

ONTARIO 6-YEAR — \$1.25 BILLION DMTN CAD GREEN BOND

Background

- On January 28, 2021, the Province of Ontario priced a \$1.25 billion re-opening of its February 2027 Green Bond, bringing the outstanding amount to \$3.25 billion.
- The transaction represents the Province's second Green Bond issue in fiscal 2020–21. It is also the Province's third Green Bond issue offered in the Domestic Medium Term Note (DMTN) program and the Province's second largest Green Bond issue to-date.
- With a total of nine Green Bond offerings, Ontario is currently the largest issuer of Canadian dollar Green Bonds at \$8.0 billion issued and \$7.5 billion outstanding.
- Nine projects have been selected as eligible to receive funding from the issue. This includes five Clean Transportation projects, three Energy Efficiency and Conservation projects and one project under the Climate Adaptation and Resilience framework category.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.

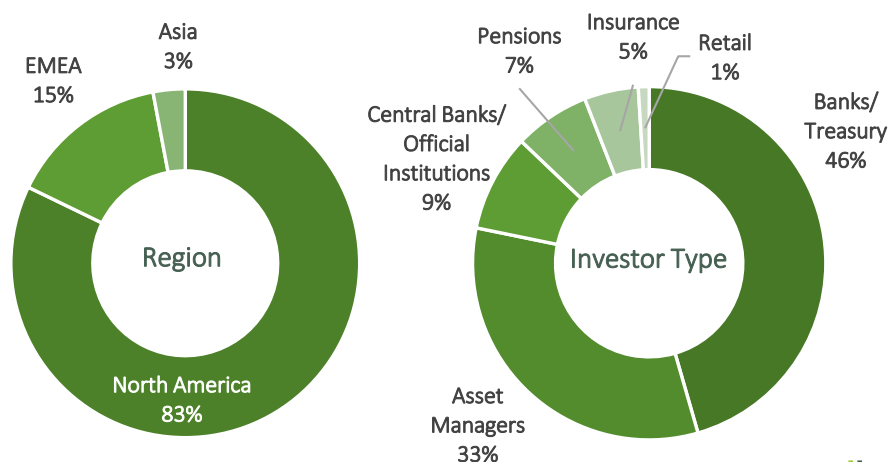
Execution Highlights

- The deal was officially announced on Wednesday, January 27, 2021, with initial spread guidance set in the context of the market, which was in the area of +46.5 bps.
- The transaction was met with strong investor demand and the order book grew in excess of \$1.8 billion. The final size and spread were set at \$1.25 billion and +46.0 bps. The strong investor demand allowed for the issue to be priced slightly through Ontario's benchmark curve.
- 56 investors participated in the trade with interest driven by Banks/Treasuries (46%), Asset Managers (33%), Central Banks/ Official Institutions (9%), Pension Funds (7%), Insurance (5%) and Retail (1%).
- North American investors made up the majority of regional demand (83%) highlighting the increasing number of North American funds with sustainable investing mandates and needs. Investors with Green mandates and/or UN PRI & PRB signatories represented 71% of overall sales.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3/A+/AA-/AAL (all stable)
Size:	CAD 1.25 Billion
Coupon:	1.850%
Pricing Date:	January 28, 2021
Settlement Date:	February 1, 2021
Maturity Date:	February 1, 2027
Re-offer Spread:	+46.0 bps over the CAN 1.50% June 1, 2026
Re-offer Price:	\$105.453
Joint Bookrunners:	CIBC Capital Markets National Bank Financial Scotiabank

Investor Demand by Region and Investor Type








Note: Numbers may not add due to rounding.

ONTARIO 6-YEAR — \$1.25 BILLION 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 December 11, 2020.

Eligible Projects for Ontario's Ninth Green Bond

Clean Transportation

Eglinton Crosstown
Light Rail Transit (LRT)

GO Expansion

Finch West LRT

Hurontario LRT

Ontario Line Subway

Climate Adaptation & Resilience

Port Lands Flood Protection

Energy Efficiency & Conservation

Macdonald Block Reconstruction

Michael Garron Hospital

West Park Healthcare Centre

United Nations Sustainable Development Goals

- Ontario funds eligible Green Bond projects within Framework categories which primarily support the following UNSDGs:



EU Taxonomy

- Ontario funds Green Bond projects that contribute to environmental objectives set out in the EU Taxonomy, primarily in Climate Change Mitigation and Climate Change Adaptation.

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.**