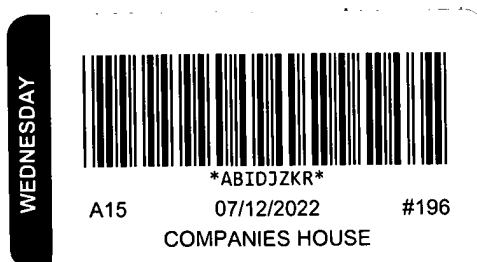


Report of the Directors and  
Financial Statements for the Year Ended 31 December 2021  
for  
Canadian Solar Argentina Investment  
Holding Ltd



Canadian Solar Argentina Investment  
Holding Ltd

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for the Year Ended 31 December 2021

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Canadian Solar Argentina Investment  
Holding Ltd

Company Information  
for the Year Ended 31 December 2021

**DIRECTORS:**

J M Bernal-Antelo  
H Chen  
I Guerrero-Arias

**REGISTERED OFFICE:**

111 Park Street, Mayfair  
London  
W1K 7JF

**REGISTERED NUMBER:**

11165861 (England and Wales)

**AUDITORS:**

A.C.T. Audit Limited  
48 Dover Street  
Mayfair, London  
W1S 4FF

Canadian Solar Argentina Investment  
Holding Ltd

Report of the Directors  
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2021.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

J M Bernal-Antelo  
H Chen  
I Guerrero-Arias

**GOING CONCERN**

The directors believe that the Company is well placed to manage its business risks successfully. Having reviewed the Company's current position and given the existent financial support provided by the company's ultimate parent Canadian Solar Inc., the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements. The financial support by Canadian Solar Inc. has been confirmed for a period of not less than 12 months from the date of signing these financial statements.

**QUALIFYING THIRD-PARTY AND PENSION SCHEME INDEMNITY PROVISIONS**

The company did not have any qualifying third-party indemnity provision and/or qualifying pension scheme indemnity provision for any of the directors, during the financial year and up to date of approval of the Directors Report.

**SMALL COMPANIES EXEMPTION**

This report has been prepared taking advantage of the exemptions for small companies by section 415A of the Companies Act 2006.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each director who held office at the date of approval of this directors' report confirms that:

- So far as the director is aware, there is no relevant audit information, information needed by the company's auditor in connection with preparing their report, of which the company's auditor is unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Canadian Solar Argentina Investment  
Holding Ltd

Report of the Directors  
for the Year Ended 31 December 2021

**AUDITORS**

The auditors, A.C.T. Audit Limited, will be proposed for re-appointment in accordance with the Companies Act 2006, s. 485.

**ON BEHALF OF THE BOARD:**

*Ismail Guerrero*  
.....  
I Guerrero-Arias - Director

Date: Dec-03-2022 .....

**Report of the Independent Auditors to the Members of  
Canadian Solar Argentina Investment  
Holding Ltd**

**Opinion**

We have audited the financial statements of Canadian Solar Argentina Investment Holding Ltd (the 'company') for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Report of the Directors, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors and from the requirement to prepare a Strategic Report.

## Report of the Independent Auditors to the Members of Canadian Solar Argentina Investment Holding Ltd

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental (including Waste Electrical and Electronic Equipment Recycling (WEEE) Regulations 2013) and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators such as Companies House and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of  
Canadian Solar Argentina Investment  
Holding Ltd

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**ACT AUDIT LIMITED**

Lepri Francesco (Senior Statutory Auditor)  
for and on behalf of A.C.T. Audit Limited  
48 Dover Street  
Mayfair, London  
W1S 4FF

Date: Dec-03-2022



Canadian Solar Argentina Investment  
Holding Ltd

Statement of Income and Retained Earnings  
for the Year Ended 31 December 2021

	31.12.21 £	31.12.20 £
<b>TURNOVER</b>	-	-
Administrative expenses	<u>24,258</u>	<u>32,701</u>
<b>OPERATING (LOSS)/PROFIT</b>	(24,258)	(32,701)
Foreign exchange differences	<u>(65,836)</u>	<u>111,548</u>
	(90,094)	78,847
Interest payable and similar expenses	<u>2,584</u>	-
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	(92,678)	78,847
Tax on (loss)/profit	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	(92,678)	78,847
Retained earnings at beginning of year	<u>76,494</u>	<u>(2,353)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>(16,184)</u>	<u>76,494</u>

