

2024-2025 Annual Report

Ontario Infrastructure & Lands Corporation
Creating a connected, modern, and Competitive Ontario.

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Land Acknowledgement

Infrastructure Ontario's headquarters is in what is now known as the city of Toronto, which is home to many diverse nations.

We acknowledge the gifts of this land and our ancestors who have walked it before us. We acknowledge our headquarters are in Treaty 13 territory held by the Mississaugas of the Credit First Nation and strive to honour our obligations as guests on this land. Moreover, our headquarters is situated in the traditional territory of the Haudenosaunee, Wendat, and the Anishinabek.

The land connects us all.

Message from the Chair of the Board of Directors

On behalf of the Board of Directors, I am pleased to present the annual report of Infrastructure Ontario (IO). This report highlights the agency's accomplishments and significant progress during the 2024-25 fiscal year in achieving its mission of creating a modern, connected, and competitive Ontario.

Supporting the most ambitious capital plan in Ontario's history, IO achieved its goals despite significant challenges, including limitations in market capacity and increasing project complexity.

Through partnerships with the public and private sectors, IO has adapted and innovated to ensure the consistent delivery of high-quality projects that provide substantial value to the government and the public. Innovative project management approaches and risk management strategies effectively navigated challenges posed by inflation and supply chain disruptions.

Additionally, IO's strategic management of the government's real estate portfolio has furthered its use for public purposes. Supporting provincial legislation, the agency continued to drive centralization of decision-making that will create efficiency and improve accountability across all entities involved in real estate.

The Development team has transformed unique assets into impactful and sustainable developments, generating commercial benefits and contributing to the province's economic vitality. Our commercial advisory team continues to make progress towards the government's commitment of making high-speed internet accessible in every community, with access enabled for an additional 2,500 underserved homes and businesses provided.

Finally, the agency's lending program has continued to provide support to communities across the province in providing favourable interest rates to support the delivery of critical municipal infrastructure projects. This includes a new lending stream to support housing development through water infrastructure projects.

I wish to express my appreciation to Carmine Francella and Mark Romoff, whose terms as directors concluded this past year. We welcomed Ornella Richichi and Wayne Barwise, who bring extensive experience in real estate development and asset management to our discussions.

The success of this past year would not have been possible without the excellence and dedication of IO's employees and its formidable executive team. I extend my gratitude to

Michael Lindsay for his unwavering service as IO's President and CEO until December 2024, when he took on acting responsibilities as President and CEO at Metrolinx. I also thank Angela Clayton for assuming the role of Interim President and CEO during Michael's assignment. The seamless leadership transition is a testament to the integrity and fortitude of the entire organization in delivering for the residents of Ontario.

As we look ahead to the coming year, the Board has full confidence in IO's commitment and dedication to delivering innovative and effective solutions to meet the evolving needs of the province.

David Lindsay

Chair, Board of Directors

Message from the Interim President and CEO

This year has been a testament to Infrastructure Ontario's resilience, innovation, and dedication to excellence as we confronted evolving market dynamics. Through these challenges, we advanced significant and complex projects that benefit communities throughout the province.

I extend my sincere appreciation to our private and public sector partners and stakeholders whose support has been critical to IO's achievements. We look forward to continuing to forge strong relationships to effectively deliver progress for the residents of Ontario.

Executing Transactions

IO oversees a robust major projects pipeline, with 19 projects in planning; 28 projects in active and pre-procurement with an estimated value of \$30 billion; and an additional 23 projects in construction, with a contract value of \$52 billion. Over the past year, we continued to build capacity within the provincial healthcare system through the advancement of several notable projects in the health sector. This included the substantial completion of four health care projects: Mount Sinai Hospital, Michael Garron Hospital – Phase 1 New Patient Care Tower, Grandview Children's Treatment Centre, and Cambridge Memorial Hospital. Additionally, we brought to market four more hospital projects.

Our transit program advanced with the closure of the Request for Proposals (RFP) for the QEW Garden City Skyway Bridge Twinning Project and an RFP issued for the Eglinton Crosstown West Extension Stations Rail and Systems project. The RFP also closed for the Yonge North Subway Extension tunnelling contract and a contract was awarded for the Scarborough Stations Rail and Systems project. Substantial completion was also achieved for the site preparation for the Volkswagen Battery Cell Plant, and a procurement was issued for the Quinte Detention Centre Expansion Project.

Redevelopment efforts at Ontario Place are steadily advancing. IO issued a Request for Qualifications (RFQ) and an RFP to design, build, finance and maintain a new facility for the Ontario Science Centre at the site. Meanwhile, site servicing work is underway to upgrade the aging infrastructure and prepare the grounds for the upcoming transformation.

We also achieved significant milestones with the Transit-Oriented Community Program initiating projects in the municipalities of Oakville, Mississauga and Markham. The

combined sites will deliver a potential of more than 40,000 housing units, and offer office, retail, commercial and community space. Additionally, the first TOC – Subways market offer proceeded to select a building partner in support of the construction of priority subway projects for the King-Bathurst subway, anticipated to yield approximately 420 housing units.

Infrastructure investment across the province was also supported through IO's Loan Program, with 54 new loans approved last year, bringing the overall amount of loan commitments to \$7.4B. This year, IO also launched a new \$1B lending stream for municipalities to finance housing-enabling water infrastructure (HEWI) projects. The Loan Program also provided critical support to the redevelopment of long-term care facilities, creating an additional 2,400 beds across the province.

Managing Assets

At the beginning of the fiscal year, IO completed the significant effort of successfully transitioning-in Brookfield Global Integrated Solutions (BGIS) as our new Real Property Services (RPS) provider. BGIS will support the modernization of the management of more than 4,400 buildings that IO manages on behalf of the provincial government with a full suite of services through their Real Property Services Assist. RPS Assist is a comprehensive, bilingual web-based tool designed to streamline the registration and management of service requests on properties across the portfolio. Technological innovations like optional geofencing technology will accelerate response times, increase transparency, and deliver a more proactive, data driven approach to facility management, supporting the strategic management of one of Canada's largest real estate portfolios. This approach will improve service quality, optimize property performance, and create an enhanced working environment for more than 60,000 Ontario Public Service employees.

IO also collaborated with the Ministry of Infrastructure to develop a forward-looking strategy for a sustainable and modernized government office portfolio. A comprehensive analysis conducted by IO revealed significant cost efficiencies in acquiring existing office properties compared to new construction.

As a key milestone under this strategy, IO completed the acquisition of 438 University Avenue in Toronto — a building where the government has been leasing multiple floors for Ontario Public Service operations. This strategic purchase not only reduces long-term occupancy costs but also strengthens the government's ability to manage its real estate assets more sustainably and effectively.

IO launched the Accessibility Modifications Program to improve accessibility for our tenant ministries and the public, while enhancing the province's adherence to the Accessibility for *Ontarians with Disabilities Act* (AODA).

Developing Commercial Solutions

IO continues to make progress toward the government commitment of making high-speed internet accessible in every community. Access for an additional 2,500 underserved homes and businesses has been provided, with construction active in 64 municipalities. We expect to see significant progress this calendar year toward the approximate 43,000 km of total fibre that is expected to be deployed to enable access to communities within the Accelerated High-Speed Internet Program.

The Ontario government also invested \$5 million to explore the use of digital twins. Proof of Concept digital twin models of planned assets are being developed to support the identification of risks and processes in a virtual environment before beginning work on the ground, reducing the potential of delays and cost overruns, and optimizing for improved outcomes.

Affirming Equity and Sustainability

It is a privilege to deliver a mandate that will have such a transformative effect on communities and residents in Ontario. This is also an enormous responsibility, and so we must, as an agency, continue to prioritize equity, diversity and inclusion (EDI) as a core value. We are deepening and strengthening this commitment, as a diverse and inclusive culture empowers us to address the most substantive and pressing challenges facing our province.

With a continued focus on creating resilient assets, we instituted an Environmental, Social and Governance (ESG) framework to ensure consistency and leadership in our approach to the topics of asset resilience, energy efficiency, accessibility, and community benefits across all our work. Quality and prudent long term asset management is a vital focus for IO.

Resilience

As the fiscal year ended, the effect of changes to U.S. trade policy became apparent. IO engaged with market participants and stakeholders to understand those impacts and identify potential mitigations. Through continued partnership with the market, we will collaborate to minimize the impacts of tariffs and increase focus on domestic purchasing.

IO's employees continue to demonstrate ingenuity, agility, and professionalism. I appreciate their continued dedication to the people of Ontario, and I look forward to building on our accomplishments in the year ahead.

Angela Clayton

Interim President and Chief Executive Officer

Vision, Mission & Values

Infrastructure Ontario (IO) is a Crown agency of the Government of Ontario that partners with both the public and private sectors to create a more connected, modern, and competitive infrastructure landscape in the province.

IO is strategically positioned to bridge public sector policy with private sector innovation and delivery capabilities. By fostering collaboration with private sector partners, IO aims to deliver superior outcomes for the Province, including high quality assets that are completed faster and at reduced costs.

IO is dedicated to understanding the unique needs of its public-sector clients, providing tailored solutions that achieve desired outcomes efficiently and cost-effectively. The agency's ability to safeguard public interests, maximize taxpayer value, and pioneer innovative delivery models hinges on strong, trust-based relationships with stakeholders and clients. IO ensures accountability from third-party private sector partners through the use of innovative contracting approaches that incentivise the timely delivery of projects within approved budgets through payment mechanisms linked to specific milestone achievements.

With extensive experience in infrastructure projects, real estate, lending, development, and commercial ventures, IO excels in resolving challenges through innovative solutions. By leveraging a comprehensive, "whole-of-IO" approach, the agency offers its best advice and expertise to client ministries, stakeholders, and government bodies, ensuring effective solution development, transaction execution, and asset management.

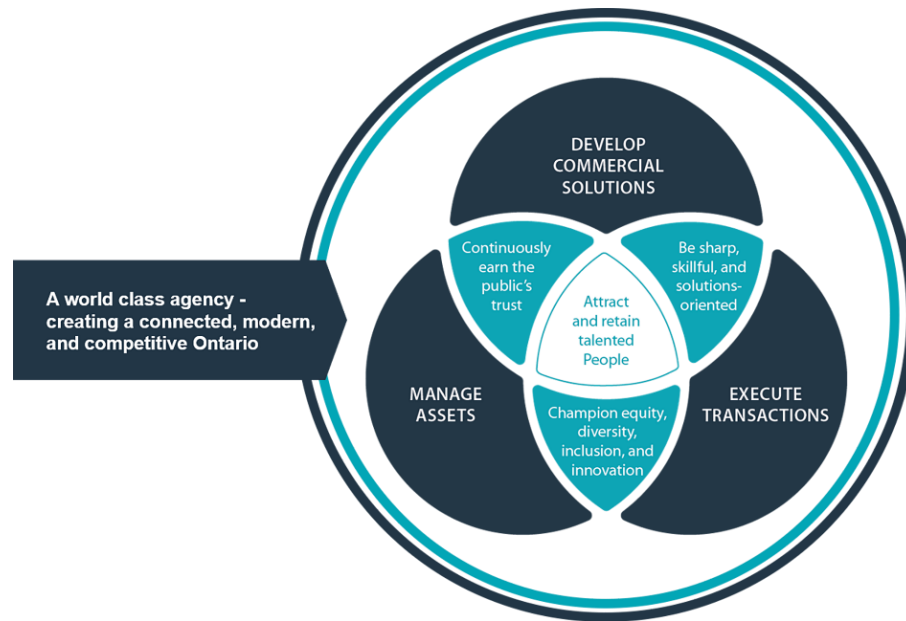
The agency remains committed to managing key risks and ensuring it possesses the talent and capabilities necessary to thrive in a competitive market.

Vision

IO has been entrusted by the government, through the Ministry of Infrastructure (MOI), with an important mandate that involves supporting the design, execution, and delivery of public infrastructure assets, the procurement of commercial solutions, execution of strategic land development opportunities, and the provision of lending and realty services. Everything that IO does is undertaken to create value for taxpayers, uphold the government's dedication to public infrastructure, and elevate the worth of public assets.

IO's vision is to be “A world class agency - creating a connected, modern, and competitive Ontario”

Figure 1: IO's Vision, Mission and Values



This vision guides IO in its support of specific government priorities, such as promoting a connected Ontario through broadband and transit networks, enhancing the resiliency and capacity of health and long-term care facilities, developing innovative commercial solutions for initiatives to modernize services, supporting development and prioritization of government's capital plan, providing access to financing which enables infrastructure projects and investments, creating a more competitive Ontario by optimizing the government real estate portfolio and leveraging land development to accelerate the delivery of housing and other government objectives.

Mission

IO's mission builds on its vision, defining “what we do.” Specifically, it outlines IO's value proposition to deliver and execute solutions in support of government's top priorities while supporting the planning and development of strategic government properties. There are three interconnected components to this mission:

Develop commercial solutions: Work with the government to identify opportunities to implement economical approaches to the delivery of public assets and services.

Execute transactions: Develop new and novel forms of public-private partnerships across new delivery classes and sectors, while continuing to ensure timely delivery.

Manage assets: Maximize opportunities for asset optimization and development through, the expansion of its role in the management of government assets to all Provincial ministries, agencies, and broader public sector entities.

Values

IO's values are embedded across the organization and upheld to the highest standards in the agency's interactions with clients and the market. These core values that guide IO are:

- Continuously earn the public's trust
- Be sharp, skillful, and solutions oriented
- Champion equity, diversity, inclusion, and innovation
- Attract and retain talented people

IO has developed strategic priorities that build upon the guiding principles of the vision, mission, and values. This plan centres around the agency's value proposition, placing a significant focus on addressing client needs and aligning with government priorities. The strategic priorities provide the agency with a three-year roadmap to invest in its people, strive for greater efficiencies in the execution of its mandate, and ultimately grow its impact in a meaningful and structured way.

This Annual Report will recap significant events from the 2024-25 fiscal year and provide a summary of the strategic priorities and the measures by which we evaluate the agency's performance. It will also outline IO's key risks and the operational budget for the 2025-26 fiscal year.

Governance

IO applies a high standard of corporate governance to ensure accountability and operational efficiency. IO is governed by a Board of Directors and Chief Executive Officer (CEO) appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Infrastructure.

IO is mindful of its obligations to exercise due diligence, ensure accountability, provide transparency, and demonstrate results to provide real value to the government in support of achieving its mandated commitments and priorities.

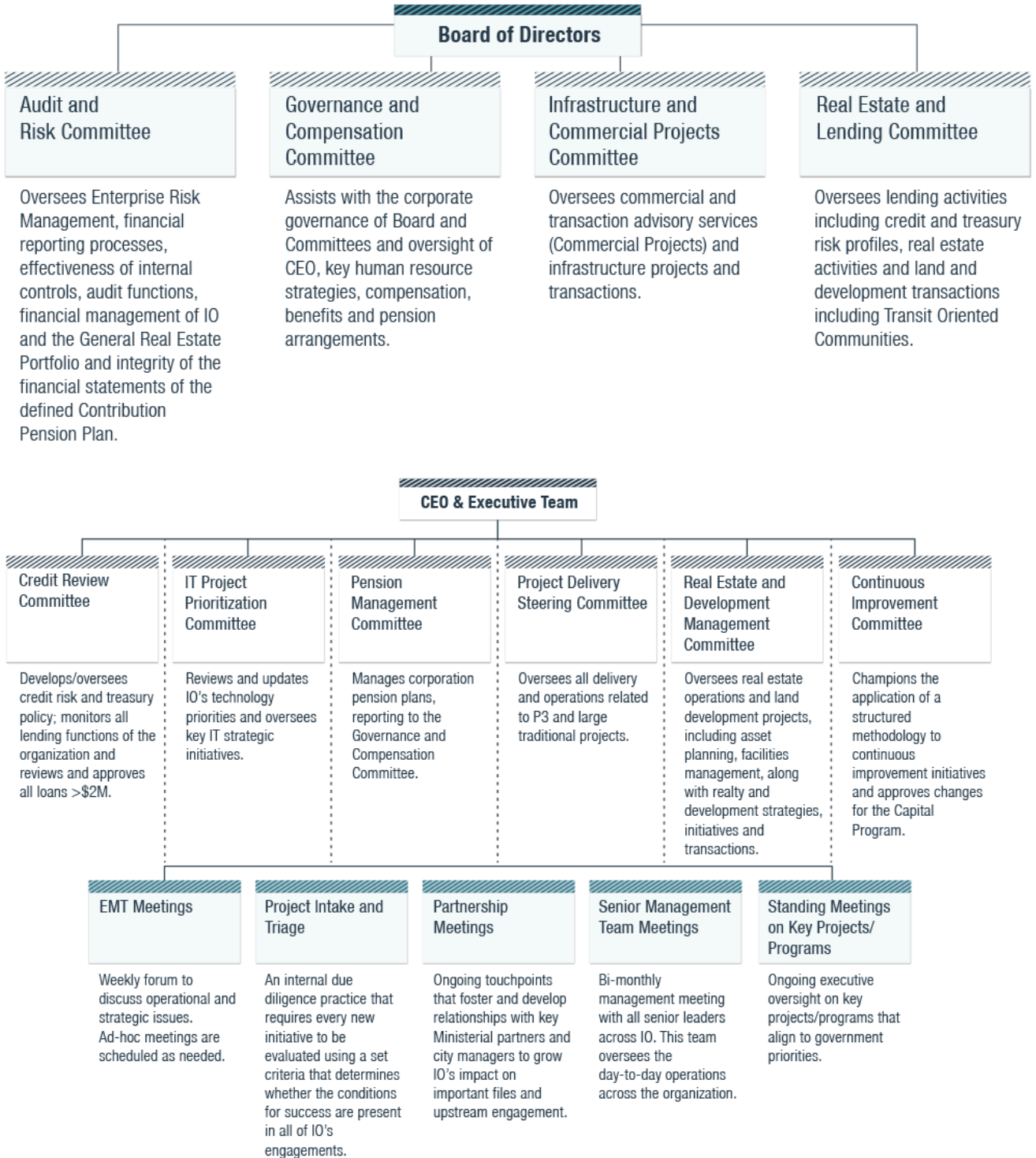
The agency is accountable to the Ontario Legislature through the Minister of Infrastructure and reports to the Minister through the Chair of the Board. A Memorandum of Understanding between the Chair and the Minister clarifies and delineates IO's roles and responsibilities, as well as the accountability framework between the ministry and the agency.

