

ONTARIO 9-YEAR — \$1.5 BILLION DMTN CAD GREEN BOND

Background

- On February 28th, 2023, the Province of Ontario issued a new \$1.5 billion Green Bond with a coupon of 4.05% maturing February 2nd, 2032. The nine-year term represented the Province's longest maturity for a green bond offering to date.
- This was the thirteenth Green Bond issued by the Province, and the second offering of this current fiscal year. This is also the seventh green bond issued under the Domestic Medium Term Note (DMTN) program.
- Ontario remains the largest and most consistent issuer of Canadian dollar Green Bonds, totaling \$15 billion to date, with \$12.95 billion outstanding.
- Five projects have been selected as eligible to receive funding from this issue. These initiatives support clean transportation, and energy efficiency and conservation. These projects are detailed in the Province's Investor Presentation released in February 2023.
- Ontario strives to be a leader in transparency and impact reporting.

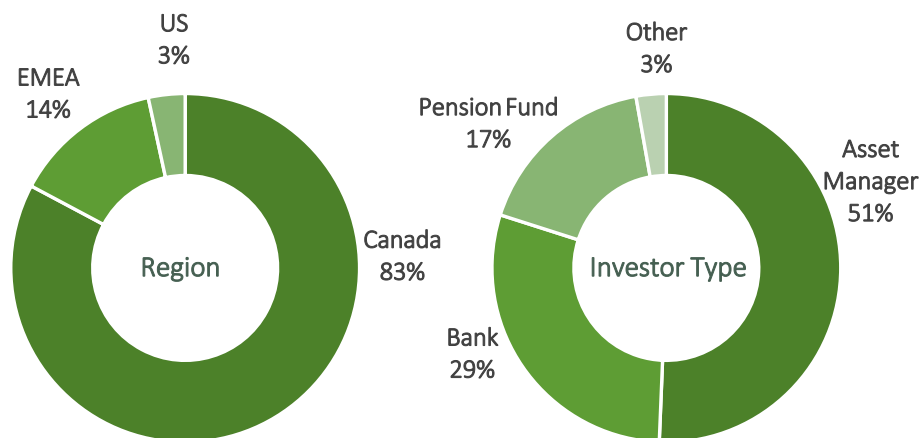
Execution Highlights

- The deal was officially announced on Tuesday morning under a constructive market backdrop, with initial spread guidance set in the area of +66.0 bps versus the Canada December 2031 debenture.
- The orderbook built rapidly, with indications of interest totaling over \$2 billion. This allowed for the deal size to be struck at \$1.5 billion, and the spread set at +65.5 bps.
- The new issue priced at slightly through the Province's conventional funding curve given the size and strength of the high quality orderbook.
- 47 investors participated in the trade with interest driven by Asset Managers (51%), Banks (29%), and Pension Funds (17%).
- Buyers were concentrated in Canada (83%) with meaningful international participation from Europe (14%).
- The transaction saw material participation from Green investors. The final book comprised of 47% Dark Green buyers and 18% Light Green Buyers.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3/A+/AA-/AAL (all stable)
Size:	CAD 1.5 Billion
Coupon:	4.05%
Pricing Date:	February 28, 2023
Settlement Date:	March 2, 2023
Maturity Date:	February 2, 2032
Re-offer Spread:	+65.5 bps over the CAN 1.5% Dec 1, 2031
Re-offer Price:	\$99.916
Joint Bookrunners:	BMO Capital Markets, CIBC Capital Markets RBC Capital Markets (B&D), and Scotia Capital






Investor Demand by Region and Investor Type



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Ontario's Green Bond Framework

- Ontario's Framework aligns with [Ontario's Environment Plan](#).
- 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. 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 18, 2022.

Eligible Projects for Ontario's Thirteenth Green Bond

Clean Transportation

GO Expansion

Hazel McCallion Light Rail Transit (LRT) - *formerly Hurontario LRT*

Ontario Line Subway

Scarborough Subway Extension

Energy Efficiency & Conservation

Macdonald Block Reconstruction

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.