CanadianSolar

Investor Presentation

November 2023

CSIQ
Nasdaq Listed

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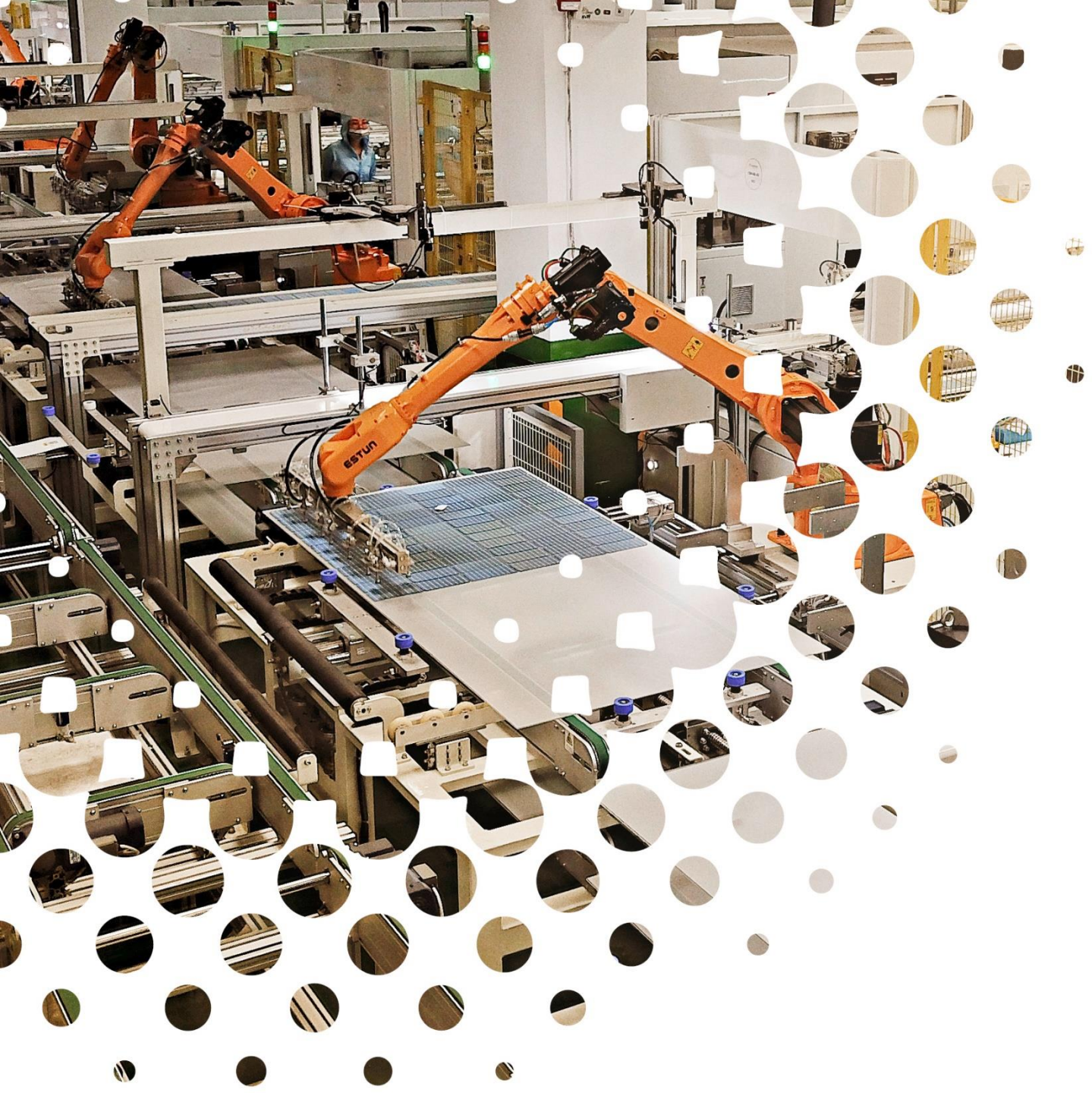

