SOLAR
FLOW-THROUGH FUNDS

Q2 INVESTOR UPDATE

June 30, 2018

Solar Flow-Through
2016-I Limited Partnership (2016 LP)

2016 LP Snapshot for Q2 2018

- All FIT 3.1 rooftop projects now operational, generating revenue
- Initial FIT 3.1 ground mount projects operational
- FIT 4 Contracts under development
- 159 FIT 5 contracts awarded totalling 83.4 MW DC in September 2017
- Distributions for unitholders scheduled to commence by end of 2018

Overview

2016 LP is part of a group of limited partnerships that share the same management team which own, operate and develop solar power generation projects in the Province of Ontario. These limited partnerships include 2016 LP, Solar Flow-Through 2012-I Limited Partnership ("2012 LP"), Solar Flow-Through 2013-I Limited Partnership ("2013 LP"), Solar Flow-Through 2014-I Limited Partnership ("2014 LP"), Solar Flow-Through 2015-I Limited Partnership ("2015 LP"), Solar Flow-Through 2017-I Limited Partnership ("2017 LP") and Solar Flow-Through 2017-A Limited Partnership ("2017-A LP") (collectively the "SFT Group").

The investment objective of the 2016 LP is to develop and operate solar power generation projects in the Province of Ontario 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. The 2016 LP raised $14.881 million in 2016. The 2016 LP shares an economic interest in FIT 3.1 rooftop, FIT 3.1 ground mount, FIT 4 and FIT 5 projects developed and financed by entities within the SFT Group.

The 2016 LP targeted income distribution is 7% per annum. Initial income distributions are intended to commence by the end of 2018 (approximately 24 months from the final closing of the 2016 LP.

Use of Funds

A total of $13.765 million representing 92.5% of the 2016 proceeds, was incurred on Canadian Renewable and Conservation Expenses ("CRCE"). The remaining proceeds were incurred on fully deductible partnership expenses in 2016. The 2016 LP did a renunciation for CRCE for the $13.765 million ("CRCE Proceeds") prior to 2016 year-end. Unitholders received tax receipts for their investment in the 2016 LP in early 2017. As at the end of Q4 2017, the 2016 LP CRCE Proceeds have been incurred to continue the development of the FIT 3.1 ground mount projects and FIT 4 projects originally funded and secured by prior limited partnerships of the SFT Group, and the development of successful FIT 5 applications awarded a contract by the end of Q2 2018.

600 kW DC FIT 2 Project located in Brampton, Ontario, completed in July 2015.

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

Ontario Provincial Election Update

The Ontario general election of 2018 was held on June 7, 2018. The Progressive Conservative Party of Ontario won a majority government, with the Ontario New Democratic Party forming the Official Opposition. The election of a Progressive Conservative majority government will undoubtedly result in changes to many of the province's policies. How these changes will affect the climate, energy, and electricity policy environment is yet to be determined, however the SFT Group remains focused on the abundance of existing and future opportunities available within the renewable energy space.

All of the SFT Group's operating solar projects have Feed-in-Tariff ("FIT") contracts with the Ontario Independent Electricity System Operator ("IESO") that are secured with 20-year Power Purchase Agreements. There is minimal risk that these contracts will be affected by any change in government policy. As has always been the case, the IESO has the option to cancel contracts for solar projects currently under development that have not yet been issued a Notice to Proceed ("NTP"). In June 2018, the IESO stopped granting NTP to projects and began issuing NTP deferral notices pending completion of the transition of the new Ontario provincial government. The deferral notices allow the IESO to delay issuance of NTP approvals for a period of up to 365 days.

NTP deferrals largely affect the SFT Group's development of FIT 4 and FIT 5 solar projects. To date, the SFT Group has been granted NTP approval status for FIT 4 projects totalling approximately 3 MW DC and NTP approval status for FIT 5 projects totalling approximately 10 MW DC. These projects are not affected by the issuance of NTP deferral notices and development of these projects is proceeding as planned.

Net Asset Value

The Net Asset Value (NAV) for the 2016 LP has not changed since closing in September 2016, remaining at par of $100 per unit. Management of the 2016 LP ("Management") has delayed updating the NAV until the transition of the new Ontario provincial government has been completed and greater clarity on the provincial government's climate, energy, and electricity policies is given.

Liquidity Options

Management intends to facilitate offerings from third parties to purchase units from existing 2016 LP unitholders. Management has delayed the next liquidity event until the transition of the new Ontario provincial government has been completed and greater clarity on the provincial government's climate, energy, and electricity policies is given. Longer term liquidity options include the listing of the 2016 LP on a Canadian stock exchange together with the SFT Group of companies.

FIT 3.1 Projects: All Rooftop Projects Operating and First Ground Mount Projects Operational

The 2016 LP shares an economic interest in the FIT 3.1 rooftop projects with the 2012 LP, 2013 LP, 2014 LP and 2015 LP. Construction of the FIT 3.1 rooftop projects is complete. All FIT 3.1 rooftop projects are now generating revenue from the production of electricity into Ontario's electrical grid.

The 2016 LP shares an economic interest in the FIT 3.1 ground mount projects with the 2012 LP, 2013 LP, 2014 LP and 2015 LP. Engineering and development of the FIT 3.1 ground mount projects continued through Q2 2018. Construction of the first FIT 3.1 ground mount project began in summer 2017, and the first FIT 3.1 ground mount projects were completed and became operational in 2018. Most of the FIT 3.1 ground mount projects are expected to achieve commercial operation in 2018, and the remainder by end of 2019.

Management expects that the 2016 LP will have a shared economic interest in FIT 3.1 projects owned and operated by the SFT Group totalling between 15 and 18 MW DC.

FIT 4 Projects: Ongoing Development and Feasibility Analysis Underway

The 2016 LP has an economic interest in FIT 4 projects together with the 2013 LP, 2014 LP and 2015 LP.

In Q3 2016, the IESO awarded approximately 35 MW DC of FIT 4 Contracts to entities controlled by the 2016 LP and other entities within the SFT group. A number of ground mount projects may not proceed due to higher than expected costs associated with connecting these projects to the electrical grid, making them uneconomical. Management is currently investigating alternatives to reduce these connection costs. At this time, Management expects to build 5 FIT 4 solar projects totalling approximately 3 MW DC, all of which have been granted NTP approval status. Management does not believe that any of these projects are at risk of being cancelled.

Initial development of the FIT 4 projects began during Q4 2016. Permitting, engineering and development of the FIT 4 projects continued through Q2 2018. The majority of the FIT 4 projects are ground mount projects. Management has determined that the small number of the rooftop projects planned were uneconomical to construct. Management expects that most of the ground mount FIT 4 projects that are expected to become operational will be completed by the end of 2018, and the remainder by end of 2019.

FIT 5 Applications Awarded

Management completed the FIT 5 application process in Q4 2016 for over 100 MW DC of projects. In September 2017, it was announced that entities within the SFT Group were awarded 159 FIT 5 contracts for 83.8 MW DC. Management has started its review of these projects to assess the feasibility of the projects and develop a plan to build the portfolio. At this time, Management expects to build 19 FIT 5 solar projects totalling approximately 10 MW DC, all of which have been granted NTP approval status. Management does not believe that any of these projects are at risk of being cancelled. Management expects that a significant portion of the ground mount FIT 5 projects will be completed by the end of 2019, and the remainder by end of 2020. The development of the FIT 5 projects will continue to be funded by the 2015 LP, 2016 LP and subsequent Solar Flow-Through LP.