Se CanadianSolar

3rd FP (ended December 2018) Presentation Materials



Canadian Solar Infrastructure Fund, Inc.



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Financial Highlights



Financial Highlights of 3rd FP

	3 rd FP (ended December 2018)			
	Aug'18 forecast ^(note)	Actual	Increase / decrease	
Statement of Income Data (million yen)				
Operating revenues	1,886	1,785	▲101	
Operating income	698	644	▲54	
Income before income taxes	416	413	▲3	
Net income	415	412	▲3	
Distribution per unit (including distributions in excess of earnings) (yen)	3,600	3,600	-	
Distributions per unit (excluding distributions in excess of earnings) (yen)	1,798	1,783	▲15	
Distributions in excess of earnings per unit (yen)	1,802	1,817	15	

Major difference factor					
Operating revenue	Performance-based rent decrease	-101			
Operating expenses	Decreased O&M cost and depreciation expense	-20 -10			
Non- operating income	Insurance proceeds	+19			
Non- operating expenses	Investment unit issuance expenses decrease	-29			

3rd FP distribution per unit **3,600** yen

(Note) Revised forecast as at 14-Aug-2018 as new assets were acquired.



Portfolio Performance

(MWh)





S-03 CS Kasama-shi Power Plant



S-05 CS Yusui-cho Power Plant



S-07 CS Kasama-shi Dai-ni Power Plant













S-02 CS Isa-shi Power Plant



S-04 CS Isa-shi Dai-ni Power Plant



S-06 CS Isa-shi Dai-san Power Plant



S-08 CS Hiji-machi Power Plant











Portfolio Performance

S-09 CS Ashikita-machi Power Plant



S-11 CS Minano-machi Power Plant



S-13 CS Mashiki-machi Power Plant



S-15 CS Tsuyama-shi Power Plant

(MWh)

300 200

100

0



S-17 CS Daisen-cho Power Plant (A)(B)













S-10 CS Minami Shimabara-shi Power Plant (East & West)







S-14 CS Koriyama-shi Power Plant





S-18 CS Takayama-shi Power Plant















2. Major Topics for 3rd FP



Overview of Follow-on Offering

Consistent growth of the largest listed infrastructure fund in Japan sponsored by the Canadian Solar Group developing business globally

Overview of Follow-on Offering (Aug. 2018)

First listed infrastructure fund in Japan with a portfolio exceeding $100 \mbox{MW}$ (panel output)

Offering format	Reg-S Global Offering
Units offered	46,667
Total issue amount	¥4,509,198,875
Issue price	¥102,180
Announcement date	14-Aug-2018
Pricing date	29-Aug-2018
Global coordinator	Mizuho Securities Co., Ltd.

Historical panel output



Overview of Portfolio (As at period-ended Dec'2018)

# of projects	Total price ^(note)	Panel output
18	¥47.09 _{Bn}	105.6 _{MW}

(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC in its project valuation reports as of December 31, 2018.