Q3 2023

UPDATES

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Quarterly income statement highlights

USD millions except per share data	3Q22	4Q22	1Q23	2Q23	3Q23	qoq	yoy
Net revenues	**1,932**	**1,972**	**1,701**	**2,364**	**1,846**	**-22%**	**-4%**
-CSI Solar	1,973	1,976	1,709	2,014	1,806	-10%	-8%
-Recurrent Energy	101	74	20	360	64	-82%	-37%
-Elimination	(142)	(78)	(28)	(10)	(24)		
Gross margin	***18.8%***	***17.7%***	***18.7%***	***18.6%***	***16.7%***	***-190 bp***	***-210 bp***
-CSI Solar margin	*17.3%*	*17.4%*	*18.5%*	*14.3%*	*16.6%*	*+230 bp*	*-70 bp*
-Recurrent Energy margin	*47.1%*	*21.7%*	*36.0%*	*43.9%*	*27.7%*		
Selling and distribution expenses	166	126	88	88	100	+14%	-40%
General and admin expenses	102	89	79	139	114	-18%	+12%
R&D expenses	18	21	17	23	29	+25%	+62%
Other operating income	(12)	(23)	(12)	(34)	(18)		
Total operating expenses	**274**	**213**	**172**	**216**	**225**	**+4%**	**-18%**
Operating income	**89**	**136**	**146**	**224**	**83**	**-63%**	**-6%**
Net interest income or (expense)	4	(11)	(12)	(21)	(11)		
Net FX gain or (loss)	39	(15)	(13)	34	(17)		
Income tax (expense) or benefit	(29)	(22)	(29)	(46)	10		
Net income	**102**	**99**	**107**	**198**	**62**	**-68%**	**-39%**
Net income attributable to Canadian Solar Inc.	**78**	**78**	**84**	**170**	**22**	**-87%**	**-72%**
Diluted EPS	**1.12**	**1.11**	**1.19**	**2.39**	**0.32***	**-87%**	**-71%**

Note: Elimination effect from inter-segment sales not included in segment margin. Please refer to 6-K for further details.
*Diluted EPS includes the dilutive effect of convertible bonds. $0.32/share is calculated from total earnings of $23M (including 2.5% coupon of $1.3M) divided by diluted shares 72.9 million shares (including 6.3 million shares issuable upon the conversion of convertible bonds).

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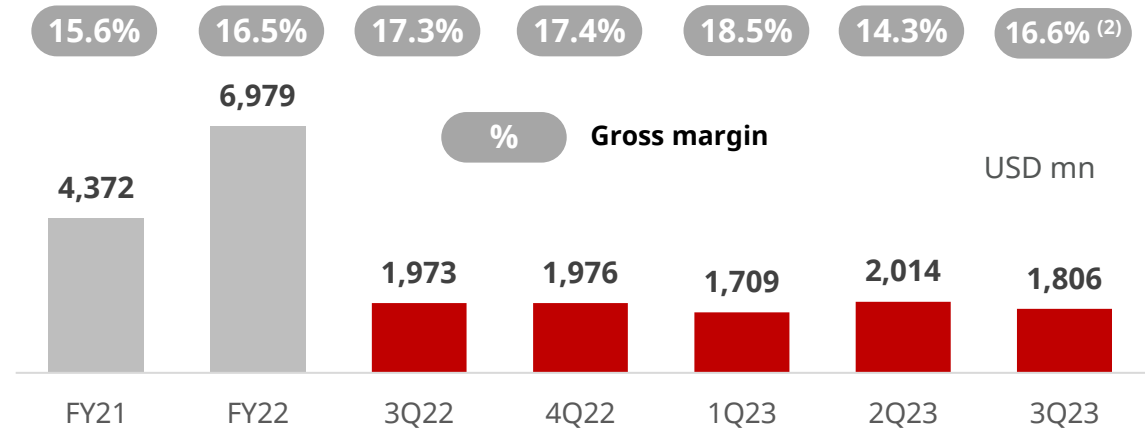
Results summary by divisions

