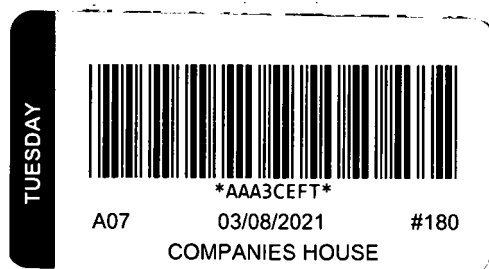


**Report of the Directors and
Financial Statements for the Year Ended 31 December 2020
for
CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**



**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**

**Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**

**Company Information
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

J M Bernal-Antelo
H Chen
I Guerrero-Arias

SECRETARY:

Praxis Secretaries (UK) Limited

REGISTERED OFFICE:

1st Floor Senator House
85 Queen Victoria Street
London
EC4V 4AB

REGISTERED NUMBER:

11165861 (England and Wales)

AUDITORS:

ACT 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 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 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 statement

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 year. In preparing the financial statements, the directors are required to:

- * select suitable accounting policies and then apply them with consistency;
- * state whether applicable United Kingdom Accounting Standards, comprising FRS 102 section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- * make judgements and accounting estimates that are reasonable and prudent; and
- * prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, ACT Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**

**Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
I Guerrero-Arias - Director

Date: 02 August 2021
.....

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 2020 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 '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 2020 and of its profit 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

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 the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 Members and other management, and from our commercial knowledge and experience of the Financial Services 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;
- 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;
- 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;
- investigated the rationale behind significant or unusual transactions; and

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 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. 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 ACT Audit Limited
48 Dover Street
Mayfair, London
W1S 4FF

Date: 02 August 2021

**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**

**Statement of Income and Retained Earnings
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
<u>Turnover</u>	-	<u>593,215</u>
<u>GROSS PROFIT</u>	-	593,215
Administrative expenses	<u>32,701</u>	<u>16,716</u>
<u>OPERATING PROFIT</u>	(32,701)	576,499
<u>Foreign exchange differences</u>	<u>111,548</u>	<u>82,678</u>
PROFIT BEFORE TAXATION	78,847	659,177
Tax on profit	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	78,847	659,177
Retained earnings at beginning of year	<u>(2,353)</u>	<u>(661,530)</u>
RETAINED EARNINGS AT END OF YEAR	<u>76,494</u>	<u>(2,353)</u>

**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD (REGISTERED NUMBER: 11165861)**

**Statement of Financial Position
31 DECEMBER 2020**

	Notes	£	31.12.20 £	£	31.12.19 £
FIXED ASSETS					
Investments	5		22,628,308		22,514,668
CURRENT ASSETS					
Debtors	6	35,474		1,209	
Cash at bank		<u>15,447</u>		<u>3,294</u>	
		50,921		4,503	
CREDITORS					
Amounts falling due within one year	7	<u>6,298,143</u>		<u>6,216,932</u>	
NET CURRENT LIABILITIES			<u>(6,247,222)</u>		<u>(6,212,429)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,381,086</u>		<u>16,302,239</u>
CAPITAL AND RESERVES					
Called up share capital			16,304,592		16,304,592
Retained earnings			<u>76,494</u>		<u>(2,353)</u>
			<u>16,381,086</u>		<u>16,302,239</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 02 August 2021 and were signed on its behalf by:



I Guerrero-Arias - Director

CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

Notes to the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2020

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. ACCOUNTING POLICIES

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention.

Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of Canadian Solar Inc. It is included in the consolidated financial statement of Canadian Solar Inc., which are publicly available. Therefore the Company is exempt by virtue of section 401 of Companies Act 2006 from the requirement to prepare consolidated financial statement. The Company and its subsidiary are consolidated into the financial statements of Canadian Solar Inc., the ultimate parent undertaking, as of 31 December, 2019.

The following principal accounting policies have been applied consistently throughout the year.

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.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

The Company has no transactions in foreign currency.

Interest Income

Interest income is recognised in the statement of Income and Retained Earnings using the effective interest method.

Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that 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.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like amount owed by group undertakings, trade creditors, amount owed to group undertaking and accruals.

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 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 instruments constitute a financing transactions, like the payment of a trade debt deferred beyond normal business terms or financial at a rate of interest that is not a market rate or in the case of a an out-right short term loan not at market rate, the financial assets 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 costs are assumed 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 Income and Retained Earnings.

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

Financial assets and liabilities are offset and the net amount reported in the statement of Financial Position 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 assets and settle the liability simultaneously.

Debtors

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

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalent are highly liquid investments that mature in no more than three months from of date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of charge in value.

Creditors

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. EMPLOYEES AND DIRECTORS

The Company has no employees other than the directors, who did not receive any remuneration (2019 : NIL).

**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. AUDITORS' REMUNERATION

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>7,000</u>	<u>16,000</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020	22,514,668
Additions	<u>113,640</u>
At 31 December 2020	<u>22,628,308</u>
NET BOOK VALUE	
At 31 December 2020	<u>22,628,308</u>
At 31 December 2019	<u>22,514,668</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%

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Amounts owed by group undertakings	29,524	1,209
Other debtors	<u>5,950</u>	<u>-</u>
	<u>35,474</u>	<u>1,209</u>

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

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade creditors	6,564	6,164
Amounts owed to group undertakings	6,280,329	6,197,518
Other creditors	<u>11,250</u>	<u>13,250</u>
	<u>6,298,143</u>	<u>6,216,932</u>

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

**CANADIAN SOLAR ARGENTINA INVESTMENT
HOLDING LTD**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

9. 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.