The business plan and annual report submitted to the Minister are prepared in accordance with applicable legislation and the government's Agencies and Appointments Directive. Decision-making thresholds of IO's management committees and individual staff members are governed by an internal Delegation of Authority, which is approved by the Board of Directors.

The Code of Conduct is one of IO's internal governing documents designed to provide guidance, principles, and standards for expected ethical behaviour. It applies to the Board of Directors, executive and senior management, and all employees. Board members and all employees annually confirm their commitment to comply with the code.

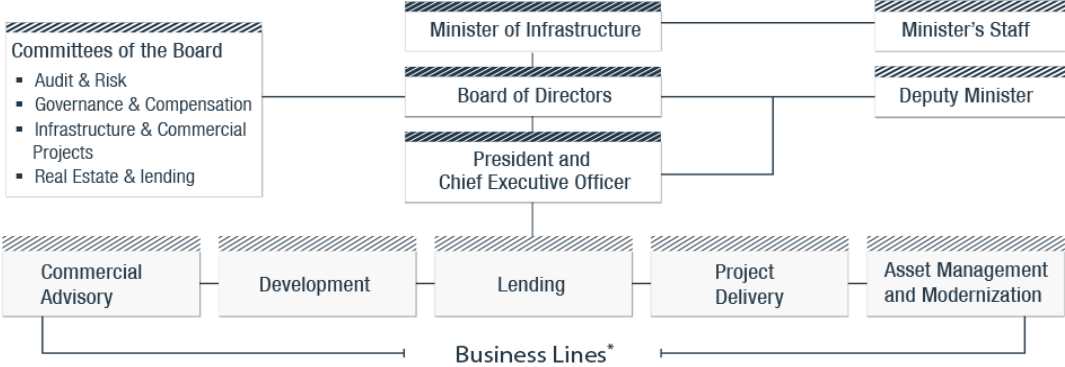
Several oversight committees and teams monitor financial and operational performance, risk management and accountability as illustrated in the following chart:

Figure 2: IO's Board and Management Committee Structure



Corporate Structure

Figure 3: IO’s Corporate Structure



* IO’s business lines are supported by professional staff in several corporate functions including finance, treasury, human resources, communications, legal services, procurement, transaction finance, risk management, information technology and others.

Board of Directors

IO’s independent Board of Directors is responsible for the agency’s oversight and strategic direction. The board approves enterprise strategic priorities, ensures good governance, monitors financial performance, and ensures that risks are identified and managed. As of March 31, 2025, IO’s Board of Directors is made up of 11 experienced external members, plus the agency’s CEO. The directors have a wide breadth of expertise and private sector knowledge, as well as business, industry, financial, and other relevant experience to carry out their fiduciary duties and uphold the interests of IO. The table below provides an overview of IO’s former Board members whose service ended during this fiscal year.

Director	Last Term	Annual Remuneration	Board meeting attendance
Michael Lindsay, President and CEO ¹	November 1, 2023 - December 16, 2024	No board remuneration	100%
Carmen Francella, Member	July 8, 2021 – July 7, 2024	\$5,500.00	25%
Mark Romoff, Member	June 24, 2021 – June 23, 2024	\$5,917.58	100%
Jeff Wesley, Member ²	March 21, 2022 – March 20, 2025	\$19,500.00	100%

¹ Michael Lindsay is currently away on a temporary assignment with Metrolinx. Consequently, his term is reflected as such; however, his tenure has not officially concluded.

² Jeff Wesley was reappointed as a Board Member and his current period of service is from May 1, 2025, to April 30, 2028.

The table below provides an overview of IO's current Board members, their period of service and annual remuneration.

Director	Current Term	Annual Remuneration	Board meeting attendance
David Lindsay, Chair	June 10, 2024 – June 9, 2027	\$48,750.00	100%
Bashar Alrehany, Vice-Chair	August 31, 2023 – February 16, 2026	\$21,000.00	85%
Amit Monga, Member	March 4, 2024 – March 3, 2026	\$16,500.00	92%
Alex Pizzimenti, Member	August 29, 2024 – August 28, 2026	\$15,065.22	85%
Gadi Mayman, Member	January 24, 2024 – January 23, 2027	No board remuneration	85%
Carol Pennycook, Member	July 8, 2024 – July 7, 2027	\$16,500.00	100%
Anne Marie Stetler, Member	July 27, 2024 – July 26, 2027	\$19,250.00	100%
Ornella Richichi, Member	October 10, 2024 – October 9, 2027	\$5,627.72	100%
Wayne Barwise, Member	October 31, 2024 – October 30, 2027	\$4,842.40	100%
David Shiner, Member	November 21, 2024 – November 20, 2027	\$18,500.00	92%
Victoria Turnbull, Member	November 21, 2024 – November 20, 2027	\$19,932.06	100%
Angela Clayton, President and CEO (Interim)	December 16, 2024 – June 30, 2025	No board remuneration	100%

2024-25 Operating Performance

IO has five lines of business delivering results to public sector clients.

Commercial Advisory leverages private sector relationships and investments for revenue generation, liability/cost reduction, and efficiency in government services and investments. The business line provides advice and negotiation support to the government and public sector partners regarding commercial transactions.

Development is responsible for executing strategic land development opportunities that include the delivery of Transit-Oriented Communities (TOC), the use of surplus lands for social purpose outcomes (e.g., attainable housing, healthcare, and long-term care), and the planning and delivery of landmark projects, like the redevelopment of Ontario Place.

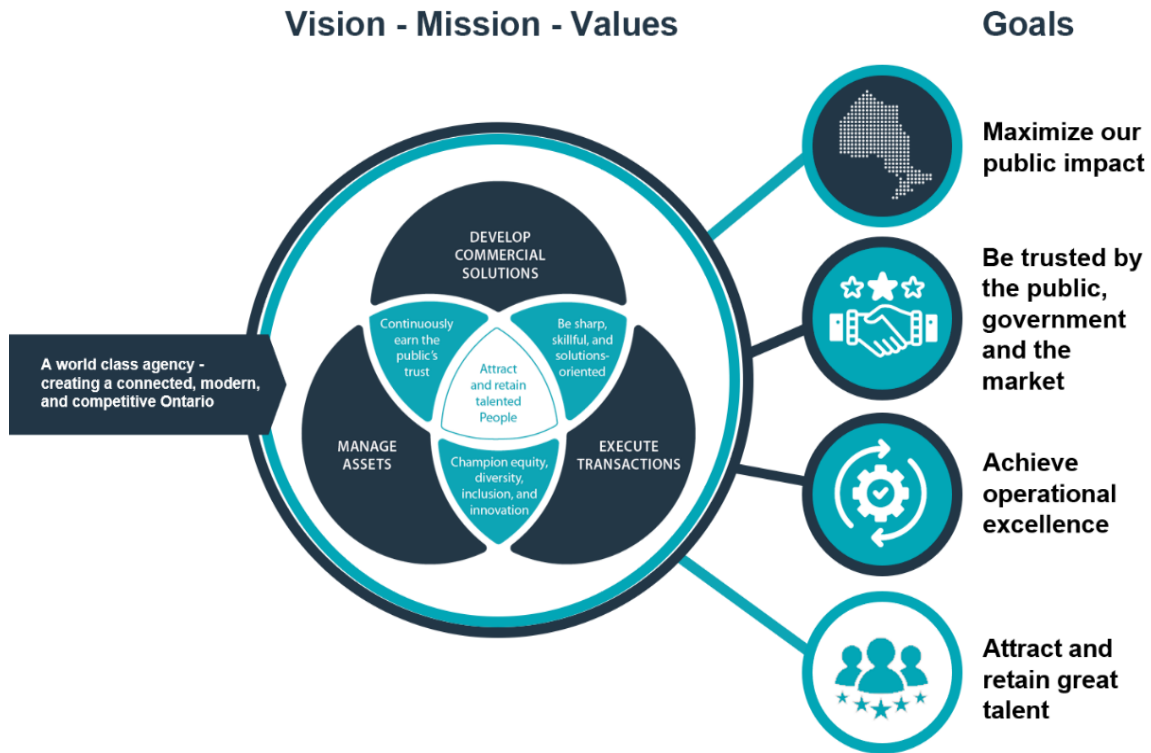
Lending administers IO's infrastructure loan program with \$7.4 billion in current loan commitments. This program provides Ontario municipalities and eligible public sector and not-for-profit organizations with access to affordable loans to build and renew public infrastructure.

Project Delivery manages large, complex public infrastructure projects using a variety of contracting models, including Design-build traditional models, Integrated collaborative delivery models, Progressive procurement delivery model and most notably the public-private partnership (P3) approach to procurement and delivery. The P3 model leverages private sector financing and expertise in building public infrastructure with the objective of delivering on schedule and on budget. The current project pipeline is valued at more than \$30 billion.

Asset Management and Modernization (formerly Real Estate Services) provides strategic asset planning services to MOI to maximize the value of government assets through portfolio planning and rationalization. It also provides comprehensive property management services for government owned and leased properties, which includes providing end-to-end real estate accommodation options to client ministries to ensure safe and secure operations through asset management, capital planning, and project management solutions. IO currently manages more than 42 million square feet of space on behalf of the Province.

IO's four strategic goals are the drivers for the agency to achieve its vision of "a world class agency – creating a connected, modern, and competitive Ontario."

Figure 4: IO's Strategic Planning Framework



Summarized below is IO's corporate performance which is measured against targets that are established in collaboration with and approved by IO's Board of Directors. Performance is measured for each of the agency's four corporate goals, outlining notable achievements on priorities as set out in IO's annual Mandate Letter.

1. Maximize our public impact through the delivery of new assets, the proactive management of existing assets, and by identifying opportunities to optimize commercial assets and services.

This goal measures IO’s ability to deliver timely projects within approved budgets and identify and generate value for its clients.

How we measure and report on our performance against this goal	2023-2024 Performance	2024-2025 Performance ³	Target	Target Rationale
On-Time Performance <i>measured as a percentage of projects within Scheduled Substantial Completion Date for P3 social, P3 highways/transportation and transit projects.</i>	82%	80%	P3 social: 75-80%	Targets derived from IO’s baseline understanding for both P3 social and P3 highways/transportation & transit projects based on historical track record performance.
	67%	62%	P3 highways/transportation & transit: 55-60%	
On-Budget Performance <i>measured as a percentage of projects within final costs delivered at Substantial Completion for P3 social, P3 highways/transportation and transit projects.</i>	96%	96%	P3 social: 85-90%	Targets derived from IO’s baseline understanding for both P3 social and P3 highways/transportation & transit projects based on historical track record performance.
	83%	77%	P3 highways/transportation & transit: 65 – 70%	

³ As of March 31, 2025, 89 projects had reached substantial completion since the inception of IO’s P3 program. On-time is measured as within three months for P3 social projects and P3 highways/transportation projects, and 12 months for transit projects; On-budget is measured as project’s final costs (awarded contract amount plus utilized post-contract contingency (PCC)) delivered at substantial completion for less than or equal to the awarded contract amount plus budgeted PCC set at financial close. There is no budget tolerance for P3 projects. Does not include the performance results for projects in active litigation.

How we measure and report on our performance against this goal ⁴	2023-2024 Performance	2024-2025 Performance	Target	Target Rationale
Revenue Realized <i>measured as a percentage of revenue identified at time of budget by end of fiscal year.</i>	103%	99%	65 – 70%	Targets informed by historical data, which reinforces the desire to follow through on near-term pipeline of revenue and cost-savings identified and creating space to pursue longer-term sources of value.
Cost-Savings Realized <i>measured as a percentage of cost savings identified at time of budget by end of fiscal year.</i>	85%	104%	45 – 50%	

⁴ Revenue and Cost-savings realized is calculated using core and emerging programs. Core includes programs such as Asset Management and Lending while emerging represents programs such as Development.

Notable achievements include:

- Achieved key project and program milestones including substantial completion of five major public infrastructure projects and six procurements brought to market through the issuance of Request for Qualification (RFQ)/ Request for Proposal (RFP)
 - Projects: Mount Sinai Hospital, Volkswagen Battery Cell Plant – Site Preparation, Michael Garron Hospital - Phase 1 New Patient Care Tower, Grandview Children’s Treatment Centre, Cambridge Memorial.
 - Procurements: Ontario Science Centre (OSC) new construction, William Osler Health System – Peel Memorial Centre for Integrated Health and Wellness Phase 2, Lakeridge Health – Bowmanville Hospital Redevelopment, Stevenson Memorial Hospital – Redevelopment, Quinte Detention Centre, North York General Hospital – Inpatient Redevelopment

- Issued a Request for Qualification (RFQ) and Request for Proposal (RFP) to design, build, finance and maintain (DBFM) the new OSC facility to be located at Ontario Place. The relocation of the OSC will bring science-based educational programming to the heart of Ontario Place.

- Successfully transitioned-in Brookfield Global Integrated Solutions (BGIS) as the proponent for Real Property Services (RPS). Our real estate professionals oversee IO’s private sector service providers to ensure seamless delivery of frontline services to clients and tenants. This transition marked the beginning of IO’s next generation partnership with BGIS, ensuring the upkeep of thousands of IO-managed properties across the province.

- Partnered with MOI to refine the government’s strategy for a sustainable office portfolio, leveraging a market inflection point where buying was more cost-effective than building and subsequently closed the acquisition of 438 University Ave. in Toronto. As part of the update to IO’s Toronto Office Optimization Plan (TOOP), the aim is to rebalance the make-up of the portfolio through a potential combination of newly owned and leased space while optimizing remaining space and reducing costs.

- IO’s loan commitments totalled \$7.4B, with 54 new loans approved in 2024-2025 with a strong pipeline. IO launched the new \$1B loan stream for Housing-Enabling Water Infrastructure (HEWI) loans, enabling municipalities access to affordable financing that will enable the development of infrastructure to support new housing across Ontario.

2. Be trusted by the public, government, and the market to deliver a breadth of work across a defined set of asset classes and public sector owners.

This measure echoes IO’s commitment to strengthening relationships with all stakeholders and industry partners. Every year, IO conducts a client assessment survey that measures client sentiment across five key categories. IO’s 2024 and 2025 results are summarized in the following table:

Assessment Category ⁵	Positive Responses	
	2024	2025
Effective delivery partner	74%	NA ⁶
Effectively solves problems	73%	
Effectively collaborates	71%	
Rigour in daily interactions	73%	
Value add services	73%	
Easy to work with	71%	

⁵ Client assessments are conducted by a third-party independent of IO.

⁶ Due to the provincial election schedule, IO’s annual client survey will be conducted later in the year, results for this measure will be made available in the 2025-26 Annual Report.

The overall satisfaction of our clients is used to measure IO’s performance against this goal.

How we measure and report on our performance against this goal	2023-2024 Performance	2024-2025 Performance	Target	Target Rationale
Overall client satisfaction measured through our annual Client Assessment Survey.	74%	N/A ⁶	65 – 70%	Target is based on comparator research and benchmarking from select list of organizations with operations and goals similar to IO as a guide.