Portfolio

As at period-ended Dec'2018





S-06 CS Isa-shi Dai-san Power Plant 2.2MW



S-11 CS Minano-machi Power Plant 2.4MW



S-16 CS Ena-shi Power Plant 2.1MW



S-02 CS Isa-shi Power Plant 0.9MW



S-07 CS Kasama-shi Dai-ni **Power Plant** 2.1MW



1.3MW

S-12 CS Kannami-cho

S-17 CS Daisen-cho

Power Plant (A)(B) 27.3MW

Power Plant

S-03 CS Kasama-shi Power Plant 2.1MW



Power Plant 2.6MW



S-13 CS Mashiki-machi Power Plant 47.7MW







S-04 CS Isa-shi Dai-ni Power Plant 2.0MW



S-09 CS Ashikita-machi Power Plant 2.3MW



S-14 CS Koriyama-shi **Power Plant** 0.6MW





S-10 CS Minami Shimabara-shi Power Plant (East & West) 3.9MW



S-15 CS Tsuyama-shi Power Plant 2.0MW





Asset List

No.	Project name	Location	Acquisition price (yen millions)	Price (yen millions) (note)	Investment ratio (%)	Panel output (kW)
S-01	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	540	597	1.27	1,224.00
S-02	CS Isa-shi Power Plant	Isa-shi, Kagoshima	372	395	0.84	931.77
S-03	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	907	1,078	2.29	2,127.84
S-04	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	778	820	1.74	2,013.99
S-05	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	670	707	1.50	1,749.30
S-06	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	949	1,006	2.14	2,225.08
S-07	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	850	892	1.89	2,103.75
S-08	CS Hiji-machi Power Plant	Hayami-gun, Oita	1,029	1,082	2.30	2,574.99
S-09	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	989	1,055	2.24	2,347.80
S-10	CS Minamishimabara-shi Power Plant (East & West)	Shimabara-shi, Nagasaki	1,733	1,915	4.07	3,928.86
S-11	CS Minano-machi Power Plant	Chichibu-gun, Saitama	1,018	1,161	2.46	2,448.60
S-12	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	514	575	1.22	1,336.32
S-13	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	20,084	23,035	48.91	47,692.62
S-14	CS Koriyama-shi Power Plant	Koriyama-shi, Fukushima	246	261	0.55	636.00
S-15	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	746	791	1.68	1,963.00
S-16	CS Ena-shi Power Plant	Ena-shi, Gifu	757	813	1.73	2,124.20
S-17	CS Daisen-cho Power Plant (A) (B)	Saihaku-gun, Tottori	10,447	10,581	22.47	27,302.40
S-18	CS Takayama-shi Power Plant	Takayama-shi, Gifu	326	330	0.70	962.28
	Total		42,961	47,099	100.00	105,692.80

(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC in its project valuation reports as of December 31, 2018.

Curtailment Rule

Impact of "Output Curtailment" is limited

- Thermal power generation is the first to be subject of output controls as it comprises roughly 85% of the current energy mix. Priority of output controls on solar and wind power is on the lower end of the scale below pumpedstorage hydroelectric power plants, power supply beyond the respective grid using transmission line, and biomass
- (2) All CSIF assets as at the end of the 3^{rd} FP is subject to "30-day output control"
 - \rightarrow Solar power output of CSIF-owned assets is subject to a maximum of 30-day output curtailment within the respective year

0 Regulation of Power Sources I (generators and those of pumped storage secured by general distribution utilities for adjustment) and pumping operation Regulation of Power Sources II (generators and those of pumped storage which can be controlled by general distribution utilities) and pumping operation
1 Regulation of Power Sources III (generators such like thermal power including woody biomass and those of pumped storage which can't be controlled by general distribution utilities) and pumping operation
2 Supplying beyond the Kyushu region using transmission line
3 Regulation of biomass
4 Regulation of biomass using regional resources ^{*1}
5 Regulation of power sources fluctuated by natural factors (Solar and wind)

 $6\,$ Measures based on Organization for Cross-regional Coordination of Transmission Operators $^{\otimes\,2}$

7 Regulation of long-term fixed power sources (Nuclear, Hydro and geothermal)

*1 They will be exempted from restraining output when controlling output is difficult due to technical matters and so on *2 Interchange according to instructions given by Organization for Cross-regional Coordination of Transmission Operators

Source : KYUSHU ELECTRIC POWER CO., INC.



Order of the sources regulated outputs

Impact of Curtailment on 3rd FP Performance

Status of CSIF solar plant operations 9 out of 18 assets in the portfolio are located in Kyushu

Kyushu Electric Power conducted an output curtailment spanning over a total of 8 days during 3rd FPending Dec 2018 (184 day period). Certain plants owned by CSIF were subject to the curtailment for a maximum of 2 days.

