



Investor Update – June 30, 2015

Solar Flow-Through 2013-I Limited Partnership

2013 LP Snapshot

- ❖ Dividends expected to commence on March 31st, 2016.
- ❖ Ongoing completion of FIT 2 projects, with all FIT 2 projects to be completed by end of Q3 2015.
- ❖ Development of FIT 3.1 Projects underway with initial projects expected to come online in Q4 2015.
- ❖ FIT 4 contract application window delayed to September 30th, 2015.
- ❖ Liquidity event expected in Q1 2016 for secondary buyers of 2013 LP units.

Overview

The investment objective of the Solar Flow-Through 2013-I Limited Partnership (**2013 LP**) is to develop and operate solar power generation projects in the Province of Ontario in a manner that provides income tax deductions to investors during the start-up, development and construction phases, and steady income upon commencement of commercial operations. The 2013 LP has a targeted income distribution of 8% per annum. In October 2013, the 2013 LP raised \$10,000,000 (**2013 Proceeds**).

FIT 2.1 Project Progress – Projects Now Operating!

A portion of the 2013 Proceeds were used to fund development of Feed-in-Tariff (**FIT**) 2 projects. Since the last Investor Update at March 31st, 2015, several FIT 2 projects have come online and are feeding electricity into Ontario's electrical grid. All of the remaining FIT 2 projects are expected to be operating by end of Q3 2015.



A 235 kW DC commercial rooftop project brought online last quarter.



A 600 kW DC commercial rooftop project brought online last quarter.

FIT 3.1 Contracts Awarded by IESO

In Q2 2015, the IESO awarded approximately 100 FIT 3.1 Contracts (referred to as FIT 3.5 Contracts in the previous Investor Updates) to entities controlled by the 2013 LP together with the Solar Flow-Through 2012-I Limited Partnership (**2012 LP**), and the Solar Flow-Through 2014-I Limited Partnership (**2014 LP**). These FIT 3.1 Projects were awarded FIT 3.1 Contracts totaling approximately 33.5 MW AC (or ~40 MW DC). The economic interest in approximately 6.8 MW AC (or ~8.1 MW DC) of the FIT 3.1 Projects belongs to third-party development partners of the 2013 LP and Company. The remaining economic interest of approximately 26.7 MW AC (or ~32.0 MW DC) in the FIT 3.1 Projects is held by companies controlled by the 2012 LP, 2013 LP, and the 2014 LP.

Initial development, engineering and permitting has begun on the FIT 3.1 Projects and management of the 2013 LP (**Management**) expects several of these projects to be operational by year-end 2015. All of the FIT 3.1 Projects are planned to be operational by the year-end 2016.

FIT 4 Applications – Further IESO Delays

The 2013 LP, together with the 2014 LP, has been securing leases with landlords and landowners for the purpose of submitting FIT 4 contract applications. In addition to securing leases, other development work on these applications continues to be performed to have them ready for application submission. The IESO had originally indicated that the FIT 4 contract application window would open in Q3 2014, and later revised this period to July of 2015. The IESO has now confirmed a further delay to the start of the FIT 4 contract application window to September 30, 2015.

Due to this delay, successful FIT 4 contract applications are now expected to be awarded FIT 4 contracts in Q2 2016. This delay has triggered an annual rate review by the IESO of the rates to be paid for electricity produced by FIT 4 contracts awarded in 2016. The results of the 2016 rate review are expected to be finalized in mid-September 2015.

Performance

In the Investor Update for the 2013 LP at March 31, 2015, Management expected that the first distribution to unitholders would occur on September 30, 2015. As the FIT 2 projects become operational in 2015, long-term debt is being secured for the projects. The terms of the long-term debt allow for the release of available cash for distribution to the investor every six months from the date of

financing. As a result of this long-term debt covenant, the first distribution to unitholders is now expected to be at March 31, 2016.

It is expected that the distributable cash flows to the 2013 LP from the FIT 2 projects alone will not be sufficient to meet the targeted income distribution of 2% per quarter. However, the FIT 3.1 contracts, as they become operational and secure long-term debt, should result in greater distributable cash flow to its unitholders. Additionally, any FIT 4 contracts awarded to the 2013 LP will result in greater distributable cash flow to its unitholders. Management expects the targeted dividend payment of 2% per quarter will be achieved once all the FIT 3.1 Projects are operational.

Liquidity Event for 2013 LP Unitholders

In the Investor Update at March 31st, 2015, Management expected to facilitate a liquidity event for the 2013 LP through secondary buyers on or about the end of Q3 2015. The offering price for units of this type of limited partnership is typically at a discount to the Net Asset Value (**NAV**). NAV for the 2013 LP has not changed since closing in October 2013 and has remained at par being \$100 per unit. Management will establish an updated NAV for the 2013 LP prior to facilitating a liquidity event of secondary buyers.

The 2013 LP has an economic interest in projects that will be applying for FIT 4 contracts on September 30, 2015. Since the results of the IESO's 2016 rate review for FIT 4 contracts will not be known until later Q3 2015, Management will delay its assessment of the NAV for the 2013 LP until rates for FIT 4 contracts have been established. As a result, an updated NAV for the 2013 LP is not expected to be established before Q4 2015, and the liquidity event of secondary buyers is now expected to occur in Q1 2016.

Longer Term Liquidity Options

In the longer term, Management will pursue additional liquidity opportunities. These may include listing of the 2013 LP on a Canadian stock exchange together with the 2012 LP and/or the 2014 LP, a sale of some or all the assets of the 2013 LP. Acceptance of either of these liquidity options requires the approval of at least two-thirds of the votes cast at a meeting of unitholders.

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