

Solar Flow-Through
2018-I Limited Partnership (2018-I LP)



2018-I LP Snapshot for Q4 2018

- 17 FIT 5 projects totalling 9.6 MW DC under development
- FIT 4 projects under development

Overview

2018-I 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 2018-I LP, Solar Flow-Through 2012-I Limited Partnership, Solar Flow-Through 2013-I Limited Partnership, Solar Flow-Through 2014-I Limited Partnership, Solar Flow-Through 2015-I Limited Partnership, Solar Flow-Through 2016-I Limited Partnership, Solar Flow-Through 2017-I Limited Partnership, Solar Flow-Through 2017-A Limited Partnership and Solar Flow-Through 2018-A Limited Partnership (collectively the “SFT Group”).

The investment objective of the 2018-I LP 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. The 2018-I LP raised \$2.0 million in 2018. All of the funds raised were incurred on Canadian Renewable and Conservation Expenses (“CRCE”). Unitholders will receive tax receipts for their investment in the 2018-I LP in early 2019. The 2018-I LP will share an economic interest in FIT 5 projects developed and financed by entities within the SFT Group.

The 2018-I LP targeted income distribution at the time of offering was 7.5% per annum.

Dividend Policy and Management Fee Update

The Progressive Conservative Party of Ontario won a majority government on June 7, 2018 resulting in changes to many of the provincial policies affecting the climate, energy, and electricity policy environment. On July 13, 2018, the Government of Ontario made the decision to cancel and wind down 758 renewable energy contracts. SFT Group received termination notices for a total of 218 Feed-in-Tariff (“FIT”) contracts representing 113.8 MW DC. SFT Group has 57 operating solar projects and 23 under development which are unaffected by the termination notices and continue to be secured under the 20-year power purchase agreements pursuant to the FIT contracts. However, the cancellation of the 218 FIT Contracts by the Independent Electricity System Operator (“IESO”) has impacted SFT Group’s business outlook resulting in an upcoming postponement of quarterly dividends and suspension of management fees to ensure cash flow preservation for future operations. Specifically, SFT Group has suspended management fees effective January 1, 2018 and has postponed quarterly dividends effective for Q1 2019.

The suspension of management fees and postponement of quarterly dividends will remain in place until such time that it is determined there is sufficient cash flow or unitholders are provided a liquidity event.

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



Liquidity Options

Management intends to facilitate offerings from third parties to purchase units from existing 2018-I LP unitholders after distributions commence. Longer term liquidity options include the listing of the 2018-I LP on a Canadian stock exchange together with the SFT Group of companies.

Net Asset Value

The Net Asset Value (NAV) for the 2018-I LP has not changed since closing in December 2018, remaining at par of \$100 per unit. Management intends to update the NAV near the end of 2019.

FIT 4 Projects – Development Underway

The 2018-I LP holds an economic interest in the SFT Group's portfolio of FIT 4 projects. All of the SFT Group's FIT 4 projects are ground mount projects and will total 3 MW DC upon completion. Permitting, engineering and development of the FIT 4 projects continued through Q4 2018. Management expects that all of the SFT Group's FIT 4 projects will be completed by the end of 2019.

FIT 5 Projects – Ongoing Engineering and Development Underway

Management completed the FIT 5 application process in Q4 2016 and began feasibility analysis and development of the SFT Group's FIT 5 projects in September of 2017. Engineering and development of the FIT 5 projects continued through Q4 2018. At this time, Management expects to build 17 FIT 5 solar projects totalling approximately 9.6 MW DC, all of which have been granted NTP approval status. 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, 2017-A LP, 2017-I LP, 2018-I LP, 2018-A LP and subsequent Solar Flow-Through LPs.



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