Date of curtailment	Affected solar plant	
14-Oct	S-08 Hiji-machi PP	
20-0ct	S-13 Mashiki-machi PP	
21-Oct	S-02 Isa-shi PP S-04 Isa-shi Dai-ni PP S-05 Yusui-cho PP	Round-1
	S-06 Isa-shi Dai-san PP S-09 Ashikita-machi PP S-10 Minami Shimabara-shi PP (East & West)	
3 - N o v	S-01 Shibushi-shi PP	
4 - N o v	S-01 Shibushi-shi PP S-08 Hiji-machi PP S-13 Mashiki-machi PP	Dound 2
11-Nov	S-04 Isa-shi Dai-ni PP S-05 Yusui-cho PP S-06 Isa-shi Dai-san PP	KUUIIU-2

Impacts

Total rent income decrease for 3rd FP-ending Dec2018

¥3.83 мм

Ratio of impacted rent against total portfolio rent revenue for FP-ending Dec2018

0.21 %

Overall, the impact of the output curtailment was minor



3. CSIF's Unique Features



Overview of Sponsor

Canadian Solar Group's history

- Founded in Ontario, Canada, 2001
- Listed on NASDAQ (CSIQ) in 2006
- Over 12,000 employees globally
- Presence in 20 countries/territories
- Delivered solar panels amounting to over 32 30 GW total capacity
- 4.6 GWp solar power plants build and 32 connected globally (incl. Recurrent Energy)
- Ranked 3rd globally in terms of sales
- Entered the Japan market in 2009 and 32 established proven track record for shipping **PV** modules

Canadian Solar Group's Global Operations





"Investor Presentation as of November15,2018" by Canadian Solar Inc.

Canada (2009)

(*) There is no assurance that we can acquire the solar energy projects showed in the above pictures in the future as of this writing.



Vertically-integrated Business Model



Strong Financial Base

Financial soundness attributed to fixed interest rate conversion and LTV controls

Туре	Initial drawdown amount (yen millions)	Loan Outstanding (yen millions)	Interest rate	Interest rate type	Drawdown date	Maturity
Long- term	15,700	14,796	Base rate plus 0.45% (fixed at 0.845% upon executing interest rate swap)	Fixed	31-Oct-2017	10 years from drawdown date JCR Green Bond Evaluation
Long- term	900	844	Base rate plus 0.45%	Variable	1-Feb-2018	3 years from drawdown date
Long- term	8,000	7,806	Base rate plus 0.45% (fixed at 1.042% upon executing interest rate swap)	Fixed	6-Sep-2018	10 years from drawdown date
Long- term	850	850	Base rate plus 0.20%	Variable	6-Sep-2018	Earlier of (i) June 30, 2020 or (ii) first interest payment date after the consumption tax refund date
Total	25,450	24,297				

Ratio of fixed-to-variable rate loans and LTV



(Note) "Fixed-to-variable interest rate ratio" refers to the ratio of fixed interest rate liabilities to total interest-bearing liabilities (incl. consumption tax bridge loan – the same shall apply herein) as of this writing. Variable interest rate liabilities that were converted to fixed interest rate liabilities through interest rate swap agreements were deemed as fixed interest rate liabilities.

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Leasing Structure

Calculation method of basic rent and variable rent in anticipated projects to be acquired

Basic rent	Monthly projected energy output (P50) \times (100 – Y)% \times 70% \times FIT purchase price
Variable rent	(Monthly actual energy output × $(100 - Y)\%$ × FIT purchase price) – Basic rent

- Even if actual energy output is lower than projected energy output (P50), the operator will be able to receive basic rent from lessee
- If actual energy output exceeds 70% of projected energy output (P50), possible to obtain variable rent

Diagram of rent structure



Distribution Policy (Payout Ratio)

Distribution policy focusing on payout ratio

• Cash distributions to our unitholders for each fiscal period are calculated by multiplying the residual free cash flow ("NCF"), which refers to free cash flow ("FCF") minus debt interest payments, by a payout ratio, which is determined by us for each fiscal period.

