

## Investor Update – June 30, 2016

### Solar Flow-Through 2014-I Limited Partnership (2014 LP)

#### 2014 LP Snapshot

- Distributions for unitholders scheduled to commence December 31, 2016
- Liquidity event for unitholders scheduled for Q4 2016
- Construction of FIT 3.1 Projects commenced Q2 2016
- FIT 4 Contracts awarded over 30 MW AC

#### Overview

The investment objective of the 2014 LP is to develop income tax deductions for investors during the start-up, development and construction phases, and steady income upon the completion of commercial operations. The 2014 LP raised \$9,868,000 (2014 Proceeds) in December 2014. The 2014 LP has a targeted income distribution of 2% per quarter, or 8% per annum. Management of the 2014 LP (Management) expects income distributions to commence at December 31, 2016 (24 months from the closing).

#### Use of Funds

A total of \$9,127,900, representing 92.5% of the 2014 Proceeds, was to be incurred on Canadian Renewable and Conservation Expenses (CRCE), with 7.5% being used for LP expenses. The 2014 LP did a renunciation for CRCE for the \$9,127,900 (CRCE Proceeds) prior to 2014 year-end. As of December 31, 2015, 100% of CRCE Proceeds – which were renounced in 2014 – have been incurred in the following manner:

- Continued development of the Feed-in-Tariff (FIT) 3.1 projects originally secured by the Solar Flow-Through 2012-I Limited Partnership (2012 LP) together with the Solar Flow-Through 2013-I Limited Partnership (2013 LP);
- Expenses pertaining to four additional FIT 2 projects, which the 2014 LP obtained from a third-party developer; and
- Securing long term leases and obtaining necessary prerequisites for project sites in order to be submitted under the FIT 4 contract application window.

#### FIT 3.1 Contracts – Development Continues

In Q2 2015, the IESO awarded FIT 3.1 Contracts totaling approximately 30 MW DC (FIT 3.1 Projects) to entities controlled by the 2013 LP together with the 2012 LP, the 2014 LP, and the Solar Flow-Through 2015-I Limited Partnership (2015 LP).

Development, engineering and permitting for all FIT 3.1 Projects began in 2015 and continued throughout Q1 2016. Construction of the FIT 3.1 rooftop projects commenced in Q2 2016 with most projects expected to be completed and operational before end of year. Construction of FIT 3.1 ground mounted projects is scheduled to begin in 2017.



*360 kW DC FIT 3.1 Project located in Orangeville, Ontario currently under construction.*

### Liquidity Options

Proceeds from the 2013 LP were used to fund a portion of the development of Independent Electricity System Operator (IESO) Feed-in-Tariff 2.1 (FIT 2.1) Contracts to develop solar projects (FIT 2.1 Projects). As distributions commence, unitholders in the 2014 LP can anticipate a steady income stream over 20 years. Alternatively, Management is investigating possible liquidity options for its unitholders if they choose to divest their units.

Management intends to facilitate offerings from third parties to purchase units from existing 2014 LP unitholders in Q4 2016. Longer term liquidity options include the listing of the 2014 LP on a Canadian stock exchange along with the 2012 LP, 2013 LP and/or 2015 LP, and the sale of some or all the assets of the 2014 LP.

### Net Asset Value

The Net Asset Value (NAV) for the 2014 LP has not changed since closing in December 2014, remaining at par of \$100 per unit. Management intends to update the NAV prior to the liquidity event scheduled for Q1 2017.

### FIT 4 Contracts Awarded – Over 30 MW AC

On June 30th, 2016, the IESO announced the award of over 30 MW AC of FIT 4 Contracts to entities controlled by Solar Flow-Through Limited Partnerships. Management expects that the cost of developing these projects will be approximately \$60 Million, 80% of which will be funded through long term debt financing. The balance of development costs will be funded by the 2015 LP and subsequent Solar Flow-Through Limited Partnerships.

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