USD millions except shipment data[1]		3Q23	yoy	qoq	FY22	yoy
	Total module shipments (GW)	8.3	39%	1%	21.1	45%
CSI Solar	Revenues	1,806	-8%	-10%	6,976	60%
	Gross profit	299	-12%	4%	1,151	69%
	Income from operations	127	31%	6%	344	364%
Recurrent Energy	Revenues	64	-37%	-82%	822	-27%
	Gross profit	18	-63%	-89%	161	-17%
	Income (loss) from operations	-9	-134%	-108%	80	-17%

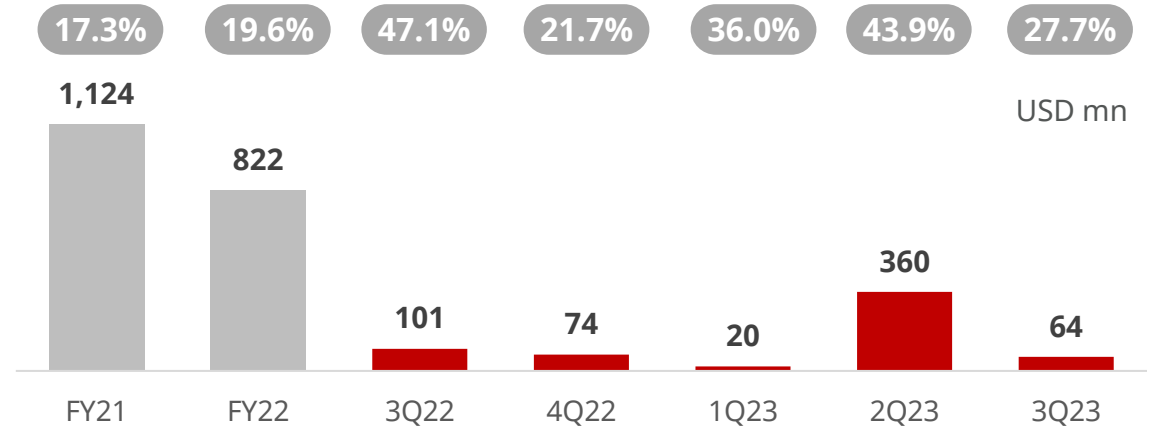
HIGHLIGHTS

- Q3 2023 solar module shipments up 39% yoy to 8.3 GW; total revenue down 4% yoy to $1.8 billion with a quarterly net income of $22 million or $0.32 per diluted share.
- CSI Solar Q3 2023 operating income up 31% yoy to $127 million. Battery storage contracted revenue reached over $2.6 billion as of November 14, 2023.
- Recurrent Energy had a total solar development pipeline of 26 GW and battery storage development pipeline of 55 GWh as of September 30, 2023.

CSI Solar Revenue (1)



Recurrent Energy Revenue



(1) Includes effects of both sales to third party customers and to the Company's Recurrent Energy business to reflect the real underlying performance. Please refer to the financial tables in the quarterly press release for the intercompany transaction elimination information. Income from operation amounts reflect management's allocation and estimate as some services are shared by the two segments of the Company.
(2) CSI Solar 3Q23 gross margin would have been 18.5% without the $35 million inventory write-down.

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Guidance as of November 14, 2023

	Q3 2023 Actual	Q4 2023 Guidance	FY2022 Actual	FY2023 Guidance	FY2024 Guidance
Solar Module Shipments (DC)	8.3 GW	7.6 – 8.1 GW	21.1 GW	30.2 – 30.7 GW	42 – 47 GW
Utility Scale Storage Shipments (DC)	152 MWh	1.4 -1.5 GWh*	1.8 GWh	1.8 – 2.0 GWh*	6.0 – 6.5 GWh
Revenue	$1.8 bn	$1.6 bn – $1.8 bn	$7.5 bn	$7.5 bn – $7.7 bn	n/a
Gross Margin	16.7%	14% – 16%	16.9%	17.2% - 17.6%	n/a

- Significant pent-up solar module demand expected in 2024
- Margins expected to rebalance over next few quarters, driven by further destocking in rooftop channels
- e-STORAGE expected to be one of the fastest growing segments in 2024

*Including approx. 720 MWh expected to be recognized as revenues in 2024 due to shipments scheduled for late Q4 2023.