Distribution in excess of earnings



- (Note-1) Residual FCF is calculated as free cash flow minus interest payments related to interest-bearing debt and repayments of interest-bearing debt for the relevant fiscal period plus total amount of net cash flow remaining after deduction of distributions from the preceding fiscal periods.
- (Note-2) Our calculation method of payout ratio differs from that of other enterprises (i.e. cash distribution divided by current income).
- (Note-3) Under the standards set forth by the Investment Trusts Association, Japan, closed-end infrastructure funds, such as us, may return capital up to 60% of the amount obtained by deducting the amount of their accumulated depreciation recorded as of the end of the preceding fiscal period from the amount of their accumulated depreciation calculated as of the end of the relevant fiscal period.
- (Note-4) The chart above is presented solely to facilitate a general understanding of the mechanism for cash distributions, and does not represent the share of our rental revenues or cash distributions in excess of retained earnings. We may decide not to make any amount of cash distributions in excess of retained earnings for a particular fiscal period, based on a consideration of factors such as economic or renewable energy market conditions or our financial condition, among other factors, after taking into account our financial situation and alternative uses of cash, such as the execution of repair plans and capital expenditures, the repayment of borrowings and property acquisition opportunities. We may, in place of making cash distributions in excess of retained earnings, decide to acquire our own units.





Acquisition of JCR's Green Bond Evaluation

Borrowings executed on October 31, 2017 were assigned the highest-grade evaluation of "Green 1" in Japan Credit Rating Agency (JCR) 's Green Bond Evaluation on November 22, 2017. JCR reviewed Green Bond Evaluation on January 23, 2019 and continued the same "Green1" evaluation.



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4th 5th & 6th FP Business Forecast

■ 業績予想

	4 th Fiscal Period (ending June 2019)	5 th Fiscal Period (ending December 2019)	6 th Fiscal Period (ending June 2020)
Statement of Income (million yen)			
Operating revenue	2,072	2,154	2,062
Operating profit	703	784	723
Ordinary profit	573	659	602
Current net profit	572	658	602
DPU (incl. distributions in excess of earnings)	3,600	3,600	3,600
DPU (excl. distributions in excess of earnings)	2,478	2,849	2,605
Per unit distributions in excess of earnings	1,122	751	995

Congruent with CSIF's policy to maintain stable levels of distributions, projected DPU for the 4th FP (ending Jun. 2019), 5th FP (ending Dec. 2019) and 6th FP (ending Jun. 2020) is ¥3,600

(Note-1) Figures are rounded down to the nearest million yen.

(Note-2) Above forecasts are based on earnings summary dated 15-Feb-2019 and is subject to change due to factors including without limitation, acquisition or sale of renewable energy projects, changes in infrastructure markets, fluctuation in interest rates and other changes in circumstances surrounding CSIF. Forecasts do not guarantee any dividend amounts.

External Growth Strategy (Sponsor Pipeline)

Achieve ¥100Bn in asset size over the medium term drawing on acquisitions from sponsor pipeline



Source: Compiled by the Asset Manager based on disclosures by Canadian Solar Projects K.K.

Note: (1) Includes the acquired assets from the follow-on offering in September 2018.

(2) Total panel output of ENR projects are based on development plans as of July 31, 2018. Forecasted output and actual output may differ. Licenses and permits for ENR project development may not be completed and there is no assurance that these projects will reach completion nor be ready for commercial operation. With respect to these ENR projects, CSIF has been granted Exclusive Negotiation Rights from project developers. As at July 31, 2018, the sponsor does not retain ownership of these projects and there is a likelihood that the sponsor will not acquire the project among other reasons. As at July 31, 2018, CSIF does not intend to acquire these projects and there is no assurance that CSIF will acquire these projects.

(1.2MW)

(1.0MW)

21

(2.1MW)

(3) The panel output capacity for the solar energy projects under construction and projects under development is based on development plans as of July 31, 2018. Forecasted output and actual output may differ.

METI Policy on "Unoperated" Solar Projects

Policy to reduce FIT price on a portion of unoperated solar projects certified between FY2012-2014

Overview

- Many projects after becoming FIT-certified are not operational. Hence, METI announced a deadline⁽¹⁾ for the start of operation as means to reduce the number of projects that haven't started operations.
- METI imposed deadline to submit an application for grid connection work and announced that price guarantees under FIT price will be reduced for any project that misses the deadline.
- For projects that have missed the deadline, the FIT purchase price will correspond to prices 2 years prior to the deadline expiry.