⁶ Due to the provincial election schedule, IO’s annual client survey will be conducted later in the year, results for this measure will be made available in the 2025-26 Annual Report.

Notable achievements include:

- Won two National awards at the Canadian Council for Public-Private Partnerships Conference: CAMH Phase 1D Secure Care and Recovery (Forensics) Project received a silver award in the P3 Transaction category; and the Ontario Court of Justice – Toronto received the Award of Merit in the Environmental, Social and Governance Category.
- IO’s Legal Team was recognized as one of the country’s best legal departments during the 2024 Canadian Law Awards. The department was presented the

Singleton Urquhart Reynolds Vogel LLP Award for Construction, Infrastructure and Transportation Law Department of the Year. This was the third consecutive year that IO was shortlisted for this award and the first time it was selected as the winner.

- Driving investment of approximately \$90 Billion, IO projects ranked in ReNew Canada’s Top 100 Projects, highlighting Canada’s largest infrastructure projects based on total dollar investment and projects which contribute to the country’s health care, energy, education, transportation, culture, transit and water assets.

3. Achieve operational excellence by ensuring our processes are sustainable, transparent, continuously improved, and consistent with the highest standards of professionalism.

This measure focuses on IO’s financial and resource efficiency, as well as progress and results against enterprise-level initiatives.

How we measure and report on our performance against this goal	2023-2024 Performance	2024-2025 Performance	Target	Target Rationale
Financial Resiliency measured as surplus/deficit based on annual budget.	\$26.6M	\$17.9M⁷	\$19M⁸	Target is aligned to IO’s track record based on quarterly results and annual budget projections. This allows IO to prudently manage reporting by adapting to business line activity changes in the reporting period.
Operational Effectiveness measured in Basis Points (BPS) for expenses as a percentage of our volume of work (total capital IO managed and delivered in this fiscal year).	17.5 BPS	17.3 BPS	20 – 23 BPS	Target aligned to IO’s own historical track record expressed as a ratio of expenses to the volume of work (as Basis Points (BPS)) allowing for alignment with IO’s portfolio of work.

⁷ Despite our best efforts, IO’s surplus fell \$1.3M short of the target primarily due to an increase in time spent on non-recoverable activities, primarily attributable to delays related to project design and approvals outside of IO’s control. To address this issue going forward, Management is closely monitoring mandates for indications of any delays or deferrals and is engaging with MOI at a strategic level to discuss the financial impacts of delays more broadly.

⁸ The surplus target published in the Ontario Infrastructure and Lands Corporation Business Plan 2024–2027 was rounded at the time of printing. The actual surplus target for 2024–2025 was \$19.2M.

Notable achievements include:

- Demonstrated strong adaptability and strategic growth through key organizational changes. Angela Clayton was appointed Interim CEO, ensuring a seamless leadership transition, while the creation of the Chief Strategy Officer (CSO) role enhanced the integration of a number of teams to better align internal and external services. These changes are expected to create greater clarity around roles and responsibilities and enhance accountability across IO.
- Successfully advanced IO's Enterprise Risk Management (ERM) program, enhancing the risk appetite framework to align with specific metrics and controls, ensuring organizational decisions remain within defined risk thresholds. Introduced and began monitoring new risks in alignment with global trends and led the advancement of Governance, Risk, and Compliance (GRC) software implementation to integrate and streamline processes.
- Advanced IO's goal to institutionalize knowledge management through the ongoing delivery of curated content and training programs by leveraging the Knowledge Centre, an online repository that supports IO employees by providing a structured and controlled platform for sharing information across the organization, centralizing essential resources and fostering continuous improvement.
- Maintained business continuity throughout a provincial election, implementing agency-wide protocols to ensure adherence to established caretaker conventions during the election period. A dedicated internal committee provided oversight, ensuring IO's operations adhered to the caretaker convention while proceeding with non-material routine activities.

4. Attract and retain great talent through the articulation and delivery of an employee value proposition grounded in empowerment, development, teamwork, diversity, inclusion and impact.

IO conducts an annual employee survey that evaluates various elements of the employee experience, including but not limited to the effectiveness of IO’s coaching and development programs; the level of diversity, inclusion, and safety in the work environment; and the degree to which innovation is encouraged and rewarded.

The results of the last two employee surveys are summarized in the table below.

Employee Survey Question	Strongly Agree / Agree responses	
	2023	2024
I would recommend IO as a place to work	90%	90%
I feel proud to work for the organization	89%	86%
I make a change when I see the opportunity for improvement	87%	88%
IO encourages and supports the implementation of new ideas and suggestions for change	73%	70%
Mistakes are viewed as an opportunity to learn and adapt	76%	75%
IO’s mission, vision and values are clear and well understood	79%	79%
I believe IO’s goals are the right ones for IO at this time	74%	73%
My job provides me the opportunity to do challenging and interesting work	85%	84%
My manager coaches me in my career development	75%	73%
I am able to achieve my career objectives at IO	68%	63%
I am comfortable asking my manager for feedback	89%	89%
IO offers the flexibility I need	94%	93%
IO fosters teamwork within and between departments	68%	68%
IO is committed to providing a healthy and respectful workplace	91%	90%
I feel valued, respected, and safe to be my authentic self at IO	86%	86%
Senior leaders are open and honest in communication with me	78%	77%
Senior leaders inspire to create the impact we want to have at IO	72%	71%

The results of the employee survey are used to calculate the Employee Engagement Index, which is used to measure IO’s performance against this goal.

How we measure and report on our performance against this goal	2023-2024 Performance	2024-2025 Performance	Target	Target Rationale
<p>Employee Engagement <i>measured on a point scale (out of 5) based on employee survey responses.⁹</i></p>	4.30	4.25	3.75 – 4.0 / 5.00	<p>Employee Engagement Index is based on comparator research and against IO’s historical performance within the annual employee survey.</p>

⁹ The employee engagement index is calculated using employee survey responses from the following: ‘I would recommend IO as a place to work’, ‘I feel proud to work for the organization’, ‘I make changes when I see the opportunity for improvement’, ‘My manager coaches me in my career development’ and employee survey participation rate.

Notable achievements include:

- Maintained overall employee experience ratings with a response rate of 88%, affirming that the Employee Value Proposition (EVP) continues to resonate strongly with employees, emphasizing the key factors driving talent attraction and retention within the organization.
- Strengthened commitment to Equity, Diversity, and Inclusion (EDI) through a partnership with the Women’s Executive Network (WxN) and Pride at Work Canada (PaWC) offering employees of all gender identities access to mentorship programs, publication and speaking opportunities, and weekly networking sessions to support career advancement for individuals across all intersections.
- Launched the IO Mentorship Program pilot to provide a structured platform to develop skills and achieve career goals. This initiative responds to IO’s EDI survey, where 17% of respondents highlighted the need for more career development opportunities. The pilot will empower mentors to enhance professional development and knowledge sharing, while offering mentees valuable networking opportunities and avenues for professional growth.

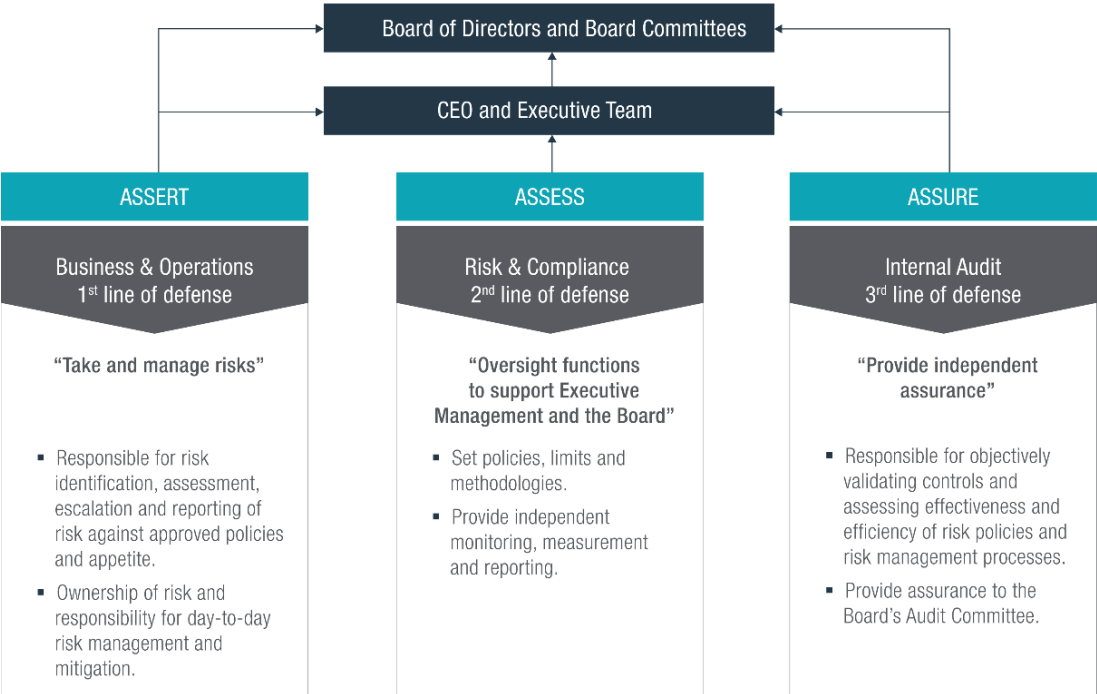
Enterprise Risk Management Framework

IO has an Enterprise Risk Management (ERM) framework that helps guide the organization’s risk management activities. It establishes a governance structure that encourages a risk-aware culture where risk management is an integral part of IO’s strategic and operational decision-making processes. It helps ensure risks and opportunities facing IO are identified and facilitates understanding, discussion, evaluation, and management of risks at all levels of the organization.

IO continues to mature its ERM framework in line with leading practices and compliance with the government ERM Directive. The agency’s enterprise Risk Register is updated quarterly with emphasis placed on top risks, emerging risks, and improvements to risk management reporting. As part of IO’s ERM maturity plan, IO has developed formal risk appetite statements, risk metrics, and tolerance levels to inform strategic decision-making and planning processes, and to further embed risk awareness and alignment across the organization.

IO utilizes a “three lines of defense” model to clarify and delineate roles and responsibilities across the different risk management activities, as outlined below:

Figure 5: Three Lines of Defense Model



ERM Policy

The ERM policy outlines a framework for risk management, including an overall approach to identify, assess, and manage organizational risk. The policy describes the key elements of the ERM program, including the governance structure, reporting, and monitoring requirements, and the roles and responsibilities of key stakeholders.

Risks are identified in the following categories:

- **Strategic risks** generally pertain to IO's mandate and business environment risks.
- **Reputational risks** pertain to risks that can impact the IO brand, image, or reputation as a result of the actions of the agency; indirectly due to the actions of an employee or employees; or tangentially through the actions of others, such as partners or suppliers.
- **Operational risks** include risks associated with people, processes, technology, security, compliance, and mandate execution, which can affect IO's ability to achieve its corporate objectives.
- **Financial risks** pertain to risks that can impact IO's cash position, financial results, and reporting.

IO maintains a robust and integrated internal control framework and policy suite to mitigate risks. Controls are supported by an active management team, ensuring IO's processes are efficient and effective. Mitigations are assessed as part of a cyclical process to determine whether the residual risk levels are tolerable, whether new mitigation/treatment plans are needed, and whether the existing plans are effective. IO's mitigation plans are subject to regular independent reviews by IO's Risk Management and Internal Audit teams, as well as the Ontario Internal Audit Division and the Office of the Auditor General of Ontario.

Key Risks

As part of IO’s risk management framework, key enterprise risks are monitored and reported quarterly to the Board of Directors and the Ministry of Infrastructure.

Figure 6: Key Risks

RISK	MITIGATING ACTIONS
STRATEGIC	
<p>Declining Market Participation</p> <p>Market participation has been affected by construction industry consolidation, growing project complexity and an evolving tolerance for risk transfer; there exists a risk of higher bid prices, costs of services and project cancellations or delays.</p>	<ul style="list-style-type: none"> ▪ Scheduled communications of project pipeline information and facilitated market soundings with vendors and associations on upcoming projects as a part of a new market engagement strategy through IO’s market update. ▪ Perform ongoing reviews of risk transfer in IO contracts to ensure efficient risk allocation is achieved. ▪ Continue to assess procurement, contracting and delivery model approaches to maximize competitiveness.
<p>Decreased Market Capacity</p> <p>Decreased capacity within the marketplace to perform work resulting in inability to deliver projects and services due to increased cost of service and project cancellations or delays.</p>	<ul style="list-style-type: none"> ▪ IO collaborates with client ministries to ensure that there is staging of procurements and transactions, where possible, to minimize scenarios where the anticipated implementation of transactions does not overlap and cause pressures in the supply of limited consultants or key sub-trades. ▪ IO gathers industry feedback through regular vendor and association communication, so IO can assist the government in advancing policy changes designed to increase the supply of available skilled labour and professional services where there exists particularly high demand.
<p>Alignment of Objectives, Roles, and Responsibilities</p> <p>Objectives, roles, and responsibilities related to project management and governance between IO and its key partners and stakeholders may be misaligned resulting in underperforming projects.</p>	<ul style="list-style-type: none"> ▪ IO has in place robust governance documents and processes to maintain clarity on project mandates with partners. ▪ Continue to evolve delivery model decision-making through an iterative process of interaction with government decision-makers and seeking clarity where potential objectives compete.
<p>Mandate Expansion</p> <p>The ability to expeditiously manage new operating and resource requirements (including employee competency and skills)</p>	<ul style="list-style-type: none"> ▪ All projects are carefully reviewed by IO management and high-profile and materially complex projects are reviewed by the IO Board sub-committees.

<p>stemming from a rapid expansion of the portfolio, impacting delivery results.</p>	<ul style="list-style-type: none"> ▪ Annual Letters of Direction on infrastructure and real estate projects are obtained from the Minister of Ministry of Infrastructure (MOI). ▪ IO is focused on working closely with government decision-makers and clients on changes being contemplated for its mandate and scope of work.
<p>Resource Planning</p> <p>The technical capacity, including personnel, skills and tools necessary for planning, designing, and executing complex projects and strategic initiatives, meeting current and future requirements.</p>	<ul style="list-style-type: none"> ▪ IO has completed an organizational design review including reconfiguration of divisional leadership to ensure that functions are positioned in divisional lines of reporting and operational adjacencies. ▪ A forecast of enterprise resource requirements is reviewed with the executive management team (EMT) quarterly and enables the EMT to govern resourcing requirements in a consolidated and integrated manner. ▪ IO performs a detailed analysis of the resource requirements to meet the mandate, incorporating benchmarks being sought for each business line and project.
REPUTATIONAL	
<p>Claims and Litigation</p> <p>Increases in the frequency and magnitude of claims against IO and its projects may adversely impact the resources of both IO and the government and could impact IO's reputation.</p>	<ul style="list-style-type: none"> ▪ Standardized approaches and processes to claims management have been introduced to the delivery teams, working with their legal counterparts, to ensure consistency and commercial focus is prioritized in claims management. ▪ The legal team is working closely with the controls, delivery and data teams to ensure appropriate notices and claims tracking and reporting have been built into and consistently used as part of PMIS, giving close to real time updates on both.
<p>Performance</p> <p>Government expectations are not met due to the inability to appropriately manage performance as a result of project delays, cost overruns, service delivery lapses, or loan-related issues.</p>	<ul style="list-style-type: none"> ▪ IO uses real-time dashboards to monitor the status of key activities, service delivery against programs and asset management against government expectations, enabling swift, corrective actions. ▪ Enhanced focus and proactive execution of contract readiness activities. Create assurances and awareness internally as well as with stakeholders on the delivery of readiness activities and the associated risk.
OPERATIONAL	
<p>Underfunding for Aged Real Estate Portfolio</p>	<ul style="list-style-type: none"> ▪ Continue to assess opportunities to utilize the best delivery model to repair and retrofit buildings. ▪ Asset life cycle programs are in place to ensure that minimal available asset management funding is prioritized and targeted at the highest risk needs.

<p>Inability to maintain and/or enhance and satisfy requirements for the current property portfolio due to funding restrictions.</p>	<ul style="list-style-type: none"> ▪ Right-sizing the portfolio and ensuring portfolio assets are safe and sustainable so government programs can be delivered efficiently and effectively, and funding can be optimized.
<p>Cyber Security and Privacy</p> <p>Increases in the frequency and evolving nature of cyberattacks may result in inappropriate access to confidential and commercially sensitive information.</p>	<ul style="list-style-type: none"> ▪ IO has implemented tools to monitor cyber activity through email security filtering, identification and removal of known and targeted threats. ▪ IO has IT security management policies, processes and controls in place to manage security risk to systems, including our third-party vendors and partners who form part of IO cyber defence framework.
<p>FINANCIAL</p>	
<p>Interest Rate and Loan Portfolio Management</p> <p>Changes in interest rates have an impact on surplus targets and the valuation of swap agreements associated with unhedged loans and previously issued debt, which are intended to reduce exposure to interest rate fluctuations and market volatility.</p>	<ul style="list-style-type: none"> ▪ IO measures its interest rate risk regularly and closely monitors the results of interest rate change scenarios against prescribed limits. ▪ Ongoing monitoring, individual loan reviews at regular intervals, and frequent communication with borrowers help ensure IO’s lending program continues to support infrastructure growth across the province.

