

Schedule of Use of Sustainable Bond Proceeds

Responsibility for Financial Reporting

The accompanying Schedule of Use of Sustainable Bond Proceeds has been prepared on a cash basis. The Schedule has been properly prepared within reasonable limits of materiality and in light of information available up to November 24, 2025.

Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities. An internal audit function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management.

The issuance of Sustainable Bonds is part of the Province's Treasury Program managed by the OFA. The Treasury Program is audited on an annual basis by the Office of the Auditor General of Ontario and aspects of the Program are audited by the OFA's appointed internal auditor in accordance with their annual audit plan. Issues arising from the annual audit by the Office of the Auditor General are communicated to management and all recommendations to date have been implemented.

The Schedule of Use of Sustainable Bond Proceeds has been audited by the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the Schedule is prepared in all material aspects in accordance with the basis of accounting described in Note 2 of the Schedule. The Auditor's Report, outlines the scope of the Auditor's examination and opinion.

On behalf of management:



Gadi Mayman

Chief Executive Officer
Ontario Financing Authority



Darren Scanlan (Acting) on behalf of:

Muneeb Chaudhary
Chief Financial Officer
Ontario Financing Authority

INDEPENDENT AUDITOR'S REPORT

To the Deputy Minister of Finance

Opinion

I have audited the Schedule of Use of Sustainable Bond Proceeds (the "Schedule") of the Ontario Financing Authority ("OFA") as at March 31, 2025, and notes to the Schedule, including a summary of significant accounting policies.

In my opinion, the accompanying Schedule is prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the Schedule.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of my report. I am independent of the OFA in accordance with the ethical requirements that are relevant to my audit of the Schedule in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter — Basis of Accounting

I draw attention to Note 2 to the Schedule, which describes the basis of accounting for the Schedule. The Schedule was prepared to assist the Province in disclosing its use of sustainable bond proceeds. The determination of the eligibility of the projects under the Sustainable Bond Framework is the responsibility of the Province and accordingly, I do not express an opinion thereon. As a result, the Schedule may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management of the OFA is responsible for the preparation of the Schedule in accordance with the basis of accounting described in Note 2 to the Schedule, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, management is responsible for assessing the OFA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the OFA either intends to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the OFA's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Schedule.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OFA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the OFA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Schedule or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the OFA to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
November 24, 2025

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

ONTARIO FINANCING AUTHORITY

Schedule of Use of Sustainable Bond Proceeds

As at March 31, 2025

Use of Green Bond Proceeds As at March 31, 2025				Use of Sustainable Bond Proceeds As at March 31, 2025	Use of Social Bond Proceeds As at March 31, 2025
Balance as of March 31, 2024					
			\$ 542,287,779		
Proceeds used for:					
Go Rail Expansion	MTO (Metrolinx)	(493,703,790)			
Hazel McCallion LRT (formally Hurontario LRT)	MTO (Metrolinx)	(48,217,166)			
EV ChargeOn	MTO	(257,761)	(542,178,717)		
	Sub-total		109,062		
Proceeds from the 16th Green Bond Issue					
			1,262,287,500		
Proceeds used for:					
Go Rail Expansion	MTO (Metrolinx)	(436,000,000)			
Hazel McCallion LRT (formally Hurontario LRT)	MTO (Metrolinx)	(135,000,000)			
Ontario Line Subway	MTO (Metrolinx)	(573,287,500)			
Scarborough Subway Expansion	MTO (Metrolinx)	(118,000,000)	(1,262,287,500)		
	Sub total		0		
Proceeds from the 17th Green Bond Issue					
			990,490,000		
Proceeds used for:					
Go Rail Expansion	MTO (Metrolinx)	(335,000,000)			
Hazel McCallion LRT (formally Hurontario LRT)	MTO (Metrolinx)	(110,000,000)			
Ontario Line Subway	MTO (Metrolinx)	(445,490,000)			
Scarborough Subway Expansion	MTO (Metrolinx)	(100,000,000)	(990,490,000)		
	Sub total		0		
Proceeds from the 18th Green Bond Issue					
			1,246,575,000		
Proceeds used for:					
Go Rail Expansion	MTO (Metrolinx)	(425,000,000)			
Hazel McCallion LRT (formally Hurontario LRT)	MTO (Metrolinx)	(132,000,000)			
Ontario Line Subway	MTO (Metrolinx)	(561,875,000)			
Scarborough Subway Expansion	MTO (Metrolinx)	(116,000,000)	(1,234,875,000)		
	Sub total		11,700,000		
Balances as of March 31, 2025					
			\$ 11,809,062	0	0

Notes to the Schedule of Use of Sustainable Bond Proceeds

1. Background

In October 2014, Ontario launched the Province's Green Bond Program. Between 2014 and 2023, fourteen Green Bonds were issued under an established Green Bond framework to help finance transit and other environmentally friendly projects across Ontario. In January 2024, the Province updated and expanded the Green Bond framework into a Sustainable Bond Framework to encompass social projects in addition to environmental projects. A 15th, 16th, 17th, and 18th Green bond under this Sustainable Bond framework were issued in February 2024, June 2024, October 2024, and January 2025 for \$1.5 billion, \$1.25 billion, \$1 billion, and \$1.25 billion respectively. The Sustainable Bond framework sets out the types of projects that are eligible for proceeds. Eligible projects are determined by the Province of Ontario. No sustainable bonds nor social bonds were issued during the year.

2. Basis of Accounting

The Schedule was prepared to track, on a cash basis, the use of funds generated by the issuance of these Ontario Sustainable Bonds for selected projects that were approved by the Province under the Ontario Sustainable Bond Framework. The Schedule of Use of Sustainable Bond proceeds show the net proceeds of the Sustainable Bond issues that are recorded in a designated account in the Province's financial records, which tracks the use of funds for eligible projects. As long as the account has a positive balance, amounts are deducted from the balance of the designated account as funds are used for eligible projects, approved as eligible by the Province.

3. Interest Earned on the Designated Account

Interest earned on the proceeds in the designated account is not available to fund any eligible Sustainable Bond projects. Interest earned is remitted to the consolidated revenue fund of the Province of Ontario.

4. Related Parties

The Ministry of Transportation (MTO) and Metrolinx are related parties to the Ontario Financing Authority, as all entities are controlled by the Province of Ontario.

5. Subsequent Events

A 19th Canadian dollar Green Bond, under this Sustainable framework, was issued in August 2025 for \$1 billion and will mature in February 2034. A 20th and 21st Canadian dollar Green Bond, under this Sustainable framework, were issued in November 2025 for \$600 million and \$1.5 billion, respectively. These bonds will mature in October 2054 and November 2030, respectively.

The Ministry of Transportation's EV ChargeOn under the Green Bond 15 program, did not utilize the entire allocated amount of \$372,000 within the approved time limit and it was given an additional 6-month extension. The remaining amount of \$109,062 was fully utilized in July 2025.

6. Green Bond 18 Use of Proceeds Reallocation

The Ministry of Transportation's EV ChargeOn program initial allocation of Green Bond 18 proceeds was \$11,700,000. EV ChargeOn anticipated that it would not fully utilize this amount, and a decision was made to reduce the amount to \$2,358,216. The remaining \$9,341,784 balance was allocated to Metrolinx's Go Rail Expansion, effective October 2025.



Jason Fitzsimmons
Deputy Minister of Finance



Gadi Mayman
Chief Executive Officer