The notes form part of these financial statements

**Canadian Solar Argentina Investment  
Holding Ltd (Registered number: 11165861)**

**Statement of Financial Position  
31 December 2021**

	Notes	31.12.21 £	£	31.12.20 (Restated) £	£
<b>FIXED ASSETS</b>					
Investments	6		22,669,545		22,628,308
<b>CURRENT ASSETS</b>					
Debtors	7	16,991		35,474	
Cash at bank		<u>25,884</u>		<u>15,447</u>	
		42,875		50,921	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>6,424,012</u>		<u>6,298,143</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(6,381,137)</u>		<u>(6,247,222)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>16,288,408</u>		<u>16,381,086</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		12,783,917		12,783,917
Other reserves	9		3,520,675		3,520,675
Retained earnings			<u>(16,184)</u>		<u>76,494</u>
			<u>16,288,408</u>		<u>16,381,086</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on Dec-03-2022 and were signed on its behalf by:

Ismail Guerrero  
I Guerrero-Arias - Director

The notes form part of these financial statements

**Canadian Solar Argentina Investment  
Holding Ltd**

**Notes to the Financial Statements  
for the Year Ended 31 December 2021**

**1. STATUTORY INFORMATION**

Canadian Solar Argentina Investment Holding Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

**Going concern**

The directors believe that the Company is well placed to manage its business risks successfully. Having reviewed the Company's current position and given the existent financial support provided by the company's ultimate parent Canadian Solar Inc., the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements. The financial support by Canadian Solar Inc. has been confirmed for a period of not less than 12 months from the date of signing these financial statements.

**Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Investments in subsidiaries**

Investments in subsidiaries are measured at cost less accumulated impairment.

**Canadian Solar Argentina Investment  
Holding Ltd**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an assets carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an assets carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

The Company did not own any derivatives during the period.

**Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

**Canadian Solar Argentina Investment  
Holding Ltd**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**3. ACCOUNTING POLICIES - continued**

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable are shown borrowings in current liabilities.

**Creditors**

Short term creditors are measured at transactions price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method.

**Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**4. EMPLOYEES AND DIRECTORS**

The Company has no employees other than the directors, who did not receive any remuneration (2020 : NIL).

**5. AUDITORS' REMUNERATION**

	31.12.21	31.12.20
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>7,000</u>	<u>7,000</u>

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2021	22,628,308
Additions	<u>41,237</u>
At 31 December 2021	<u>22,669,545</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>22,669,545</u>
At 31 December 2020	<u>22,628,308</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Shareholding
FieldFare Argentina S.R.L	Jeronimo Salguero 2731, Buenos Aires, Argentina	Solar power project development	Ordinary 98%
Canadian Solar Services Argentina S.R.L	Tucuman, 1, Buenos Aires, Argentina	Provide payroll service for Energy business in Argentina	Ordinary 98%

**Canadian Solar Argentina Investment Holding Ltd**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
Amounts owed by group undertakings	16,991	29,524
Other debtors	-	5,950
	<u>16,991</u>	<u>35,474</u>

The amount owed by group undertakings is interest free, unsecured and repayable on demand.

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
Trade creditors	4,335	6,564
Amounts owed to group undertakings	6,335,895	6,280,329
Other creditors	<u>83,782</u>	<u>11,250</u>
	<u>6,424,012</u>	<u>6,298,143</u>

The amounts owed to group undertakings are interest free or have an interest rate of 6.5%, unsecured and repayable on demand.

**9. CALLED UP SHARE CAPITAL**

The comparative Statement of Financial Position has been restated for a better allocation of an amount of £3,520,675 to Capital contribution reserve. This amount had previously been incorrectly classified within the Share Premium account.

**10. RELATED PARTY DISCLOSURES**

The Company has adopted the exemption permitted by paragraph 33.1A of FRS 102 and has not disclosed transactions with other group members, which are wholly owned subsidiaries.

**11. POST BALANCE SHEET EVENTS**

There were no events after the balance sheet date which require adjustment to, or disclosure in these financial statements.

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At the period end, the immediate parent company is Canadian Solar UK Project Ltd, a company incorporated in England & Wales, and the ultimate parent company is Canadian Solar Inc., a company incorporated in Canada. The parent undertaking of the largest and smallest group of which the Company is a member and consolidated financial statements are prepared in Canadian Solar Inc. Copies of the consolidated financial statements can be obtained from 545 Speedvale Avenue West, Guelph, Ontario, Canada, N1K 1E6, which is its registered office.

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