Financial Results

FOR THE YEAR ENDED MARCH 31, 2025

Management's Discussion and Analysis

Overview

Ontario Infrastructure and Lands Corporation (Infrastructure Ontario, "IO", Agency, Corporation) is a Crown corporation reporting to the Minister of Infrastructure (Minister) and is classified by the Government of the Province of Ontario (Province, Government) as a board-governed agency. IO is governed by a Board of Directors pursuant to a memorandum of understanding with the Minister that sets out IO's accountability framework.

IO has five lines of business delivering results to public sector clients.

Project Delivery manages large, complex public infrastructure projects using a variety of contracting models, including design-build traditional models, integrated collaborative delivery models, progressive procurement delivery model and most notably the public-private partnership (P3) approach to procurement and delivery. The P3 model leverages private sector financing and expertise in building public infrastructure with the objective of delivering projects on schedule and on budgets.

Asset Management and Modernization (formerly Real Estate) provides strategic asset planning services to the Minister to maximize the value of government assets through portfolio planning and rationalization. It also provides comprehensive property management services for government owned and leased properties, which includes providing end-to-end real estate accommodation options to client ministries to ensure safe and secure operations through asset management, capital planning, and project management solutions.

Lending administers IO's infrastructure loan program and provides Ontario municipalities and eligible public sector and not-for-profit organizations with access to affordable loans to build and renew public infrastructure.

Development is responsible for executing strategic land development opportunities that include the delivery of Transit-Oriented Communities (TOC), the use of surplus lands for social purpose outcomes (e.g., attainable housing, health care and long-term care) and the planning and delivery of landmark projects like the redevelopment of Ontario Place.

Commercial Advisory leverages private sector relationships and investments for revenue generation, liability/cost reduction, and efficiency in government services and investments. The business line provides advice and negotiation support to the government and public sector partners regarding commercial transactions.

IO's business lines are supported by professional staff in finance, treasury, human resources, communications, legal services, procurement, transaction finance, risk management, and information technology.

This Management's Discussion and Analysis (MD&A) is intended to provide an overview of IO's financial activities for the year ended March 31, 2025 and should be read in conjunction with the financial statements for the year ended March 31, 2025 and accompanying notes.

IO earned a surplus of \$17.9 million for the year, \$1.3 million lower than budget due to deficits in Project Delivery \$8.2 million, Commercial Advisory \$5.5 million and Development \$3.4 million primarily due to lower revenues resulting from higher than expected time being spent on non-recoverable activities, which in certain instances can be attributed to delays in project funding, execution of mandates, and projects being put on hold. This was mostly offset by higher surplus in our Lending business, driven by a reduction in loan valuation allowance \$7.7 million as a result of improved credit assessments on specific lending clients, higher net interest margin (NIM) \$5.7 million due to higher than expected interest rates, early loan repayment and administration fees \$2.1 million, and lower net operating costs \$0.3 million.

Performance KPI's

The following is a summary of performance indicators that are used to monitor financial performance:

1. Expense basis points (bps) measures our efficiency in managing business volumes across a diverse portfolio of businesses, and is calculated as operating costs divided by business volumes.
2. Net Interest Margin (NIM) to Interest Revenue measures the amount of interest revenue that directly contributes to NIM and is an indicator of IO's long exposure to interest rates.
3. Quick ratio is a standard measure of operating liquidity, and is calculated as the total liquid current assets (those which can be converted to cash quickly) divided by total current liabilities. The ratio excludes cash attributed to the Lending business.
4. Minimum Capital Ratio, or MCR, is a measure of IO's capital adequacy and financial resilience, calculated as capital available divided by risk weighted loan assets and commitments.

Performance KPI's	F'25	F'24	F'25 Target	Commentary
Expenses bps ((operating costs + transaction costs)/ volumes)	17.3	17.5	20.0	Expenses 15% lower than budget and volumes 2% lower than budget
NIM to Interest Revenue	13.2%	12.3%	11.5%	NIM % higher due to impact of favourable interest rates.
Quick ratio (liquid assets / current liabilities)	2.1	2.6	1.5	Sufficient liquidity to meet short-term financial obligations.
Minimum Capital Ratio (Capital / risk weighted loan assets and commitments)	22.5%	22.9%	12.5%	Sufficient capital to mitigate lending risks and potential losses.

Indicators: **Green** – At or favourable to target; **Orange** - Unfavourable to target

Operating Results

The MD&A discusses revenues and expenses for the five lines of business (refer to Note 20 of the financial statements) compared to budget, in accordance with how performance is measured.

Project Delivery

Project Delivery provides professional services for P3 and other large infrastructure projects under either fixed price or cost recovery-based contracts. Revenue is recognized on fixed price contracts prior to reaching financial close when an arrangement is in place, costs are incurred, and collectability is reasonably assured. After financial close, revenue is recognized using the percentage of completion method. Percentage of completion is calculated based on a ratio of costs incurred to total estimated costs. At final completion, any remaining margin on the fixed price contract is recognized. Revenue is recognized on cost recovery-based contracts when an arrangement is in place, costs are incurred, and collectability is reasonably assured.

Year-ended March 31, 2025 vs. Budget

Project Delivery reported a deficit of \$8.2 million for the year, \$8.2 million unfavourable compared to budget.

(\$ millions)	Actual	Budget	Variance
Revenues			
Project delivery fees	\$ 72.0	89.9	(17.9)
Project transaction and recoverable costs revenues	111.9	118.4	(6.5)
	183.9	208.3	(24.4)
Expenses			
Salary and benefit expense	62.8	63.5	0.7
General and administration expense	17.4	26.4	9.0
Project transaction and recoverable costs	111.9	118.4	6.5
	192.1	208.3	16.2
Surplus (Deficit)	\$ (8.2)	0.0	(8.2)

Revenues

- Project delivery fees were \$72.0 million for the year, \$17.9 million below budget due to lower expenses \$9.7 million, as the majority of projects are cost recovery, and lower revenues \$8.2 million resulting from resources being deployed to non-recoverable activities.
- Project transaction and recoverable costs revenues were \$111.9 million for the year, \$6.5 million below budget. Lower revenues reflect the recovery of lower project transaction and recoverable costs as explained below, with no net impact to surplus.

Expenses

- Salary and benefit expenses were \$62.8 million for the year, \$0.7 million below budget due to lower headcount.
- General and administration expenses were \$17.4 million for the year, \$9.0 million below budget. The favourable variance was primarily due to lower corporate expenses including consulting and information technology.
- Project transaction and recoverable costs were \$111.9 million for the year, \$6.5 million below budget, primarily due to lower spending on projects.

Project transaction costs are costs related to external advisors that are incurred to support the procurement of the construction consortium for P3 projects. Other recoverable costs are comprised of external advisor costs incurred to support a project and the development of an asset; these costs can vary depending on the nature and stage of the project. Neither transaction nor other recoverable costs are paid to Project Co.

Year-ended March 31, 2025 vs. March 31, 2024

Project Delivery reported a deficit of \$8.2 million for the year, \$8.2 million unfavourable compared to prior year.

(\$ millions)	March 31, 2025	March 31, 2024	Variance
Revenues			
Project delivery fees	\$ 72.0	76.4	(4.4)
Project transaction and recoverable costs revenues	111.9	103.7	8.2
	183.9	180.1	3.8
Expenses			
Salary and benefit expense	62.8	58.7	(4.1)
General and administration expense	17.4	17.7	0.3
Project transaction and recoverable costs	111.9	103.7	(8.2)
	192.1	180.1	(12.0)
Surplus	\$ (8.2)	0.0	(8.2)

Revenues

- Project delivery fees were \$72.0 million for the year, \$4.4 million below prior year. Lower revenues are primarily the result of resources being deployed to non-recoverable activities.
- Project transaction and recoverable costs revenues were \$111.9 million for the year, \$8.2 million above prior year. Higher revenues reflect the recovery of higher project transaction and recoverable costs as explained below, with no net impact to surplus.

Expenses

- Salary and benefit expenses were \$62.8 million for the year, \$4.1 million above prior year due to increased headcount to support program growth.
- General and administration expenses were \$17.4 million for the year, \$0.3 million below prior year, primarily due to lower corporate expenses including legal.
- Project transaction and recoverable costs were \$111.9 million for the year, \$8.2 million above prior year, primarily due to a higher number of projects and higher spending on projects including Ontario Place.

Asset Management and Modernization

Asset Management and Modernization revenues are comprised of management fees, project transaction and recoverable costs revenue and other income. Management fees are earned to recover IO's costs to provide asset management services, facility management oversight and other realty services, including real estate options analysis, leasehold asset management planning (LAMP) services, and management of the hydro corridor program to both the General Real Estate Portfolio (GREP) and corporate realty clients. IO recovers external costs incurred to provide these other realty services to corporate realty clients through project transaction and recoverable costs revenue.

Year-ended March 31, 2025 vs. Budget

Asset Management and Modernization reported a surplus of \$nil for the year, consistent with budget.

(\$ millions)	Actual	Budget	Variance
Revenues			
Management fees	\$ 68.6	68.6	0.0
Project transaction and recoverable costs revenues	14.4	15.0	(0.6)
Other income	2.7	2.7	0.0
	85.7	86.3	(0.6)
Expenses			
Salary and benefit expense	48.1	45.9	(2.2)
General and administration expense	14.0	15.8	1.8
Sub-contracting fees	9.2	9.6	0.4
Project transaction and recoverable costs	14.4	15.0	0.6
	85.7	86.3	0.6
Surplus	\$ 0.0	0.0	0.0

Revenues

- Management fees were \$68.6 million for the year, consistent with budget.
- Project transaction and recoverable costs revenues were \$14.4 million for the year, \$0.6 million below budget. Lower revenues reflect the recovery of lower expenses as explained below, with no net impact to surplus.
- Other income was \$2.7 million for the year, in line with budget and is comprised of lease commission rebates based on an agreed upon percentage of the total brokerage commission earned in executing lease agreements with third-parties at IO's direction to accommodate government tenants.

Expenses

- Salary and benefit expenses were \$48.1 million for the year, \$2.2 million above budget primarily due to one-time costs.
- General and administration expenses were \$14.0 million for the year, \$1.8 million below budget due to lower corporate expenses for consulting and information technology.
- Project transaction and recoverable costs were \$14.4 million for the year, \$0.6 million below budget, primarily due to lower spend on Corporate Realty projects.
- Sub-contracting fees are paid to Brookfield Global Integrated Solutions (BGIS) to provide operational facility management services to General Real Estate Portfolio (GREP). Sub-contracting fees were \$9.2 million for the year, \$0.4 million below budget.

Year-ended March 31, 2025 vs. March 31, 2024

Asset Management and Modernization reported a surplus of \$nil for the year, consistent with prior year.

(\$ millions)	March 31, 2025	March 31, 2024	Variance
Revenues			
Management fees	\$ 68.6	65.9	2.7
Project transaction and recoverable costs revenues	14.4	16.4	(2.0)
Other income	2.7	2.4	0.3
	85.7	84.7	1.0
Expenses			
Salary and benefit expense	48.1	45.2	(2.9)
General and administration expense	14.0	13.0	(1.0)
Sub-contracting fees	9.2	10.1	0.9
Project transaction and recoverable costs	14.4	16.4	2.0
	85.7	84.7	(1.0)
Surplus	\$ 0.0	0.0	0.0

Revenues

- Management fees were \$68.6 million for the year, \$2.7 million above prior year, primarily due to the recovery of higher operating expenses.
- Project transaction and recoverable costs revenues were \$14.4 million for the

year, \$2.0 million below prior year. Lower revenues reflect the recovery of lower expenses as explained below, with no net impact to surplus.

- Other income was \$2.7 million for the year, \$0.3 million above prior year primarily due to higher lease commission rebates.

Expenses

- Salary and benefit expenses were \$48.1 million for the year, \$2.9 million above prior year primarily due to increased headcount and one-time costs.
- General and administration expenses were \$14.0 million for the year, \$1.0 million above prior year primarily due to higher corporate expenses for information technology.
- Sub-contracting fees paid were \$9.2 million for the year, \$0.9 million lower than prior year.
- Project transaction and recoverable costs were \$14.4 million for the year, \$1.0 million below prior year, primarily due to lower spend on Corporate Realty projects.

Lending

Year-ended March 31, 2025 vs. Budget

Lending reported a surplus of \$35.0 million for the year, \$15.8 million favourable compared to budget.

Net interest margin for the year was \$35.7 million, \$5.7 million above budget, primarily due to the net impact of higher interest rates \$4.3 million and higher cash balances \$1.4 million.

Other income for the year was \$2.9 million, \$2.1 million above budget primarily due to early loan repayment and administration fees.

(\$ millions)	Actual	Budget	Variance
Interest revenue	\$ 271.2	262.0	9.2
Interest expense	235.5	232.0	(3.5)
NIM	35.7	30.0	5.7
Other income	2.9	0.8	2.1
Expenses			
Salary and benefit expense	8.1	8.1	0.0
General and administration expense	3.2	3.5	0.3
	11.3	11.6	0.3
Loan valuation allowance	(7.7)	0.0	7.7
Surplus	\$ 35.0	19.2	15.8

Expenses

- Salary and benefit expenses were \$8.1 million for the year, consistent with budget.
- General and administration expenses were \$3.2 million for the year, \$0.3 million below budget primarily due to lower corporate expenses including information technology and consulting.
- Loan valuation allowance was reduced by \$7.7 million primarily due to improved credit assessments on specific Lending clients, reducing the general loan valuation allowance by \$3.2 million and the specific loan valuation allowance by \$4.5 million.

Year-ended March 31, 2025 vs. March 31, 2024

Lending reported a surplus of \$35.0 million for the year, \$8.4 million favourable compared to prior year.

Net interest margin for the year was \$35.7 million, \$2.9 million above prior year primarily due to the impact of higher cash balances and loan volumes \$4.3 million, partially offset by the net impact of lower interest rates \$1.4 million, which resulted in higher swap costs.

Other income for the year was \$2.9 million, \$1.4 million above prior year, due to higher early loan repayment and administration fees.

(\$ millions)	March 31, 2025	March 31, 2024	Variance
Interest revenue	\$ 271.2	266.8	4.4
Interest expense	235.5	234.0	(1.5)
NIM	35.7	32.8	2.9
Other income	2.9	1.5	1.4
Expenses			
Salary and benefit expense	8.1	7.1	(1.0)
General and administration expense	3.2	2.5	(0.7)
	11.3	9.6	(1.7)
Loan valuation allowance	(7.7)	(1.9)	5.8
Surplus	\$ 35.0	26.6	8.4

Expenses

- Salary and benefit expenses were \$8.1 million for the year, \$1.0 million above prior year primarily due to increased headcount.
- General and administration expenses were \$3.2 million for the year, \$0.7 million above prior year, primarily due to higher corporate expenses for information technology.
- Loan valuation allowance was reduced by \$7.7 million compared to prior year, primarily due to improved credit assessments on specific Lending clients, reducing the general loan valuation allowance by \$3.2 million and the specific loan valuation allowance by \$4.5 million.

Development

Development provides professional services on a cost recovery basis. Revenues for project delivery fees, and project transaction and recoverable costs, are recorded when an arrangement is in place, costs are incurred, and collectability is reasonably assured.

Year-ended March 31, 2025 vs. Budget

Development reported a deficit of \$3.4 million for the year, \$3.4 million unfavourable compared to budget.

(\$ millions)	Actual	Budget	Variance
Revenues			
Project delivery fees	\$ 25.7	31.3	(5.6)
Project transaction and recoverable costs revenues	18.3	64.6	(46.3)
	44.0	95.9	(51.9)
Expenses			
Salary and benefit expense	24.0	24.9	0.9
General and administration expense	5.1	6.4	1.3
Project transaction and recoverable costs	18.3	64.6	46.3
	47.4	95.9	48.5
Surplus (Deficit)	\$ (3.4)	0.0	(3.4)

Revenues

- Project delivery fees were \$25.7 million for the year, \$5.6 million below budget, primarily due to lower revenues resulting from delays in project funding and execution of mandates on TOC GO/LRT and Subway projects.
- Project transaction and recoverable costs revenues were \$18.3 million for the year, \$46.3 million below budget. Lower revenues reflect the recovery of lower expenses as explained below, with no net impact to surplus.