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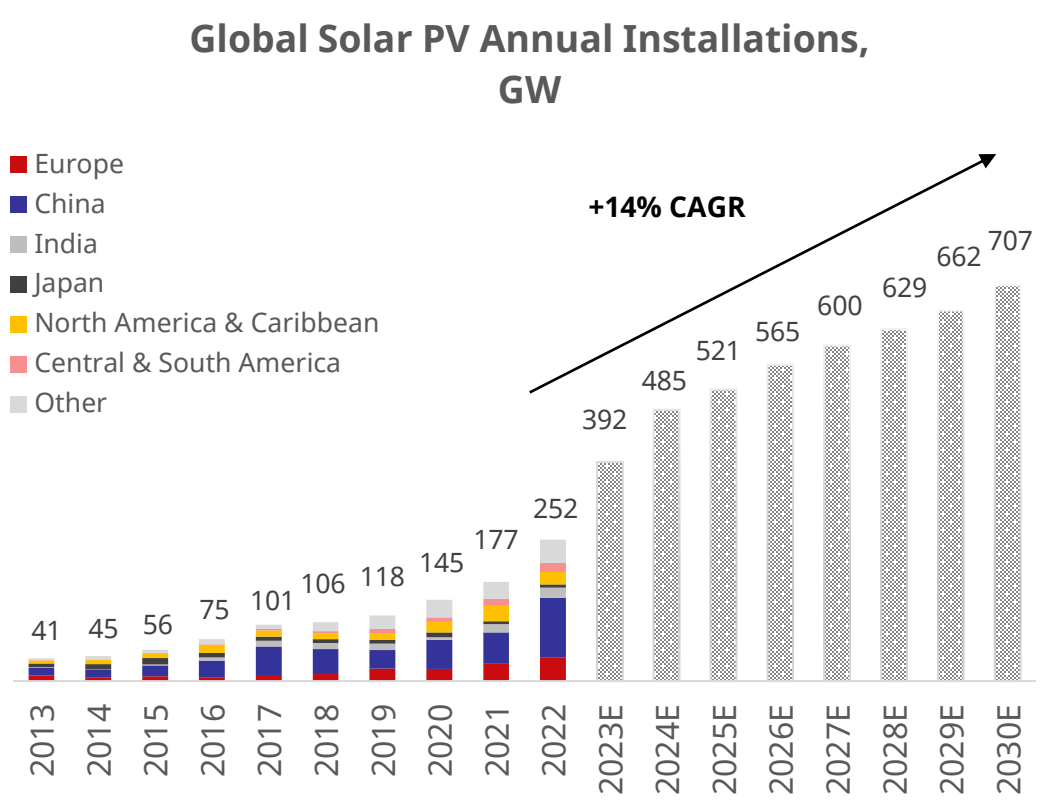
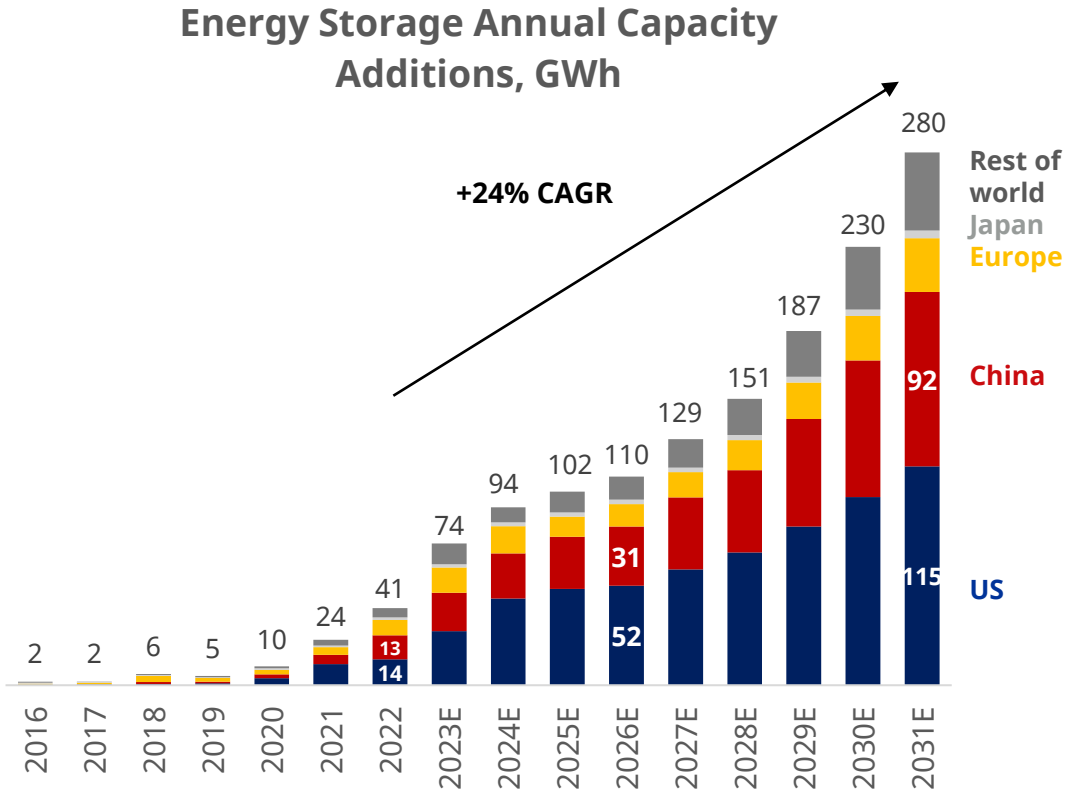
Strong long term growth outlook for both solar and battery storage