Project output	Deadline for application for grid connection work	Deadline for start of operations
Less than 2MW	2019/3/31	2020/3/31
More than 2MW	2019/9/30	2020/9/30
Under environmental assessment	2020/3/31	2020/12/31

- This policy is expected to spur the development of unoperated solar projects and fill up unused grid capacity by reducing such delayed projects as well as stimulate the solar energy market.
- FIT price for operational projects are not affected by this policy, and projects that have submitted an application for grid connection work are not immediately affected.

Projects affected by policy

Unoperated projects ⁽²⁾					
Year of FIT certification	FIT price (yen)	Operational (10,000kW)	Not operational (10,000kW)		Total (10,000kW)
2012	40	1,147	335		1,482
2013	36	1,355	1,284		2,639
2014	32	516	733		1,249
2015	27	174	/	177	351
2016	24	142		654	796
2017	21	16		247	263
Total		3,351		3,430	6,780

[Affected projects]

- Commercial projects certified between FY2012~2014
- Projects where the operational start date is not set
- Projects with over 2MW capacity that have not started construction⁽³⁾

Source: METI

- Note: (1) Deadline for starting operations will be established on projects that have concluded a Grid Connection Agreement. If the deadline is missed, the duration of grid connection will be shortened on a monthly basis.
 - (2) Translated excerpts from METI's report ("既認定案件による国民負担の抑制に向けた対応") released 5-Dec-2018.
 - (3) Refers to projects where no "Construction Plan" pursuant to the Electric Utility Industry Law has been submitted as at 5-Dec-2018

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Impact on sponsor pipeline is minimal

Characteristics of PV Plant Revenue

Forecastability of earning stability on a long-term basis

- FIT price and FIT period of our PV plants are binding in accordance with the Feed-in-Tariff system. Moreover, given that our assets-under-management are set up so that we can capture basic rent from the lessee, we assume that any decline in rent income won't exceed a certain limit.
- Given that expenses on depreciable assets are largely fixed, earnings forecasts can be realistically projected for the long-term.



Dynamics of PV plant revenue during FIT period

- Assuming that we purchase PV projects and do not purchase additional assets nor sell them, fluctuations in operating revenue, operating expenses and non-operating expenses during the FIT period will follow the general tendencies listed below. Hence, our understanding is that CSIF's current income will gradually increase over the medium to long term during the FIT period.
- Operating revenues generally decrease gradually over the medium to long term due to expected deterioration of PV modules.
- Operating expenses generally decrease (mainly composed of taxes on depreciable assets that are calculated using the straight-line method) gradually over the medium to long term, under the presumption that expenses other than taxes on depreciable assets are largely fixed (including assumed regular maintenance costs).
- Amortization payments of loan principal and interest rates that are partially fixed generally cause non-operating expenses to decrease gradually over the medium to long term given typical amortization schedules, as these payments are the primary component of nonoperating expenses.



Appendix



Unit Price Performance



Section 25

History of TSE Infrastructure Fund Market

April 2015	Inception of TSE Infrastructure Fund Market		
	 Under the Act on Special Measures Concerning Taxation, the period of conduit status for infrastructure funds investing mainly in renewable energy generators was extended from 10 years to 20 years. Exceptional rule for renewable energy power generators Conditional that renewable energy facilities are acquired and ready for lease by March 2017 		
April 2016	Conduit status of infrastructure funds extended from 10 years to 20 years Infrastructure fund Debt Equity		
June 2016	IPO of Takara Leben Infrastructure Fund (17.9MW, ¥4.52Bn initial market cap ^(Note))		
December 2016	IPO of Ichigo Green Infrastructure Investment Corporation (25.8MW, ¥5.02Bn initial market cap ^(Note))		
March 2017	IPO of Renewable Japan Energy Infrastructure Fund, Inc. (21.8 MW, ¥3.78Bn initial market cap ^(Note))		
April 2017	Requisite acquisition period for infrastructure funds to invest in renewable energy generators and be approved conduit tax treatment (for 20 years) was extended three years from March 31, 2017 to March 31, 2020		
October 2017	IPO of Canadian Solar Infrastructure Fund, Inc. (72.7MW, ¥17.93Bn market cap ^(Note) as at IPO)		
September 2018	Follow-on Offering of Canadian Solar Infrastructure Fund, Inc.		
September 2018	IPO of Tokyo Infrastructure Energy Investment Corporation (20.0MW, ¥4.54Bn initial market cap ^(Note))		
February 2018	IPO of ENEX Infrastructure Investment Corporation (37.6MW, ¥8.78Bn initial market cap ^(Note))		