Expenses

- Salary and benefit expenses were \$24.0 million for the year, \$0.9 million below budget due to lower average headcount.
- General and administration expenses were \$5.1 million for the year, \$1.3 million below budget due to lower corporate expenses including consulting and information technology.
- Project transaction and recoverable costs were \$18.3 million for the year, \$46.3 million below budget, primarily due to lower spend on TOC GO/LRT and Subway projects.

Year-ended March 31, 2025 vs. March 31, 2024

Development reported a deficit of \$3.4 million for the year, \$4.3 million unfavourable compared to prior year.

(\$ millions)	March 31, 2025	March 31, 2024	Variance
Revenues			
Project delivery fees	\$ 25.7	18.5	7.2
Project transaction and recoverable costs revenues	18.3	16.1	2.2
	44.0	34.6	9.4
Expenses			
Salary and benefit expense	24.0	15.0	(9.0)
General and administration expense	5.1	2.6	(2.5)
Project transaction and recoverable costs	18.3	16.1	(2.2)
	47.4	33.7	(13.7)
Surplus (Deficit)	\$ (3.4)	0.9	(4.3)

Revenues

- Project delivery fees were \$25.7 million for the year, \$7.2 million above prior year, primarily due to the progression of work for the TOC GO/LRT projects.
- Project transaction and recoverable costs revenues were \$18.3 million for the year, \$2.2 million above prior year. Higher revenues reflect the recovery of higher expenses as explained below, with no net impact to surplus.

Expenses

- Salary and benefit expenses were \$24.0 million for the year, \$9.0 million above prior year primarily due to increased headcount to support program growth.
- General and administration expenses were \$5.1 million for the year, \$2.5 million above prior year primarily due to higher corporate expenses for information technology.
- Project transaction and recoverable costs were \$18.3 million for the year, \$2.2 million above prior year, primarily due to external advisors required to support the TOC GO/LRT projects.

Commercial Advisory

Commercial Advisory provides professional services on a cost recovery basis. Revenues for project delivery fees, and project transaction and recoverable costs, are recorded when an arrangement is in place, costs are incurred, and collectability is reasonably assured.

Year-ended March 31, 2025 vs. Budget

Commercial Advisory reported a deficit of \$5.5 million for the year, \$5.5 million unfavourable compared to budget.

(\$ millions)	Actual	Budget	Variance
Revenues			
Project delivery fees	\$ 10.7	18.0	(7.3)
Project transaction and recoverable costs revenues	33.7	34.8	(1.1)
	44.4	52.8	(8.4)
Expenses			
Salary and benefit expense	13.3	14.2	0.9
General and administration expense	2.9	3.8	0.9
Project transaction and recoverable costs	33.7	34.8	1.1
	49.9	52.8	2.9
Surplus (Deficit)	\$ (5.5)	0.0	(5.5)

Revenues

- Project delivery fees were \$10.7 million for the year, \$7.3 million below budget, primarily due to delays in project funding and execution, projects being put on hold, and projects not moving forward as planned.
- Project transaction and recoverable costs revenues were \$33.7 million for the year, \$1.1 million below budget. Lower revenues reflect the recovery of lower expenses as explained below, with no net impact to surplus.

Expenses

- Salary and benefit expenses were \$13.3 million for the year, \$0.9 million below budget due to lower headcount.
- General and administration expenses were \$2.9 million for the year, \$0.9 million below budget, primarily due to lower corporate expenses including consulting and information technology.
- Project transaction and recoverable costs were \$33.7 million for the year, \$1.1 million below budget, primarily due to underspend on projects.

Year-ended March 31, 2025 vs. March 31, 2024

Commercial Advisory reported a deficit of \$5.5 million for the year, \$4.6 million unfavourable compared to prior year.

(\$ millions)	March 31, 2025	March 31, 2024	Variance
Revenues			
Project delivery fees	\$ 10.7	12.6	(1.9)
Project transaction and recoverable costs revenues	33.7	30.8	2.9
	44.4	43.4	1.0
Expenses			
Salary and benefit expense	13.3	11.1	(2.2)
General and administration expense	2.9	2.4	(0.5)
Project transaction and recoverable costs	33.7	30.8	(2.9)
	49.9	44.3	(5.6)
Surplus (Deficit)	\$ (5.5)	(0.9)	(4.6)

Revenues

- Project delivery fees were \$10.7 million for the year, \$1.9 million below prior year, primarily due to lower revenues resulting from delays in project funding and execution, projects being put on hold, and projects not moving forward as planned.
- Project transaction and recoverable costs revenues were \$33.7 million for the year, \$2.9 million above prior year. Higher revenues reflect the recovery of higher expenses as explained below, with no net impact to surplus.

Expenses

- Salary and benefit expenses were \$13.3 million for the year, \$2.2 million above prior year primarily due to increased headcount to support program growth.
- General and administration expenses were \$2.9 million for the year, \$0.5 million above prior year, primarily due to higher corporate expenses for information technology.
- Project transaction and recoverable costs were \$33.7 million for the year, \$2.9 million above prior year, primarily due to external advisors required to support the Provincial Broadband project.

Statement of Financial Position

Cash

At March 31, 2025, the cash balance was \$616.2 million, an increase of \$205.4 million from the March 31, 2024 balance of \$410.8 million. The increase was primarily due to net debt issuance of \$225.4 million, maturity of \$137.0 million in long-term bond investments and \$45.0 million short-term investment, lower working capital of \$32.0 million, partially offset by net loan issuance of \$234.0 million.

Restricted Cash and Liabilities Held in Trust

At March 31, 2025, restricted cash and liabilities held in trust was \$85.9 million, a decrease of \$25.7 million from the March 31, 2024 balance of \$111.6 million. The decrease was primarily due to net payments for P3 projects including the MacDonald Block Reconstruction project of \$40.0 million, partially offset by net funding received for other P3 projects including Ontario Place.

Accounts Receivable

At March 31, 2025, accounts receivable was \$94.5 million, a decrease of \$6.1 million from the March 31, 2024 balance of \$100.6 million. Accounts receivable over 90 days totaled \$0.2 million.

Short-term Investments

At March 31, 2025, short-term investments were \$90.0 million, a decrease of \$45.0 million from the March 31, 2024 balance of \$135.0 million. The decrease was due to the maturity of a Guaranteed Investment Certificate (GIC) in the year. The short-term investments consist of two GICs.

Projects Receivable

At March 31, 2025, projects receivable was \$99.3 million, a decrease of \$20.3 million compared to \$119.6 million at March 31, 2024. The decrease was primarily due to \$33.9 million write-off for uncollectible balances. Project receivable is made up of revenues not yet invoiced and includes project delivery fees and project transaction and recoverable costs revenues.

Loans Receivable and Debt – Loan Program

At March 31, 2025, loans receivable were \$6,439.9 million, an increase of \$243.7 million from \$6,196.2 million at March 31, 2024 due to loan advances exceeding loan repayments in the year. The long-term non-revolving credit facility IO has with the

Province was renewed in May 2025 with an increase in the borrowing limit from \$4.0 billion to \$5.0 billion and an expiry of May 2030.

During the year, IO executed the following transactions to fund new loans and repay existing debt:

- Borrowed \$986.8 million on the long-term non-revolving credit facility with the Province to fund back-to-back loans.
- Repaid \$755.4 million of long-term non-revolving debt to the Province.
- Repaid \$140.0 million of Ontario Infrastructure and Lands Corporation bonds to the Province.
- Borrowed \$134.0 million on the short-term revolving credit facility with the Province.

Loan Valuation Allowance

The loan valuation allowance is comprised of general and specific valuation provisions.

The general valuation allowance is a provision for losses on the existing loan portfolio which are considered to be likely in the future but are not yet known and cannot be determined for any specific loan. The total general loan allowance was \$21.5 million as at March 31, 2025, a decrease of \$3.2 million from the March 31, 2024 balance of \$24.7 million. The decrease is primarily due to improved credit assessments on specific Lending clients.

The specific valuation allowance is a provision for losses that can be reasonably attributed to specific loans and borrowers. The total specific loan valuation allowance was \$nil as at March 31, 2025, a decrease of \$4.5 million from the March 31, 2024 balance of \$4.5 million.

Derivatives

IO, being a borrower and a lender, uses derivatives to minimize the Agency's interest rate risk exposure related to its loan receivables and debt obligations. IO is hedged through interest rate swaps in which certain of its fixed rate loans receivable and fixed rate debt portfolio are swapped into floating rate instruments. All interest rate swap agreements are with the Province.

Derivatives are recorded at fair value and presented on a net basis on the Statement of Financial Position. At March 31, 2025, the net derivative asset was \$45.9 million, a \$32.6 million decrease in the fair value from the \$78.5 million reported at March 31, 2024. This decrease is primarily due to the impact of lower interest rates in the year.

Accrued Liabilities

At March 31, 2025, accrued liabilities were \$51.4 million, an increase of \$7.8 million from the March 31, 2024 balance of \$43.6 million. The balance includes \$30.8 million for project related advisory costs and \$20.6 million for operating expenses including salaries/benefits, accrued vacation, and other expenses.

Deferred Revenue

Based on agreements with certain clients, IO invoices and recovers project costs based on periodic payment schedules. The amounts are reported as deferred revenue until the work is performed, at which time they are recognized into revenue based on IO's revenue recognition policy. At March 31, 2025, deferred revenue was \$20.3 million, a decrease of \$18.4 million from the March 31, 2024 balance of \$38.7 million. The majority of the deferred revenue is related to P3 projects.

Capital – Loan Program and Liquidity Reserve

IO has a \$450.0 million liquidity reserve funded by its capital loan program, comprised of \$280.0 million subordinated 50-year loan from the Province of Ontario (Province), a \$120.0 million subordinated 10-year loan from the Ontario Clean Water Agency and a \$50.0 million subordinated 5-year loan borrowed from the Province (refer to Note 10 of the financial statements). These funds are held in cash (\$360.0 million) and short-term investments (\$90.0 million) and provide credit protection to holders of senior debt such as Infrastructure Renewal Bonds, and a liquidity backstop for Infrastructure Ontario's financing needs.

Financial Statements

FOR THE YEAR ENDED MARCH 31, 2025

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Independent Auditor's Report

To the Directors of Ontario Infrastructure and Lands Corporation

Opinion

We have audited the financial statements of Ontario Infrastructure and Lands Corporation (the "Organization") which comprise the statement of financial position as at March 31, 2025, and the statement of operations and accumulated surplus, the statement of remeasurement gains and losses, the statement of changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025 and its results of operations, its measurement gains and losses, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained prior to the date of the auditor's report comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

In preparing the financial statements, management is responsible for assessing the Organization'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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 our 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We 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 we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 27, 2025

INFRASTRUCTURE ONTARIO RESPONSIBILITY FOR FINANCIAL REPORTING

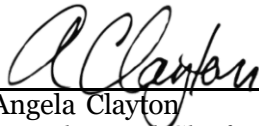
The accompanying financial statements of Ontario Infrastructure and Lands Corporation have been prepared in accordance with accounting principles for governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and, where applicable, the recommendations of the Accounting Standards Board of the Chartered Professional Accountants of Canada and are the responsibility of management.

Management maintains a system of internal controls designed to provide reasonable assurance that the 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.

The Board of Directors oversees management's responsibilities for financial reporting through the Audit and Risk Committee. The Audit and Risk Committee reviews the financial statements and recommends them to the Board for approval.

The financial statements have been audited by BDO Canada LLP. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines the scope of the Auditor's examination and opinion.

On behalf of management,



Angela Clayton
President and Chief Executive Officer



Priyal Thakrar
Chief Financial Officer

INFRASTRUCTURE ONTARIO
STATEMENT OF FINANCIAL POSITION

As at March 31

(in thousands of dollars)

	March 31 2025		March 31 2024
Financial assets			
Cash	\$ 616,244	\$	410,758
Restricted cash (Note 2 & 19)	85,931		111,630
Accounts receivable (Note 3)	94,482		100,553
Interest receivable	46,952		45,798
Investment income receivable	5,127		5,150
Short-term investments (Note 4)	90,000		135,000
Projects receivable (Note 5)	99,259		119,564
Loans receivable (Note 6)	6,439,859		6,196,152
Derivatives (Note 7)	45,939		78,509
Long-term investments (Note 8)	-		136,791
	<u>7,523,793</u>		<u>7,339,905</u>
Liabilities			
Accounts payable	22,648		11,942
Accrued liabilities	51,390		43,605
Liabilities held in trust (Note 2 & 19)	85,931		111,630
Interest payable	43,415		45,928
Deferred revenue	20,346		38,709
Debt - loan program (Note 10)	6,477,714		6,252,172
Capital - loan program (Note 10)	449,681		449,681
	<u>7,151,125</u>		<u>6,953,667</u>
Net financial assets	372,668		386,238
Non-financial assets			
Prepaid expenses	4,495		3,083
Tangible capital assets (Note 11)	16,563		19,117
	<u>393,726</u>		<u>408,438</u>
Accumulated surplus	347,787		329,929
Accumulated remeasurement gains (Note 7)	45,939		78,509
	<u>\$ 393,726</u>	\$	<u>408,438</u>
Contingencies (Note 17)			
Commitments (Note 18)			
Subsequent Events (Note 21)			

The accompanying notes are an integral part of these financial statements.

Approved



Board Chair

Infrastructure Ontario - Annual Report 2024-25



Director, Chair Audit & Risk Committee

INFRASTRUCTURE ONTARIO

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31

(in thousands of dollars)

	2025 Budget	2025	2024
Revenues			
Interest revenue (Note 12)	\$ 262,000	\$ 271,251	\$ 266,744
Project delivery fees (Note 14)	139,246	108,365	107,459
Management fees - GREP (Note 14)	63,015	62,227	60,138
Management fees - Corporate Realty (Note 14)	5,627	6,360	5,797
Project transaction and recoverable costs (Note 14)	232,761	178,227	166,962
Other income	3,450	5,574	3,940
	<u>706,099</u>	<u>632,004</u>	<u>611,040</u>
Expenses			
Salaries and benefits	156,705	156,324	137,070
General and administration (Note 13)	55,874	42,596	38,234
Interest expense (Note 12)	232,000	235,510	233,968
Project transaction and recoverable costs	232,761	178,227	166,962
Sub-contracting fees	9,560	9,211	10,081
Loan valuation allowance	-	(7,722)	(1,928)
	<u>686,900</u>	<u>614,146</u>	<u>584,387</u>
Surplus	19,199	17,858	26,653
Accumulated surplus, beginning of year	<u>329,929</u>	<u>329,929</u>	<u>303,276</u>
Accumulated surplus, end of year	<u>\$ 349,128</u>	<u>\$ 347,787</u>	<u>\$ 329,929</u>

The accompanying notes are an integral part of these financial statements.

INFRASTRUCTURE ONTARIO
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended March 31

(in thousands of dollars)

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 78,509	\$ 69,776
Realized gains - reclassified to the Statement of Operations	(18,028)	(25,866)
Remeasurement (losses)/gains	(14,542)	34,599
Net remeasurement (losses)/gains in the year	(32,570)	8,733
Accumulated remeasurement gains, end of year	\$ 45,939	\$ 78,509

The accompanying notes are an integral part of these financial statements.

INFRASTRUCTURE ONTARIO
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the year ended March 31

(in thousands of dollars)

	2025	2024
Surplus	\$ 17,858	\$ 26,653
Change in prepaid expenses	(1,412)	732
Acquisition of tangible capital assets	(2,894)	(5,229)
Amortization of tangible capital assets	5,448	3,947
Net remeasurement (losses)/gains in the year	(32,570)	8,733
Net change in net financial assets	(13,570)	34,836
Net financial assets at beginning of year	386,238	351,402
Net financial assets at end of year	\$ 372,668	\$ 386,238

The accompanying notes are an integral part of these financial statements.