- Solar PV cumulative installations surpassed 1 TW in 1H22, to reach 5 TW by 2030 (and 5.5 TW needed by '30 to reach Paris Agreement)
- Battery energy storage cumulative capacity installations to reach 300 GWh in 2024 and to reach 1 TWh by 2028
- **Long term growth driven by competitive economics and ESG/decarbonization efforts**





Source: BNEF, IHS, Wood Mackenzie

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Strong market positioning in the U.S. driven by long-term investments

CANADIAN SOLAR ANNOUNCES U.S. SOLAR CELL MANUFACTURING FACILITY IN JEFFERSONVILLE, INDIANA

GUELPH, ON, Oct. 30, 2023 /PRNewswire/ -- Canadian Solar Inc. (the "Company" or "Canadian Solar") (NASDAQ: CSIQ), headquartered in Guelph, Ontario, today announced that it is establishing a 5 GW Solar PV cell production facility at the River Ridge Commerce Center in Jeffersonville, Indiana.

Canadian Solar is building a state-of-the-art solar photovoltaic cell manufacturing plant with an annual output of 5 GW, equivalent to approximately 20,000 high-power modules per day. The Jeffersonville facility represents a projected investment of more than $800 million and will create approximately 1,200 skilled high-tech jobs once production is fully ramped up. The solar cells produced at this facility will be used at the previously announced 5 GW module assembly plant in Mesquite, Texas. Production at the Jeffersonville facility is expected to begin by the end of 2025.

"Indiana's strong advanced manufacturing sector positions the state to help lead the global energy transition, developing and powering new solutions in batteries, solar and hydrogen," said **Governor Eric Holcomb**. "Canadian Solar's new U.S. location in Jeffersonville will put our skilled Hoosier workforce at the center of cultivating solar power, making energy efficient panels more accessible to consumers across the country."

United States Senator Mike Braun stated, "Indiana is a proud leader both in the Midwest and the country in manufacturing and innovation. I'm pleased to know that this new solar manufacturing facility opening in Jeffersonville will create many new jobs for Hoosiers and stimulate the local economy."