Source: Bloomberg

Note: Market cap calculated by multiplying the total issued units on the listing date and the IPO subscription price.



Renewable Energy Market in Japan

Renewable energy mix and comparable energy self-sufficiency by country

• At the Paris Climate Change Agreement, Japan pledged to reduce CO₂ emissions by 26% (vs. 2013 levels) by 2030



Comparable renewable energy mix (2014)

Source: Compiled by the Asset Manager based on the "FY2015 Annual Report on Energy (Energy White Paper 2016)" by METI.

Note: Data on Japan based on the "Summary of Electric Power Development" by METI (FY2014 actuals). Data on other countries based on 2014 estimates and IEA Energy Balance of OECD Countries (2015 edition)

Comparable primary energy self-sufficiency amongst OECD (2012 estimates)



Source: Compiled by the Asset Manager based on Graph 111-1-1 of the FY2013 Annual Report on Energy (Energy White Paper 2014) by METI

Source: Complied by the Asset Manager based on "Energy Balance of OECD Countries 2013" by the IEA.

Changes in the energy market

METI projections of future energy mix and medium-long term changes to FIT purchase price



Installed solar capacity... METI predicts that solar energy will comprise 7% of the total 2030 energy mix

- Source: Compiled by the Asset Manager based on the following: data from METI website, "Long-term Outlook of Energy Supply and Demand (July 2015) by METI, "FY2015 Annual Report on Energy (Energy White Paper 2016)" by METI and data from the Federation of Electric Power Companies.
- Note: Projection for FY2030 is based on the percentages and installed capacity disclosed in the reports prepared by METI and are not based upon our calculations. There is no guarantee that the projected percentages or capacity will be realized.

Trends in FIT purchase price and average system costs of solar energy projects (2012-2018)



Source: Compiled by the Asset Manager based on "Report on Procurement Prices after FY2019 (January 9, 2019)" by METI.

- (1) FIT purchase price for each year based on a period from April to March of the following year and excludes Note: national and local consumption taxes.
 - (2) Average system costs are based on the calendar year.



Timeline

Date	Event
April 21, 2017	Notification on incorporation of the Investment Corporation by the organizer (Canadian Solar Asset Management K.K.) in accordance with Article 69, Paragraph 1 of the Investment Trust Law
May 18, 2017	Registration of incorporation of the Investment Corporation in accordance with Article 166 of the Investment Trust Law, Company Incorporation
May 25, 2017	Application for registration of the Investment Corporation in accordance with Article 188 of the Investment Trust Law
June 9, 2017	Prime Minister's approval of registration of the Investment Corporation in accordance with Article 187 of the Investment Trust Law (Kanto Regional Finance Bureau Director-General Registration No. 127)
July 11, 2017	Amendment of Articles of Incorporation
October 30, 2017	Listing on Tokyo Stock Exchange (Securities Code:9284)
September 6, 2018	Follow-on Offering

Balance Sheet for 3rd FP

■ 3rd Fiscal Period (ended December 2018)