INFRASTRUCTURE ONTARIO
STATEMENT OF CASH FLOWS

For the year ended March 31

(in thousands of dollars)

	2025	2024
Operating activities		
Surplus	\$ 17,858	\$ 26,653
Items not requiring a current cash outlay:		
Loan valuation allowance	(7,722)	(1,928)
Amortization of loan concession costs	(1,840)	(2,410)
Amortization of tangible capital assets	5,448	3,947
Amortization of debt issue cost	173	244
Amortization of investment bond premium	238	1,286
	<u>14,155</u>	<u>27,792</u>
Changes in working capital items:		
Decrease/(increase) in restricted cash	25,699	(3,631)
Decrease/(increase) in accounts receivable	6,071	(33,715)
Increase in interest receivable	(1,154)	(1,638)
Decrease/(increase) in investment income receivable	23	(2,126)
Decrease/(increase) in short-term investments	45,000	(95,000)
Decrease/(increase) in projects receivable	20,305	(34,524)
(Increase)/decrease in prepaid expenses	(1,412)	732
Increase/(decrease) in accounts payable	10,706	(1,892)
Increase in accrued liabilities	7,785	3,408
(Decrease)/increase in liabilities held in trust	(25,699)	3,631
(Decrease)/increase in interest payable	(2,513)	4,765
Decrease in deferred revenue	(18,363)	(1,351)
Cash provided by/(used in) operating activities	<u>80,603</u>	<u>(133,549)</u>
Capital activities		
Acquisition of tangible capital assets	(2,894)	(5,229)
Cash used in capital activities	<u>(2,894)</u>	<u>(5,229)</u>
Investing activities		
Issuance of loans receivable	(704,243)	(485,895)
Proceeds from loan repayments	470,098	478,386
Proceeds from maturity of investments	136,553	62,221
Cash (used in)/provided by investing activities	<u>(97,592)</u>	<u>54,712</u>
Financing activities		
Increase in short term revolving credit facility	134,000	71,000
Proceeds from debt	986,752	820,459
Debt repayments	(895,383)	(811,716)
Cash provided by financing activities	<u>225,369</u>	<u>79,743</u>
Net increase/(decrease) in cash	205,486	(4,323)
Cash, beginning of year	410,758	415,081
Cash, end of year	\$ 616,244	\$ 410,758

The accompanying notes are an integral part of these financial statements:

Cash interest paid and received (Note 12)

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

NATURE OF THE CORPORATION

Ontario Infrastructure and Lands Corporation (Infrastructure Ontario, Agency, Corporation) is a Crown corporation reporting to the Minister of Infrastructure (Minister) and is classified by the Government of the Province of Ontario (Province, Government) as a board-governed agency.

The mandate of Infrastructure Ontario includes the following:

- Provide advice and services on financial, strategic, or other matters involving the government;
- Carry out powers, duties and functions delegated by the Minister under the Ministry of Infrastructure Act, 2011, the Building Broadband Faster Act, 2021 and the Rebuilding Ontario Place Act, 2023;
- Implement or assist in the implementation of transactions involving the government;
- Provide advice and services, including project management and contract management, related to infrastructure projects in Ontario that are not government property;
- Provide advice and services related to government property, including project management, contract management and development;
- Provide financial management for government property held by the Ministry of Infrastructure (MOI) or by a Crown agency for which the Minister of Infrastructure is responsible;
- Provide advice and services related to real property to prescribed public sector organizations;
- Provide advice and services to non-Ontario entities related to development of public infrastructure loan programs; real property; financial strategic or other matters; and the implementation of transactions;
- Provide financing for infrastructure purposes to municipalities and to other eligible public organizations.

As a Crown corporation, Infrastructure Ontario is exempt from federal and provincial income taxes under paragraph 149(1) (d) of the Income Tax Act of Canada. Infrastructure Ontario is subject to Harmonized Sales Tax (HST).

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with Canadian Public Sector Accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

Management estimates

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Key areas where management has made estimates are in the percentage of completion for the determination of revenue from project delivery fees, the loan portfolio valuation allowance and the fair value of derivatives. Actual results could differ from those and other estimates, the impact of which would be recorded in future periods.

Financial instruments

Infrastructure Ontario's financial assets include cash, restricted cash, accounts receivable, interest receivable, investment income receivable, short-term investments, projects receivable, loans receivable, derivatives, and long-term investments.

Infrastructure Ontario's financial liabilities include accounts payable, accrued liabilities, liabilities held in trust, interest payable, and the debt supporting the loan program.

Initial recognition and measurement

Financial instruments are classified at initial recognition as either (i) cost or amortized cost or (ii) fair value. In these financial statements, all financial instruments, other than derivatives are classified at cost or amortized cost. Fair value is the amount of the consideration that would be agreed on in an arm's length transaction between knowledgeable willing parties, who are under no compulsion to act.

The amortized cost of the 2003-04 program loans (see Note 6) issued by Infrastructure Ontario, which were considered to have concessionary terms, was determined as the present value of the future cash flows of the loan, and discounted using Infrastructure Ontario's cost of borrowing at the time of issuance. The difference between the face value of the loan and its present value is, in substance, a grant. The grant portion is recognized as a concession cost at the date of issuance of the loan and amortized to match the underlying interest subsidy, over the term of the loan.

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

Transaction costs for financial instruments measured at cost or amortized cost are added to or netted against the carrying value of the financial asset or financial liability, respectively.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

i. Financial instruments at fair value

Financial instruments at fair value are remeasured at their fair value at the end of each reporting period. Any unrealized gains and losses are recognized in the Statement of Remeasurement Gains and Losses and are subsequently reclassified to the Statement of Operations upon disposal or settlement and remain a component of net financial assets on the Statement of Financial Position.

Infrastructure Ontario uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: valuation techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: valuation techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Short-term investments are measured as Level 1 financial instruments and the derivative assets are measured as Level 2 financial instruments.

The fair value of financial instruments not traded in an active market is determined by appropriate valuation techniques, including forward pricing and swap models, using present value calculations. The models incorporate various inputs including forward interest rate curves.

ii. Financial instruments at cost or amortized cost

Financial instruments not measured at fair value are measured at cost or amortized cost.

For financial assets and financial liabilities measured at amortized cost, interest is recorded using the effective interest rate (EIR) method. The EIR is the rate that discounts the estimated future cash payments or receipts over

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

the expected life of the financial instrument or, where appropriate, a shorter period.

Impairment

i. Loss in value of an investment

A write-down is recognized in the Statement of Operations and Accumulated Surplus when there has been a loss in the value of the investment considered as an 'other than temporary' loss. A loss is considered 'other than temporary' when the carrying value of the investment exceeds its anticipated value for a prolonged period of time. If the anticipated value of the portfolio investment subsequently increases, the write-down to the statement of operations is not reversed.

ii. Receivables impairment

Management reviews the value of all receivables including accounts receivable, interest receivable, investment income receivable, projects receivable and loans receivable. A loan valuation allowance is established against the loan portfolio after management's review of existing economic, industry and portfolio conditions across the different loan segments. The general valuation allowance is underpinned by a model in which risk ratings are assigned at the time of loan origination, monitored on an ongoing basis, and adjusted to reflect changes in underlying credit risk. A specific valuation allowance is also established in instances of known borrower credit deterioration on the expected non-recoverable portion of the loan receivable.

Funds held in Trust

The Agency is required to maintain trust funds for collection of property taxes and reserve funds as part of the CMHC certificate of insurance. In addition, certain borrowers set up trust funds as a requirement of the loan agreement. The Agency also maintains a project trust general ledger account for funds received from various ministries for purpose of payments to project construction consortiums and contract change orders. All of these amounts held in trust are recognized as restricted cash on the statement of financial position.

The Agency also maintains several operating bank accounts which it administers on behalf of MOI and related to the operations of MOI's general real estate portfolio. The Agency is the financial manager pursuant to the Ontario Infrastructure and Lands Corporation Act, 2011 and these funds are therefore not recorded in these financial statements.

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

Short-term investments

Short-term investments include highly liquid instruments with a term to maturity exceeding three months but less than a year at the time of purchase.

Derivative financial instruments

Infrastructure Ontario uses derivative financial instruments, specifically interest rate swaps, to manage its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered and subsequently remeasured to fair value at each reporting date. Derivatives are presented on a net basis as permitted by our agreement with our counterparty on the Statement of Financial Position as either financial assets or liabilities depending if the net balance is either in a receivable or liability position.

Any unrealized gains or losses arising from changes in the fair value of derivatives are recorded in the Statement of Remeasurement Gains and Losses and are subsequently re-classified to interest income or interest expense as appropriate on the Statement of Operations and Accumulated Surplus upon disposal or settlement.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided using the straight-line method over the estimated useful lives of the assets beginning in the fiscal year of acquisition, with a half-year provision in the year of acquisition and a half-year in the year of disposal. The estimated useful lives of the assets are as follows:

Computer equipment	3 years
Software	5 years
Furniture, fixtures and office equipment	10 years
Leasehold improvements	10 years

Non-financial assets

Non-financial assets, including prepaid expenses, are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year.

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

Impairment of tangible capital assets

The Agency reviews the carrying value of tangible capital assets for potential impairment when there is evidence that events or changes in circumstances exist, that indicate a tangible capital asset no longer contributes to the Government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value. In these circumstances, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. No such impairment losses have been incurred to date.

Revenue recognition

Interest revenue

Interest on investments and loans receivable are recognized using the effective interest rate method.

Project delivery fees, management fees, and project transaction and recoverable costs

Project delivery fees and management fees represent the recovery of Infrastructure Ontario's staff salaries and benefits, general and administration costs, and sub-contracting fees in delivering services. Project transaction and recoverable costs include the recovery of external advisor costs and project cost contingencies.

Infrastructure Ontario provides professional services under either cost based or fixed price contracts. For cost based contracts, revenue is recorded when an arrangement is in place, costs are incurred, and collectibility is reasonably assured. For fixed price contracts before financial close, revenue is recorded when an arrangement is in place, costs are incurred, and collectibility is reasonably assured. After financial close, revenue is recorded using the percentage of completion method. Percentage of completion is calculated based on a ratio of cost incurred to total estimated costs. At final completion, any remaining margin on the fixed price contract is recognized. Losses, if any, on fixed price contracts are recognized during the period they are identified. Deferred revenue is set up when amounts billed on a project exceed the revenue recognized to date under both cost based and fixed price contracts.

Employee Benefits

The Agency provides a defined contribution pension plan for certain full-time employees and also contributes to the Public Service Pension Plan, a multi-employer plan established by the Province of Ontario, for pension benefits for certain full-time employees. The Agency's obligation to the Public Service Pension Plan is based on formulas set by the Ontario Pension Board. The contributions made by the Agency to the defined contribution pension plan and multi-employer plans are expensed in the Statement of Operations on an accrual basis. The cost of post-retirement, non-pension employee benefits to employees for the multi-employer plan is paid by the Ministry of Infrastructure Ontario - Annual Report 2024-25

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

Public and Business Service Delivery (MPBSD) and is not included in the financial statements.

2. RESTRICTED CASH

Restricted cash includes funds held in trust for Infrastructure Ontario's lending clients of \$18.5 million (2024 - \$16.0 million) and project construction consortiums of \$67.4 million (2024 - \$95.6 million), detailed further in Note 19.

3. ACCOUNTS RECEIVABLE

(\$ thousands)	2025	2024
Net trade accounts receivable	\$ 79,327	\$ 95,005
HST receivable	15,155	5,548
	\$ 94,482	\$ 100,553

4. SHORT-TERM INVESTMENTS

Short-term investments consist of highly liquid investments carried at amortized cost. As at March 31, 2025, the interest rates on the investments ranged from 5.08 % to 5.46% (2024 - 5.61% to 5.87%), with maturities in July 2025.

5. PROJECTS RECEIVABLE

Projects receivable are amounts which have been recognized as revenue either on a percentage of completion basis or when the recoverable expenses were incurred, but have not yet been invoiced. Certain projects receivable will not be invoiced until the completion of the project. Projects receivable are due from various Provincial ministries, agencies and other public sector organizations.

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

6. LOANS RECEIVABLE

(\$ thousands)	2025		2024	
Construction advances		Interest %		Interest %
Infrastructure renewal loan program	\$ 542,414	3.52-3.92	\$ 404,966	5.54-5.94
Debentures receivable				
Concessionary loan program				
Remaining terms to maturity:				
1 to 5 years	43,332	2.36-2.87	65,033	2.36-2.95
6 to 10 years	13,406	2.57-2.73	16,249	2.52-2.73
11 to 15 years	12,976	2.52-2.80	15,522	2.52-2.80
16 to 20 years	799	3.05-3.05	-	-
Greater than 20 years	8,151	2.63-2.84	9,258	2.63-3.05
	<u>78,664</u>		<u>106,062</u>	
Infrastructure renewal loan program				
Remaining terms to maturity:				
1 to 5 years	285,070	1.00-5.89	302,223	1.00-5.89
6 to 10 years	835,410	1.37-5.44	888,160	1.37-5.38
11 to 15 years	949,273	1.76-5.91	894,832	1.76-5.91
16 to 20 years	1,588,465	1.94-5.31	1,500,167	1.94-5.31
Greater than 20 years	2,188,023	1.97-5.60	2,136,765	1.97-5.60
	<u>5,846,241</u>		<u>5,722,147</u>	
Total	<u>6,467,319</u>		<u>6,233,175</u>	
Deferred costs on concessionary loans				
Deferred costs, beginning of year	(7,778)		(10,188)	
Amortization of concession costs	1,840		2,410	
Deferred costs, end of year	<u>(5,938)</u>		<u>(7,778)</u>	
Loan valuation allowance	(21,522)		(29,245)	
Loans receivable	<u>\$ 6,439,859</u>		<u>\$ 6,196,152</u>	

Construction advances are loans due from municipalities, other public sector bodies and not for profit entities. The interest rate on these construction loans is based on the Ontario three month treasury bill plus a fixed spread in basis points depending on the risk categorization of the counterparty. These loans are of a shorter term than the debentures (usually less than five years), and are repaid when construction is complete.

Debentures receivable are due from municipalities, other public sector clients and not for profit entities, with loan maturity terms ranging from five to forty years since inception. Infrastructure Ontario manages its credit risk with the current loan portfolio through various provisions in the loan agreements. The Agency has an intercept mechanism with the Province, which allows for funds owing to a borrower from the Province to be redirected to Infrastructure Ontario. Loans to non-government borrowers are subject to

INFRASTRUCTURE ONTARIO

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2025

restrictive covenants on assets and the borrower is required to provide security and in some cases, provide loan insurance.

The loan valuation allowance is based on an assessment of existing economic, industry and portfolio conditions which may indicate that a loan is impaired or losses will be incurred. At March 31, 2025, Infrastructure Ontario has a loan valuation allowance of \$21.5 million (2024 - \$29.2 million).

7. DERIVATIVES

Infrastructure Ontario operates within strict risk limits to ensure exposure to interest rate risk is managed in a prudent and cost effective manner. A variety of strategies are used to manage this risk, including the use of interest rate derivatives. Infrastructure Ontario does not use derivatives for speculative purposes, and no new derivative contracts have been entered into with respect to back to back loans since it was initiated with the Province in April 2015.

Derivatives are financial contracts, the value of which is derived from underlying instruments. Infrastructure Ontario, which is a borrower and lender, uses derivatives to create hedges for instruments with differing maturity dates. The interest rate variability risk is managed through interest rate swaps, which are legal contracts under which Infrastructure Ontario agrees with another party to exchange cash flows based on one or more notional amounts using stipulated reference interest rates for a specified period. Interest rate swaps allow Infrastructure Ontario to more closely match its existing loans receivable and debt obligations and thereby effectively convert them into instruments with terms that minimize the Agency's interest rate risk exposure. Infrastructure Ontario has swapped certain of its fixed rate loans receivable and fixed rate debt portfolio into floating rate instruments.

The table below presents a maturity schedule of Infrastructure Ontario's derivatives, outstanding as at March 31, 2025, based on the notional amounts of the contracts. The notional amounts of interest rate swaps represent the amount to which the fixed and floating rates are applied in order to calculate the exchange of cash flows. The notional amounts are not recorded in the Statement of Financial Position. They represent the volume of outstanding derivative contracts and are not indicative of credit risk, market risk or actual cash flows of such instruments. Asset swaps are instruments whereby Infrastructure Ontario is the fixed rate payer (pay fixed and receive floating) and liability swaps are instruments whereby Infrastructure Ontario is the fixed rate receiver (pay floating and receive fixed).

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

(\$ thousands)	Maturity					Total Notional Value
	Within 1 year	Within 2 to 5 years	Within 6 to 10 years	Within 11 to 15 years	Over 15 years	
Asset swap	\$ 203,922	602,989	471,240	331,959	213,739	\$1,823,849
Liability swap	\$ -	-	-	458,111	394,746	\$ 852,857

Derivatives are recorded at fair value as at March 31, 2025 resulting in net derivative assets of \$45.9 million and accumulated unrealized gains on the Statement of Remeasurement Gains and Losses of \$45.9 million (2024 - net derivative assets of \$78.5 million on the Statement of Financial Position and accumulated unrealized gains on the Statement of Remeasurement Gains and Losses of \$78.5 million). Fair values were determined using level 2 basis of valuation as defined in Note 1.

