



## Key Events for Q2 2020

### COVID-19 Update

In response to the COVID-19 pandemic, Solar Flow-Through Funds (the “Company”) took precautionary measures to ensure the health and well-being of our employees and to minimize any potential risk of business disruption. The Company responded quickly to the global COVID-19 pandemic by introducing policies and procedures tailored to the outbreak that restricted non-essential business travel and implemented World Health Organization recommendations for slowing the transmission of COVID-19 in the workplace. While the Company maintains a comprehensive business continuity plan, it is our belief that the focused actions we have taken to address COVID-19 will serve both to protect the well-being and safety of our employees and mitigate any potential business or operational disruption.

On May 19, 2020, the government of Ontario lifted its prohibition on non-essential construction services. Notwithstanding this fact, the Company’s construction progress has faced challenges due to a disruption to the supply chain for its materials, difficulty in contractors rehiring staff, and longer work schedules due to the new safety restrictions, all of which are caused by the pandemic. However, the Company is proceeding with all possible work permitted under the state of emergency order and remains confident in the successful build-out of its unconstructed solar project portfolio.

### Successful Start-Up and Commercial Operation of Solar Projects

The Company is pleased to announce the successful start-up and commercial operation of a solar project in June 2020 for a total of seven projects year-to-date. These seven solar projects totaling 3.9 MW DC will generate over \$1.2 million in annual revenue for the Company. Matt Wayrynen, CEO of the Company, commented, “We are very pleased with the progress and safety record of building these projects on schedule to create significant long-term value for our unitholders.”

### Development and Construction of Solar Projects

The Company has continued ongoing construction efforts on four FIT5 solar projects expected to reach commercial operation later this year. This portfolio of four FIT5 solar projects totalling 2.1 MW DC will generate over half a million dollars in annual revenue for the Company. Further, the Company is focused on the development of an additional six FIT5 solar projects that are currently under review for approval of a time period of relief for being under force majeure events related to the current state of emergency declared by the Ontario government and environmental permitting issues. While the Company is committed to pursuing the successful build-out of these additional six FIT5 solar projects, the approval of the force majeure events is subject to the IESO’s approval and there is not certainty as to whether the projects would be successfully constructed.

### Cost Recovery of Pre-Construction Development Costs

On February 25, 2020, the IESO confirmed the amount in full of the pre-construction development costs (“PCDC”) submission that was sent by the Company to the IESO in April 2019. The Company is currently working with the IESO on processing the receipt of that payment. At the end of June, the IESO requested clarification for a number of PCDC submissions. The Company is expeditiously addressing these requests for clarification to ensure an accurate and complete recovery of the costs incurred.

Since December 2019, over 200 terminated contracts submitted for PCDC reimbursement have been under review by the IESO. The ultimate amount to be recovered is subject to the IESO’s approval and there is no certainty as to the actual amount to be recovered from the IESO.

“The recovery of these development costs is a top priority for the Company and we are diligently and accurately responding to any requests for clarification from the IESO.” Wayrynen said.

**400 kW DC FIT 3.1  
Rooftop Project  
located in Wasaga  
Beach, Ontario.**



**Net Asset Value and Liquidity  
Opportunities**

Net Asset value will not be updated until the impact of the cancelled FIT contracts on the Company has been determined at which time the next liquidity opportunity may be planned. Management is cautioning unitholders to not rely on the NAV due to unknown outcomes of the PCDC submissions and any other recoveries. In the long term, management may pursue additional liquidity opportunities including, but not limited to, a unit buy-back or a public listing of the Company on a Canadian stock exchange.

**About Solar Flow-Through Funds**

Solar Flow-Through Funds is a group of limited partnerships (“LPs”) that share the same management team to develop, own, and operate solar power generation projects in the Province of Ontario. These LPs include Solar Flow-Through 2012-I Limited Partnership (“2012-I LP”), Solar Flow-Through 2013-I Limited Partnership (“2013-I LP”), Solar Flow-Through 2014-I Limited Partnership (“2014-I LP”), Solar Flow-Through 2015-I Limited Partnership (“2015-I LP”), Solar Flow-Through 2016-I Limited Partnership (“2016-I LP”), Solar Flow-Through 2017-I Limited Partnership (“2017-I LP”), Solar Flow-Through 2017-A Limited Partnership (“2017-A LP”), Solar Flow-Through 2018-I Limited Partnership (“2018-I LP”) and Solar Flow-Through 2018-A Limited Partnership (“2018-A LP”).

The investment objective is to develop and operate solar power generation projects under the Province of Ontario’s Feed-in-Tariff (“FIT”) program in a manner that provides for income tax deductions to investors during the start-up, development and construction phases, and steady income upon commencement of commercial operations.

**Forward-Looking Information**

*This unitholder update contains forward-looking information within the meaning of applicable securities legislation, including statements relating to our objectives, strategies to achieve those objectives, our beliefs, plans, estimates, projection and intentions, and similar statements concerning anticipated future events, future growth, results of operations, performance, business prospects and opportunities, as well as statements regarding our strategic plan, our commitment to maintaining or reducing the current distribution policy, a potential unit buyback program, the effects of not paying management fees in units on our cash flows and our ability to pay distributions. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Management’s control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: general and local economic and business conditions including foreign exchange rates, employment levels, mortgage and interest rates and regulations, the uncertainties around the timing and amount of future financings, regulatory risks, environmental risks, consumer confidence, the financial condition of tenants and borrowers, local real estate conditions, adverse weather conditions and variability in solar irradiation, reliance on key clients, partners and personnel, the uncertainties of acquisitions and new projects, inflation and competition. All forward-looking information in this unitholder update speaks as of June 30, 2020. Management does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise.*



**Vancouver Office**  
900-570 Granville St.  
Vancouver, BC V6C 3P1  
T 604.682.3701

**Toronto Office**  
312-150 King Street West  
Toronto, ON M5H 1J9  
T 647.725.3822

[info@solarflowthrough.com](mailto:info@solarflowthrough.com)  
[www.solarflowthrough.com](http://www.solarflowthrough.com)