Assets	(in thousands of yen)
Current assets	
Cash and bank deposit	3,222,807
Operating accounts receivable	208,913
Prepaid expenses	107,714
Consumption taxes receivable	793,148
Other current assets	685
Total current assets	4,333,268
Fixed assets	
Property and equipment	
Structures	797,621
Accumulated depreciation	∆28,399
Total structures (net)	769,221
Machinery and equipment	37,427,871
Accumulated depreciation	△1,405,797
Total machinery and equipment (net)	36,022,074
Tools, equipment and supplies	505,287
Accumulated depreciation	∆22,181
Total tools, equipment and supplies (net)	483,106
Land	4,309,021
Construction in progress	6,244
Total property and equipment	41,589,667
Intangible assets	
Leasehold rights	494,487
Software	2,763
Total intangible assets	497,250
Investments and other assets	
Long-term prepaid expenses	324,500
Deferred tax asset	12
Long-term deposits	7,800
Guarantee deposits	21,021
Total investments and other assets	353,333
Total fixed assets	42,440,252
Total assets	46,773,521

Liabilities and Net Assets

(in thousands of yen)

Current liabilities	
Accounts payable (other)	25,290
Long-term borrowings to be repaid within 1 year	1,239,176
Accounts payable	56,317
Accrued expenses	73,449
Income taxes payable	857
Deposits received	5,246
Total current liabilities	1,400,337
Fixed liabilities	
Long-term borrowings	23,057,919
Total fixed liabilities	23,057,919
Total liabilities	24,458,257
Unitholders' equity	
Unitholders' capital	22,050,175
Amount deducted from Unitholders' capital	∆147,209
Unitholders' capital (net)	21,902,965
Surplus	
Unappropriated retained earnings (accumulated deficit)	412,298
Total surplus	412,298
Total unitholders' equity	22,315,263
Total net assets	22,315,263
Total liabilities and net assets	46,773,521



Statement of Income for 3rd FP

3rd Fiscal Period (ended December 2018)

(in thousands of yen)

Operating revenues	
Rental revenues	1,785,374
Total operating revenue	1,785,374
Operating expenses	
Rental expenses of renewable energy projects	1,035,958
Asset management fee	43,934
Administrative service fees	17,066
Director's compensation	2,400
Tax and dues	1,346
Other operating expenses	39,928
Total operating expenses	1,140,634
Operating profit/loss (△)	644,739
Non-operating income	
Interest income	17
Insurance proceeds	18,815
Tax refunds	1,942
Total non-operating income	20,775
Non-operating expenses	
Interest expenses	97,912
Borrowing-related expenses	103,408
Organization expenses	-
Investment unit issuance expenses	51,132
Total non-operating expenses	252,452
Ordinary income	413,062
Income before income taxes	413,062
Income taxes	860
Income tax adjustments	14
Total income taxes	874
Net income	412,187
Profits (losses) brought forward	110
Unappropriated retained earnings (accumulated deficit)	412,298

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Status of Unitholders

Unitholding (as at period-ended December 2018)

By unitholding amount

	Individuals / others	116,013 units (50.18%)		Individuals, others	9,564 (97.4
# of	Financial institutions	14,715 units (6.36%)	# of	Financial institutions	31 (0.3
units:	(incl. financial instruments firms)		unitholders	(incl. financial instruments firms)	
231,190	Domestic corporates	43,740 units (18.92%)	9,815	Domestic corporates	154 (1.5
	Foreign entities & individuals	56,722 units (24.53%)		Foreign entities & individuals	66 (0.6

By unitholders

Name	Number of investment units held (units)	Unitholding ratio to total issued units (%)
1 Canadian Solar Projects K.K.	33,895	14.66
2 GOLDMAN SACHS INTERNATIONAL	20,685	8.94
3 SSBTC CLIENT OMNIBUS ACCOUNT	12,831	5.54
4 UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	3,452	1.49
5 The Bank of Fukuoka, Ltd.	3,430	1.48
6 CITIBANK INTERNATIONAL PLC AS TRUSTEE FOR STANDARD LIFE WEALTH PHOENIX FUND	2,978	1.28
7 Individual investor	2,760	1.19
8 Individual investor	2,312	1.00
9 GOVERNMENT OF NORWAY	2,234	0.96
10 BNY FOR GCM CLIENT ACCOUNTS (E) ISG	1,538	0.66
Total	86,115	37.24
(Note): Unitholding ratio is rounded down to the nearest hundredth.		CanadianSolar 3

Overall Structure

Identical structure as a typical J-REIT

Our revenue is derived from rent income of solar energy projects



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