The fair values of these derivatives were determined using pricing models, with market observable inputs which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve underlying the positions. The determination of the fair value of derivatives includes consideration of credit risk and ongoing direct costs over the life of the instruments. As at March 31, 2025, derivative values were externally appraised.

As at March 31, 2025, all interest rate swap agreements are with the Province.

8. LONG-TERM INVESTMENTS

Long-term investments consist of bonds carried at amortized cost. As at March 31, 2025, long term investment balance was \$nil (2024 - \$136,791) as the bonds reached maturity in September 2024.

9. ONTARIO FINANCING AUTHORITY (OFA) CREDIT FACILITY

Infrastructure Ontario has a 5 year subordinated revolving credit facility of up to \$100.0 million with the OFA, an agency of the Province, to provide working capital for the Project Delivery program. Advances are to be repaid within 3 months of the borrowing date, unless an extension is requested. The revolving credit facility expires March 27, 2028. As at March 31, 2025, the full balance of the facility remains undrawn.

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

10. DEBT AND CAPITAL – LOAN PROGRAM

All facilities are available exclusively for the lending program.

(\$ thousands)	2025		2024	
		Interest %		Interest %
a) Debt - loan program				
Senior debt				
Infrastructure Renewal Bonds	\$ 300,000	4.70	\$ 300,000	4.70
Subordinate debt				
Short-term revolving credit facility	540,000	2.74-3.24	406,000	5.05-5.18
OIPC/OILC bonds	670,000	3.42-4.96	810,000	3.07-4.96
Long-term non-revolving credit facility				
Fixed	4,065,161	0.90-5.31	3,749,792	0.90-5.31
Floating Rate Notes (FRN)	905,000	3.28-3.86	989,000	5.05-5.75
Housing Enabling Water Infrastructure credit facility	-	-	-	-
	<u>6,480,161</u>		<u>6,254,792</u>	
Debt issue costs	<u>(2,447)</u>		<u>(2,620)</u>	
	<u>\$ 6,477,714</u>		<u>\$ 6,252,172</u>	
b) Capital - loan program				
Province of Ontario loan	\$ 279,681	3.11	\$ 279,681	5.10
Province of Ontario loan - FRN	50,000	3.33	50,000	5.61
Ontario Clean Water Agency loan	120,000	2.85	120,000	4.99
	<u>\$ 449,681</u>		<u>\$ 449,681</u>	

All capital funding and subordinated debt is subordinate to the senior debt and rank pari passu amongst each other.

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2025

The following table illustrates the debt principal and estimated interest payments for the next five years and thereafter:

(\$ thousands)

Fiscal year	Amount
2025-2026	\$ 1,447,486
2026-2027	863,036
2027-2028	395,199
2028-2029	432,039
2029-2030	376,192
Thereafter	5,835,113
Total principal and interest	9,349,065
Deduct: interest	(2,419,223)
Total principal	\$ 6,929,842

Infrastructure Renewal Bonds

On April 19, 2007, Infrastructure Ontario issued \$300 million of Infrastructure Renewal Bonds. The bonds bear interest at 4.70% per annum and mature on June 1, 2037.

Short-term Revolving Credit Facility

In May 2014, Infrastructure Ontario began issuing short term notes under a short term revolving credit facility to fund its short term construction loans. The revolving credit facility with the Province is authorized to issue a maximum of \$1.1 billion for terms ranging from three months to one year, with an expiry date of April 7, 2027. As at March 31, 2025, maturities ranged from April 2025 to June 2025, while interest on the notes ranged from 2.74% to 3.24% (2024 - 5.05% to 5.18%).

OIPC / OILC Bonds

Infrastructure Ontario issued Ontario Infrastructure Projects Corporation (OIPC) and Ontario Infrastructure and Lands Corporation (OILC) bonds to the Province for the purpose of funding its loan program. The bonds are subordinated obligations of Infrastructure Ontario and rank behind all other existing and future senior obligations of Infrastructure Ontario.

As at March 31, 2025, interest on fixed rate bonds ranged from 3.42% to 4.96% (2024 - 3.07% to 4.96%) per annum and maturities ranged from June 2039 to June 2045. Interest is paid semi-annually on these bonds until maturity.

Long-term Non-Revolving Credit Facility

In April 2015, Infrastructure Ontario began funding long term loans on a back to back basis directly with the Province through a long term non-revolving credit facility. The

INFRASTRUCTURE ONTARIO

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2025

new debt structures mirror the underlying loans receivable they fund and have similar terms including maturity, payment frequency and type of amortization. This funding structure creates a match between the assets and liabilities and eliminates the need to use derivatives to hedge interest rate risks. Infrastructure Ontario was approved to borrow \$4.0 billion from the Province for the purposes of funding the loan program with an expiry date of May 14, 2025 (refer to Note 21 Subsequent Events). As at March 31, 2025, \$1.6 billion of the facility is available and undrawn.

As at March 31, 2025, interest with fixed rates on the back to back loans ranged from 0.90% to 5.31% (2024 - 0.90% to 5.31%) and maturities ranged from April 2025 to March 2055. The FRNs bear interest from three month CORRA plus 19 basis points to three month CORRA plus 77 basis points and the maturity of the notes ranged from June 2025 to June 2026. Interest is reset and paid quarterly until the maturity of the FRNs. Effective June 28, 2024, the Canadian Dollar Offered Rate (CDOR) has transitioned to the Canadian Overnight Repo Rate Average (CORRA).

Housing Enabling Water Infrastructure Credit Facility

In January 2025, Infrastructure Ontario was authorized to borrow \$1.3 billion from the Province to fund the Housing Enabling Water Infrastructure Lending Program. The facility allows for a maximum principal amount of \$1 billion and deferred and capitalized interest of \$330 million. As at March 31, 2025, the full balance of the facility is available and undrawn. The debt bears interest based on the Province's three-month Treasury bill rate at the time of borrowing.

Province of Ontario Loan

The Province provided Infrastructure Ontario with a 50 year subordinated loan of approximately \$280 million in exchange for a promissory note that matures on March 31, 2053. The interest on the note is reset quarterly at the Province's three month Treasury bill rate and payable quarterly. On March 31, 2025, interest on the note was reset at 3.11% (2024 - 5.10%).

Province of Ontario Loan - FRN

On June 1, 2023, the Province provided Infrastructure Ontario with a 5 year subordinated loan of \$50 million that matures on June 1, 2028. The interest on the note is reset quarterly at the Province's three month Treasury bill rate plus 48 basis points and payable quarterly. On March 31, 2025, interest on the note was 3.33% (2024 - 5.61%).

Ontario Clean Water Agency Loan

The Ontario Clean Water Agency (OCWA), an agency of the Province, provided a 10 year subordinated loan of \$120 million to Infrastructure Ontario secured by a promissory

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2025

note due on March 1, 2033. The interest on the note is reset quarterly at the Province's three month Treasury bill rate and payable quarterly. On March 1, 2025, interest on the note was 2.85% (2024 - 4.99%).

Together, the Province and OCWA loans provide Infrastructure Ontario with long term subordinate funding which provides: (i) credit protection to holders of senior debt such as Infrastructure Renewal Bonds; and (ii) a liquidity backstop for Infrastructure Ontario's financing needs.

11. TANGIBLE CAPITAL ASSETS

(\$ thousands)	For the year ended March 31, 2025				
	Computer Equipment	Software	Furniture, Fixtures and Office Equipment	Leasehold Improvements	Total
Cost					
Balance, April 1, 2024	\$ 24,348	\$ 21,783	\$ 2,630	\$ 17,615	\$ 66,376
Additions	1,180	1,714	-	-	2,894
Balance, March 31, 2025	25,528	23,497	2,630	17,615	69,270
Accumulated amortization					
Balance, April 1, 2024	22,200	9,011	2,382	13,666	47,259
Additions	1,219	3,385	65	779	5,448
Balance, March 31, 2025	23,419	12,396	2,447	14,445	52,707
Net book value - March 31, 2025	\$ 2,109	\$ 11,101	\$ 183	\$ 3,170	\$ 16,563

(\$ thousands)	For the year ended March 31, 2024				
	Computer Equipment	Software	Furniture, Fixtures and Office Equipment	Leasehold Improvements	Total
Cost					
Balance, April 1, 2023	\$ 22,414	\$ 18,488	\$ 2,630	\$ 17,615	\$ 61,147
Additions	1,934	3,295	-	-	5,229
Balance, March 31, 2024	24,348	21,783	2,630	17,615	66,376
Accumulated amortization					
Balance, April 1, 2023	21,281	6,827	2,317	12,887	43,312
Additions	919	2,184	65	779	3,947
Balance, March 31, 2024	22,200	9,011	2,382	13,666	47,259
Net book value - March 31, 2024	\$ 2,148	\$ 12,772	\$ 248	\$ 3,949	\$ 19,117

INFRASTRUCTURE ONTARIO
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2025

12. INTEREST INCOME (EXPENSE)

(\$ thousands)	2025	2024
Interest revenue	\$ 271,251	\$ 266,744
Interest expense	(235,510)	(233,968)
Net interest margin	\$ 35,741	\$ 32,776

The breakdown of interest expense on debt is as follows:

Program funding		
Infrastructure Renewal Bonds	\$ (14,099)	\$ (14,062)
Short-term revolving credit facility	(21,715)	(19,276)
OIPC/OILC Bonds	(30,250)	(35,352)
Long-term non-revolving credit facility	(168,026)	(167,619)
	<u>(234,090)</u>	<u>(236,309)</u>
Interest rate swap costs	18,028	25,866
Debt issue cost amortization	(173)	(244)
Investment bond premium amortization	(238)	(1,286)
	<u>(216,473)</u>	<u>(211,973)</u>
Capital funding		
Province of Ontario loan	(11,694)	(13,815)
Province of Ontario loan - FRN	(2,329)	(2,277)
Ontario Clean Water Agency loan	(5,014)	(5,903)
	<u>(19,037)</u>	<u>(21,995)</u>
Total interest expense	\$ (235,510)	\$ (233,968)

The reconciliation of cash interest received and paid to net interest margin is as follows:

Cash interest received	\$ 270,341	\$ 264,473
Cash interest paid	(237,613)	(227,672)
	<u>32,728</u>	<u>36,801</u>
Non-cash interest		
Amortization of loan concession costs (Note 6)	1,840	2,410
Other non-cash interest	1,173	(6,435)
Net interest margin	<u>\$ 35,741</u>	<u>\$ 32,776</u>

Other non-cash interest includes net interest accrued (revenue and expense), and the amortization of debt issue costs and bond premiums.

INFRASTRUCTURE ONTARIO
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For the year ended March 31, 2025

13. GENERAL AND ADMINISTRATION EXPENSES

(\$ thousands)	2025 Budget	2025	2024
Information technology	\$ 26,294	\$ 22,539	\$ 18,254
Professional and consulting	16,878	8,223	9,831
Premises	4,352	4,234	4,135
Office and administration	2,106	2,056	1,995
Communications	90	96	72
Amortization	6,154	5,448	3,947
	<u>\$ 55,874</u>	<u>\$ 42,596</u>	<u>\$ 38,234</u>

14. RELATED PARTY TRANSACTIONS

The Agency is economically dependent on the Province as a significant portion of its revenue is received from the Province for the provision of services to various Ontario Crown Agencies and Ministries, including MOI, the Ministry of Health, the Ministry of the Attorney General, the Ministry of the Solicitor General and the Ministry of Transportation. All the amounts included in the Statement of Operations for these revenues and expenses are related party transactions.

Infrastructure Ontario's prime sources of revenue from the Province are:

1. Project delivery fees and project transaction and recoverable costs:
Fees based on a percentage of project costs or on a cost recovery basis charged for services, including project and contract management, provided to various Ontario Crown Agencies and Ministries. Project transaction and recoverable costs include external advisor services and project cost contingencies.
2. Management fees:
Fees charged for services, including property and project management, provided to MOI's General Real Estate Portfolio (GREP) and the corporate realty portfolio.

Infrastructure Ontario has loans from the Province and OCWA (Note 10) and a line of credit with the OFA (Note 9).

15. FUTURE EMPLOYEE BENEFITS

The Agency provides a defined contribution pension plan for certain full-time employees. The Agency's contribution to this plan for the year ended March 31, 2025 was \$10.2 million (2024 - \$7.6 million).

INFRASTRUCTURE ONTARIO

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For the year ended March 31, 2025

The Agency provides pension benefits to certain of its full-time employees through participation in the Public Service Pension Plan, which is a multi-employer defined benefit plan established by the Province. The contribution to the pension plan of \$0.2 million for the year ended March 31, 2025 (2024 - \$0.2 million) is based on formulas set by the Ontario Pension Board and has been expensed. The cost of post-retirement, non-pension employee benefits for these employees is paid by MPBSD and is not included in the financial statements.

16. RISK MANAGEMENT

The principal risks that Infrastructure Ontario is exposed to as a result of holding financial instruments are credit, market, liquidity and interest rate risks. The Real Estate and Lending Committee of the Board of Directors reviews policies for managing each of these risks, which are summarized below.

Credit risk

Credit risk is the risk of loss arising from a counterparty's inability to fulfill its financial contractual obligations to Infrastructure Ontario. The Agency is exposed to credit risk on cash accounts, investments and receivables, but primarily on loans receivable. The Agency manages credit risk through the implementation of policies and review processes.

Credit risk – loans receivable

Oversight of the credit risk of the lending program is monitored by the Real Estate and Lending Committee of the Board of Directors.

The credit risk policy ensures loan amounts are commensurate with both the borrower's ability to service debt and Infrastructure Ontario's own risk tolerance. The credit risk policy establishes principles for evaluating credit risk for each sector based on an established set of risk factors. Separate underwriting and credit functions exist to ensure an independent review and challenge through the adjudication process. Due diligence is conducted and a final scoring and recommendation for each applicant is presented to the Real Estate and Lending Committee and to the Board of Directors for approval, if necessary, based on Infrastructure Ontario's delegation of authority. Infrastructure Ontario has a risk based loan review process that covers all lending sectors and provides early identification of possible changes in the credit worthiness of counterparties. The objectives of the loan review are to: assess the status of funded projects in construction; ensure payment and covenant compliance over the term of the loan; initiate timely corrective action to minimize any potential credit loss; and escalate potential loan repayment issues to the Real Estate and Lending Committee and the Board of Directors.

Infrastructure Ontario's maximum exposure to credit risk on loans receivable, without taking into account any collateral held or other credit enhancements, as at March 31, **Infrastructure Ontario** - Annual Report 2024-25

INFRASTRUCTURE ONTARIO
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For the year ended March 31, 2025

2025 was \$6,439.9 million (2024 - \$6,196.2 million). Infrastructure Ontario classifies and manages its loans by tiers. Tier 1 borrowers have a tax base and/or receive provincial transfers which provide a strong source of debt repayment. Tier 2 borrowers are in sectors that are either regulated or entitled to government based revenue contracts and therefore have a stable source of debt repayment. Tier 3 borrowers are organizations dependent on self generated revenues either by market-set prices or donations and fund raising. The profile of the loans receivable at March 31, 2025 is as follows:

(\$ thousands)	Outstanding	Loan Valuation Allowance⁽²⁾	2025	2024
Tier 1				
Municipalities	\$ 4,339,676			
City of Toronto (as guarantor)	976,580			
Universities	125,000			
Local service boards	42			
Social housing (with municipal guarantee)	198,965			
Affordable housing (insured by CMHC) ⁽¹⁾	102,624			
Long term care (with municipal guarantee)	56,480			
Affordable housing (with municipal guarantee)	961			
Community health & social service hubs (with municipal guarantee)	2,815			
Sports & Recreation (with municipal guarantee)	60,696			
	5,863,839	(34)	5,863,805	5,597,509
Tier 2				
Local distribution corporations	142,987			
Long term care	134,489			
Affordable housing (not insured by CMHC) ⁽¹⁾	115,537			
Social housing	81,857			
Community health & social service hubs	15,282			
	490,152	(6,337)	483,815	506,581
Tier 3				
Power generators	33,939			
Beneficial entities (arts training, etc.)	70,262			
Sports and recreation	9,127			
	113,328	(15,151)	98,177	99,840
Deferred costs on concessionary loans				
Deferred costs, beginning of year	(7,778)			
Amortization of concession costs	1,840			
Deferred costs, end of year	(5,938)	-	(5,938)	(7,778)
Loans receivable	\$ 6,461,381	\$ (21,522)	\$ 6,439,859	\$ 6,196,152

(1) CMHC is defined as Canada Mortgage and Housing Corporation.

(2) Consists of \$21.5 million for general loan valuation allowance.

