This assurance audit is expected within a year of the issue date. The most recent assurance audit was completed on November 29, 2019.

Eligible Projects for Ontario's Seventh Green Bond

Clean Transportation

Eglinton Crosstown Light Rail Transit (LRT)

Finch West LRT

GO Expansion

Energy Efficiency & Conservation

Centre for Addiction and Mental Health — Phase 1C

Brockville General Hospital

Groves Memorial Hospital

Mackenzie Vaughan Hospital

New Toronto Courthouse

Climate Adaptation & Resilience

Port Lands Flood Protection

United Nations Sustainable Development Goals

- Ontario's Green Bond proceeds fund project categories which support seven of the United Nations Sustainable Development Goals:



Note 1: Examples of eligible projects have expanded to align with Ontario's Environment Plan, *Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan*.

This information was compiled by the Ontario Financing Authority. This information is intended for general information purposes only and does not constitute an offer to sell or a solicitation of offers to purchase securities. It has not been approved by any securities regulatory authority and it is not sufficient for the purpose of deciding to purchase securities. While the information in this presentation, when posted or released, was believed to be reliable as of its date, **NO WARRANTY IS MADE AS TO THE ACCURACY OR COMPLETENESS OF THIS DOCUMENT OR THE INFORMATION IT CONTAINS.**