

ONTARIO 5-YEAR — \$750 MILLION GLOBAL CAD GREEN BOND

Background

- On November 20, 2019 the Province of Ontario priced a \$750 million re-opening of its February 2025 Global Green Bond, bringing the total outstanding amount on the bonds to \$2.7 billion.
- The transaction represents the sixth Green Bond offering from the Province of Ontario, currently the largest issuer of Canadian dollar Green Bonds at \$4.75 billion.
- Two projects have been selected as eligible to receive funding from the issue. The projects selected fall under the Clean Transportation category, which aligns with two of the United Nations Sustainable Development Goals.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.

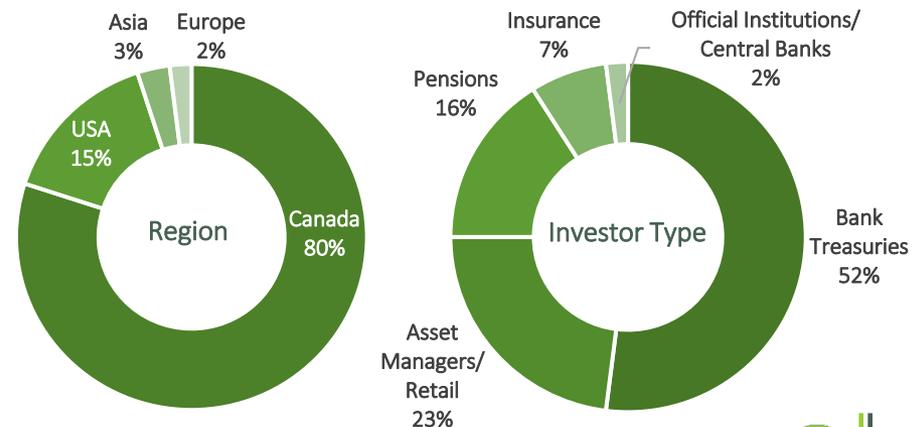
Execution Highlights

- On Monday, November 18, a mandate announcement was released at Toronto market open and an invitation to a global investor presentation was sent to market participants.
- On Tuesday, November 19, the deal was officially announced with initial spread guidance set in the context of the market, which was in the area of +40.5 bps.
- Interest built steadily throughout the day on Tuesday and the order book grew in excess of \$1.0 billion. The final size and spread were set at \$750 million and +41.0 bps. This transaction priced slightly through the Ontario benchmark curve.
- 36 investors participated in the trade with interest driven by Bank Treasuries (52%) and Asset Managers (23%).
- 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 over 95% of overall sales.

Transaction Summary

| | |
|---------------------------|---|
| Issuer: | Province of Ontario |
| Issuer Ratings: | Aa3/AA-/AA (low)/A+ (all stable) |
| Size: | CAD 750 Million |
| Coupon: | 2.65% |
| Pricing Date: | November 20, 2019 |
| Settlement Date: | November 27, 2019 |
| Maturity Date: | February 5, 2025 |
| Re-offer Spread: | +41.0 bps over the CAN 1.50% September 1, 2024 |
| Re-offer Price: | \$103.915 |
| Listing: | Luxembourg Stock Exchange Euro MTF and Luxembourg Green Exchange |
| Joint Bookrunners: | BMO Capital Markets, CIBC Capital Markets, RBC Capital Markets, and TD Securities |

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.

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Ontario's Green Bond Framework

- Ontario's Green Bond Framework aligns with [Ontario's Environment Plan](#).¹
- Ontario's Green Bond 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 Green Bond 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 Proceeds

- Green Bond proceeds are paid into the Consolidated Revenue Fund of Ontario.
- The 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 of Ontario'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 22, 2018.

Eligible Projects for Ontario's Sixth Green Bond

- Two projects have been selected and are expected to receive funding from this Green Bond.

| Project Name | Framework Category | Alignment with United Nations Sustainable Development Goals |
|---|----------------------|---|
| Eglinton Crosstown Light Rail Transit | Clean Transportation |   |
| GO Expansion (formerly Regional Express Rail) | | |

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.

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This document has been prepared on the basis that any offer of bonds in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of bonds. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).

No PRIIPs KID – No PRIIPs key information document (KID) has been or will be prepared as the bonds, if issued, will not be available to retail investors in the European Economic Area.

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