INFRASTRUCTURE ONTARIO
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For the year ended March 31, 2025

Collateral – loans receivable

Infrastructure Ontario lends on the strength of the applicants' ability to service loan payments over time. The Agency does not lend on a residual asset value basis and does not factor in possession or control of an asset in the evaluation of debt service coverage. It lends on the basis of a strong assurance of permanent sources of cash flow, namely the unique position of many borrowers to generate tax revenue or receive funding from the Province. Infrastructure Ontario mitigates its credit risk from the loan portfolio through various mitigation control provisions. The Agency has an intercept mechanism with the Province which allows for funds owing to certain borrowers (including municipalities) that receive funding from the Province, to be redirected to Infrastructure Ontario. Clients that do not receive provincial funding are required to provide adequate security such as: guarantees, first ranking mortgage/charge, general security agreement, assignment of rents and leases and assignment of accounts, agreements and collateral.

Impairment – loans receivable

The loan valuation allowance is established against the loan portfolio after management's review of existing economic, industry and portfolio conditions across the different loan segments. The general valuation allowance is underpinned by a model in which risk ratings are assigned at the time of loan origination, monitored on an ongoing basis, and adjusted to reflect changes in underlying credit risk. A specific valuation allowance is also established in instances of known borrower credit deterioration on the expected non-recoverable portion of the loan receivable.

Credit risk - cash, receivable, short-term investments and derivatives

The maximum exposure to credit risk on the cash, restricted cash, receivables, short-term investments and derivatives, without taking into account any collateral held or other credit enhancements, as at March 31, 2025 was:

(\$ thousands)	2025		Past Due >90 days
Cash	\$	616,244	\$ -
Restricted cash		85,931	-
Accounts receivable		94,482	223
Interest receivable		46,952	-
Investment income receivable		5,127	-
Short-term investments		90,000	-
Projects receivable		99,259	-
Derivatives		45,939	-
	\$	1,083,934	\$ 223

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Market risk

Market risk is the risk that the fair value or future cash flows for a financial instrument will fluctuate due to changes in market prices. Infrastructure Ontario only invests in authorized liquid assets prescribed by the approved Treasury policies and guidelines, which can be easily liquidated.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows for a financial instrument will fluctuate because of changes in market interest rates. This could occur when the re-pricing of assets is not aligned with the re-pricing of liabilities. As a result of entering into back to back loan arrangements with the OFA, this re-pricing mismatch has been eliminated on all loans issued after April 1, 2015.

Management also manages interest rate risk through the use of interest rate swap derivatives as well as through the alignment of asset and liability risk structures and maturities.

Sensitivity to variations in interest rates

A +/- 100 basis point change in the interest rate for the year ended March 31, 2025 would have had a \$2.4 million / (\$5.1 million) impact on the surplus, and a \$7.0 million / (\$3.6 million) impact on the accumulated remeasurement gains (losses).

Liquidity risk

Liquidity risk is the risk Infrastructure Ontario will not be able to meet its financial obligations as they come due. This risk is managed through capital funding, which is funded by long-term subordinated loans provided by the Province and the OCWA. The capital funding is partially invested in short-term liquid instruments that can be converted into cash in the event of any foreseeable liquidity crisis.

Infrastructure Ontario's borrowing by-laws are approved by the Board of Directors, the Minister of Infrastructure and the Minister of Finance. All borrowing is made with prudent consideration of interest rate and liquidity risks and complies with the treasury policy. Infrastructure Ontario borrows directly from the Province for its long-term funding needs through the OFA.

INFRASTRUCTURE ONTARIO
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The following illustrates the maturities of contracted obligations as at March 31, 2025:

(\$ thousands)	Within 1 year	2 to 5 years	Over 5 years	Total
Accounts payable	\$ 22,648	\$ -	\$ -	\$ 22,648
Accrued liabilities	51,390	-	-	51,390
Liabilities held in trust	85,931	-	-	85,931
Interest payable	43,415	-	-	43,415
Debt and capital – principal and interest	1,447,486	2,066,466	5,835,113	9,349,065
Total financial liabilities	\$ 1,650,870	\$ 2,066,466	\$ 5,835,113	\$ 9,552,449

17. CONTINGENCIES

The Agency is involved in various disputes and litigation. In the opinion of management, the resolution of disputes against the Agency, will not result in a material effect on the financial position of the Agency.

18. COMMITMENTS

Minimum base rent annual payments under operating leases for the Agency's office space for the next five years are:

(\$ thousands)	Amount
Fiscal year	
2025-2026	\$ 4,058
2026-2027	4,129
2027-2028	4,201
2028-2029	4,329
2029-2030	4,458
	\$ 21,175

Infrastructure Ontario has \$927.0 million of unadvanced loan commitments as at March 31, 2025.

19. FUNDS HELD IN TRUST

Infrastructure Ontario is required by the CMHC to collect property taxes and reserve funds as a condition of providing certain affordable housing loans. As part of the CMHC certificate of insurance, the funds need to be set up in a trust account and administered by Infrastructure Ontario. In addition, certain borrowers set up reserve funds in the trust account as a requirement of the loan agreement. As at March 31, 2025, the funds under administration were \$18.5 million (2024 - \$16.0 million).

INFRASTRUCTURE ONTARIO

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2025

Infrastructure Ontario has a process to record funds received from various ministries and payable to project construction consortiums related to project substantial completion payments, interim payments, as well as payments received for variations, furniture, fixtures and equipment. Variations are changes to scope agreed to after the initial contract has been executed – also called contract change orders. All the above payments are paid directly by the sponsoring ministries, but flow through Infrastructure Ontario. As at March 31, 2025, Infrastructure Ontario held \$67.4 million (2024 - \$95.6 million) in its project trust general ledger account.

Infrastructure Ontario maintains several operating bank accounts which it holds in trust and administers on behalf of MOI. These accounts relate directly to the operations of MOI's general real estate portfolio, for which the Agency is the financial manager pursuant to the Ontario Infrastructure and Lands Corporation Act, 2011. The funds held in trust for MOI as at March 31, 2025 were \$187.9 million (2024 - \$93.2 million) and are not recorded in these financial statements.

20. SEGMENTED INFORMATION

Infrastructure Ontario's reporting structure reflects how the business is managed. Infrastructure Ontario manages its operations to enable delivery and accountability on priorities such as those set by the Minister as well as corporate objectives determined by the Board. Infrastructure Ontario also assesses and anticipates future assignments and works to align its resources accordingly. As a result, Infrastructure Ontario is able to effectively allocate its resources and responsibilities by operating divisions in order to ensure efficiency and sustainability of operations over the period of the business plan.

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The table below is a summary of financial information by segment:

For the year ended March 31, 2025						
Project Delivery	Asset Management and Modernization ⁽¹⁾	Lending	Development	Commercial Advisory	Total	
(\$ thousands)						
Revenues						
Interest revenue	\$ -	\$ -	\$ 271,251	\$ -	\$ -	\$ 271,251
Project delivery fees	71,951	-	-	25,729	10,685	108,365
Management fees - GREP	-	62,227	-	-	-	62,227
Management fees - Corporate Realty	-	6,360	-	-	-	6,360
Project transaction and recoverable costs	111,905	14,351	-	18,313	33,658	178,227
Other income	-	2,721	2,853	-	-	5,574
	<u>183,856</u>	<u>85,659</u>	<u>274,104</u>	<u>44,042</u>	<u>44,343</u>	<u>632,004</u>
Expenses						
Salaries and benefits	62,773	48,125	8,116	24,020	13,290	156,324
General and administration	17,456	13,972	3,163	5,090	2,915	42,596
Interest expense	-	-	235,510	-	-	235,510
Project transaction and recoverable costs	111,905	14,351	-	18,313	33,658	178,227
Sub-contracting fees	-	9,211	-	-	-	9,211
Loan valuation allowance	-	-	(7,722)	-	-	(7,722)
	<u>192,134</u>	<u>85,659</u>	<u>239,067</u>	<u>47,423</u>	<u>49,863</u>	<u>614,146</u>
Surplus/(deficit)	\$ (8,278)	\$ -	\$ 35,037	\$ (3,381)	\$ (5,520)	\$ 17,858

⁽¹⁾ Formerly Real Estate

For the year ended March 31, 2025 - Budget						
Project Delivery	Asset Management and Modernization	Lending	Development	Commercial Advisory	Total	
(\$ thousands)						
Revenues						
Interest revenue	\$ -	\$ -	\$ 262,000	\$ -	\$ -	\$ 262,000
Project delivery fees	89,963	-	-	31,289	17,994	139,246
Management fees - GREP	-	63,015	-	-	-	63,015
Management fees - Corporate Realty	-	5,627	-	-	-	5,627
Project transaction and recoverable costs	118,417	15,021	-	64,558	34,765	232,761
Other income	-	2,700	750	-	-	3,450
	<u>208,380</u>	<u>86,363</u>	<u>262,750</u>	<u>95,847</u>	<u>52,759</u>	<u>706,099</u>
Expenses						
Salaries and benefits	63,537	45,952	8,132	24,934	14,150	156,705
General and administration	26,426	15,830	3,419	6,355	3,844	55,874
Interest expense	-	-	232,000	-	-	232,000
Project transaction and recoverable costs	118,417	15,021	-	64,558	34,765	232,761
Sub-contracting fees	-	9,560	-	-	-	9,560
Loan valuation allowance	-	-	-	-	-	-
	<u>208,380</u>	<u>86,363</u>	<u>243,551</u>	<u>95,847</u>	<u>52,759</u>	<u>686,900</u>
Surplus	\$ -	\$ -	\$ 19,199	\$ -	\$ -	\$ 19,199

INFRASTRUCTURE ONTARIO
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For the year ended March 31, 2025

	For the year ended March 31, 2024					
(\$ thousands)	Project Delivery	Asset Management and Modernization	Lending	Development	Commercial Advisory	Total
Revenues						
Interest revenue	\$ -	\$ -	\$ 266,744	\$ -	\$ -	\$ 266,744
Project delivery fees	76,378	-	-	18,511	12,570	107,459
Management fees - GREP	-	60,138	-	-	-	60,138
Management fees - Corporate Realty	-	5,797	-	-	-	5,797
Project transaction and recoverable costs	103,717	16,422	-	16,054	30,769	166,962
Other income	-	2,402	1,538	-	-	3,940
	<u>180,095</u>	<u>84,759</u>	<u>268,282</u>	<u>34,565</u>	<u>43,339</u>	<u>611,040</u>
Expenses						
Salaries and benefits	58,644	45,248	7,086	15,008	11,084	137,070
General and administration	17,734	13,008	2,534	2,597	2,361	38,234
Interest expense	-	-	233,968	-	-	233,968
Project transaction and recoverable costs	103,717	16,422	-	16,054	30,769	166,962
Sub-contracting fees	-	10,081	-	-	-	10,081
Loan valuation allowance	-	-	(1,928)	-	-	(1,928)
	<u>180,095</u>	<u>84,759</u>	<u>241,660</u>	<u>33,659</u>	<u>44,214</u>	<u>584,387</u>
Surplus/(deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,622</u>	<u>\$ 906</u>	<u>\$ (875)</u>	<u>\$ 26,653</u>

21. SUBSEQUENT EVENTS

Infrastructure Ontario's long-term non-revolving credit facility with the Province was renewed in May 2025, and increased the borrowing limit from \$4.0 billion to \$5.0 billion. The facility has a 5 year term with an expiry date of May 2030.

Appendix

Legislative Mandate

Infrastructure Ontario is an agency of the Province of Ontario with a Board of Directors. The agency's mandate is set out in legislation under namely the *Ontario Infrastructure and Lands Corporation Act, 2011* (OILC Act) and includes:

- providing advice and services on financial, strategic, or other matters involving the government;
- carrying out the powers, duties, and functions delegated by the Minister of Infrastructure to the Corporation under the *Ministry of Infrastructure Act, 2011*, the *Building Broadband Faster Act, 2021*, and the *Rebuilding Ontario Place Act, 2023*;
- implementing or assisting in the implementation of transactions involving the government;
- providing advice and services, including project management and contract management, related to infrastructure projects in Ontario that are not government property;
- providing advice and services related to government property, including project management, contract management, and development;
- providing financial management for government property for which the Minister is responsible;
- providing advice and services related to real estate property to prescribed public sector organizations;
- providing advice and services to non-Ontario entities related to development of public infrastructure loan programs; real property; financial strategic or other matters; and the implementation of transactions;
- providing financing for infrastructure purposes to municipalities and to other eligible public organizations.

Human Resources (HR) Impacts

Attracting and retaining great talent is one of IO's four goals. IO is focused on creating a workplace that encourages coaching, mentoring and development, celebrates diversity and inclusion, and encourages employees to innovate. IO is fortunate in its ability to attract individuals who are passionate about serving their fellow citizens and who are motivated by playing a direct role in contributing to the economic and social well-being of Ontarians.

The complexity of IO's work is high. It requires specialized skills in a wide range of areas such as law, accounting, architecture, engineering, construction, finance, facilities

management, asset management, and information technology. Over 80% of IO's workforce is comprised of professionals.

IO's total staff complement was 875 (as of March 31, 2025); the demographic composition of its staff was as follows:

- 52% female and 48% male
- average employee age of 41 years
- average employee tenure of 5 years
- 9 executive management team members

Over the past three years, the volume of work has increased by approximately ~ 44% implying an overall increase in operational scope, financial transactions and project execution. IO has added approximately ~ 25% to its headcount in order to provide support to the demand and increased volume of work over these years. This progression reflects a deliberate approach to scaling resources to meet evolving demands. Rather than simply growing for its own sake or in direct proportion to work volumes, the expansion underscores the organization's commitment to ensuring adequate support for new initiatives while maintaining operational efficiency.

IO has experienced workforce growth and operational shifts over the past three fiscal years directly tied to its forward-thinking strategic priorities, particularly in the creation of the Development team. IO's Development team provides commercial advice and support to the provincial government and public sector partners regarding major land developments, including Transit-Oriented Communities, Ontario Place Revitalization and Long-Term Care Development programs. This broader scope has led to steady increments in both operational volume and workforce capacity.

The alignment between the increased mandate and workforce adjustments highlights a balanced approach to sustainable development. By expanding strategically, IO is reinforcing its ability to execute projects effectively while supporting the broader industry and evolving community needs.

Community Involvement – IO Gives Back

IO employees are committed to supporting and uplifting the communities in which they live and work. Through the employee-led IO Gives Back committee, colleagues have the opportunity to contribute to the community, engage in physical activity, and participate in social activities.

In 2024-25, IO employees participated in a wide range of initiatives that collectively raised more than \$37,000 for community initiatives. These included:

- Volunteer activities in support of the Working Women Community Centre and Boys & Girls Clubs of Canada.

- Participating in and fundraising for the annual Baycrest Bike for Brain Health and Terry Fox Run events.
- Donning hard hats to participate in an annual “Women’s Build” day for Habitat for Humanity
- Celebrating the winter holidays by building a mountain of toys in support of the annual Salvation Army Toy Mountain toy drive.

In the fall of 2024, the annual United Way workplace campaign was launched, which is the cornerstone of the IO Gives Back fundraising efforts. Employees raised money through a Halloween pumpkin carving contest, CN Tower stair climb and payroll donations.

Throughout the remainder of the year, employees participated in several charitable causes led by IO’s many Employee Resource Groups (ERG).

- The Indigenous ERG organized an orange t-shirt sale in support of the National Day for Truth and Reconciliation, with funds benefitting Lac Seul First Nation.
- The South Asian ERG hosted a Diwali Mela fundraiser in support of the South Asian Women’s Centre (SAWC).
- The Rainbow Alliance (2SLGBTQIA+) ERG organized a pink shirt fundraiser in support of International Day of Pink, with proceeds donated to the non-profit International Day of Pink.

2024-25 Awards

Weeneebayko Area Health Authority (WAHA) Redevelopment Project

Achievement, Commitment and Excellence (ACE) Award for Outstanding Achievement
Ministry of Health

Lakeridge Gardens

Ontario Builder Awards - Category 5 Buildings
Ontario General Contractors Association

New Toronto Courthouse

Design Excellence Award
Ontario Association of Architects

Ontario Court of Justice

Award of Merit - Environmental, Social and Governance
National Awards for Innovation and Excellence in Public-Private Partnership
Canadian Council for Public-Private Partnerships
Institutional Building, Ready Mix Award
Ontario Concrete Awards

Thunder Bay Correctional Centre and Kenora Jail

Ontario Builder Awards - Category 4 Innovation

Ontario General Contractors Association

IO Legal Department

Canadian Law Award - Singleton Urquhart Reynolds Vogel LLP Award for Construction, Infrastructure and Transportation Law Department of the Year

Centre for Addiction and Mental Health – Phase 1D

Silver Award - P3 Transaction

National Awards for Innovation and Excellence in Public-Private Partnership

Canadian Council for Public-Private Partnerships