CANADIAN SOLAR ANNOUNCES U.S. MODULE MANUFACTURING FACILITY IN MESQUITE, TEXAS

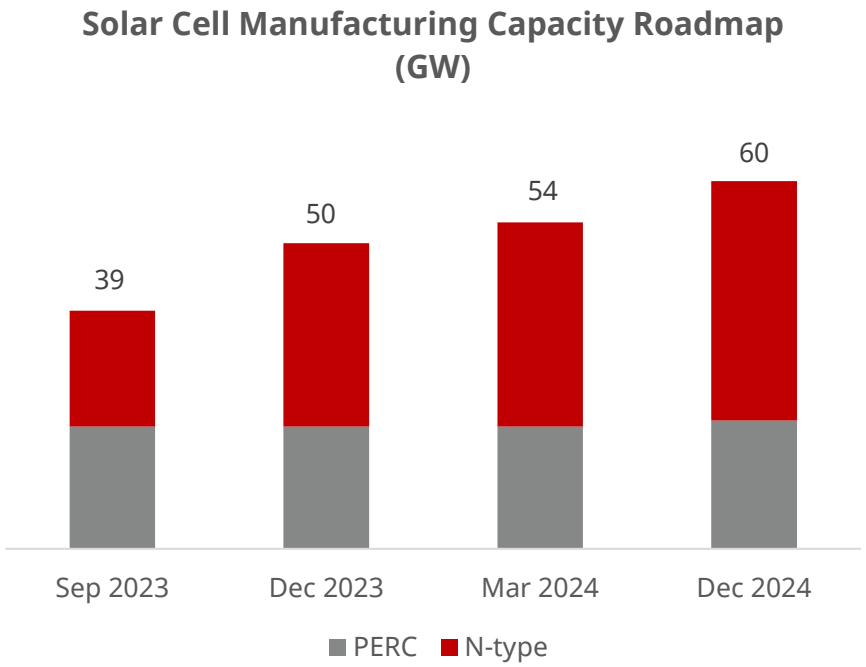
GUELPH, ON, June 15, 2023 /PRNewswire/ -- Canadian Solar Inc. (the "Company" or "Canadian Solar") (NASDAQ: CSIQ), headquartered in Guelph, Ontario, today announced that it is establishing a solar PV module production facility in Mesquite, Texas.

Canadian Solar is building a state-of-the-art solar photovoltaic module manufacturing plant with an annual output of 5 GW, equivalent to approximately 20,000 high-power modules per day. The new facility represents an investment of over $250 million and will create approximately 1,500 skilled jobs once it is fully ramped up. Production is expected to begin around the end of 2023. This will be Canadian Solar's first United States manufacturing facility, following its successful track record of production in Canada, China, Brazil, Thailand and Vietnam. In 2021, Canadian Solar relocated Recurrent Energy, its 17-year-old U.S. subsidiary, to Austin, spearheading the rapid growth of renewable energy in the Lone Star State as a solar and battery storage project developer.

"Canadian Solar's new $250 million manufacturing plant in Mesquite will bolster Texas' status as the energy capital of the world and secure our leadership as a global tech hub," said **Governor Greg Abbott**. "I thank Canadian Solar for choosing Texas for their next U.S. business investment and for creating 1,500 new jobs in the region to help boost the community for generations to come."

United States Senator Ted Cruz expressed his enthusiasm for the project stating, "Texas is an energy production powerhouse, and we embrace an all-of-the-above energy strategy. It's great to see this incredible investment in Mesquite, which will create 1,500 good-paying jobs in Texas. This kind of investment in the Lone Star State is the reason people are flocking to our great state. I will continue to fight for Texas innovators and job creators in the U.S. Senate."

N-type TOPCon cell capacity now accounts for half of our total cell capacity



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A COMPELLING INVESTMENT OPPORTUNITY

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Canadian Solar at a glance

OUR MISSION

- To power the world with solar energy and create a better and cleaner Earth for future generations

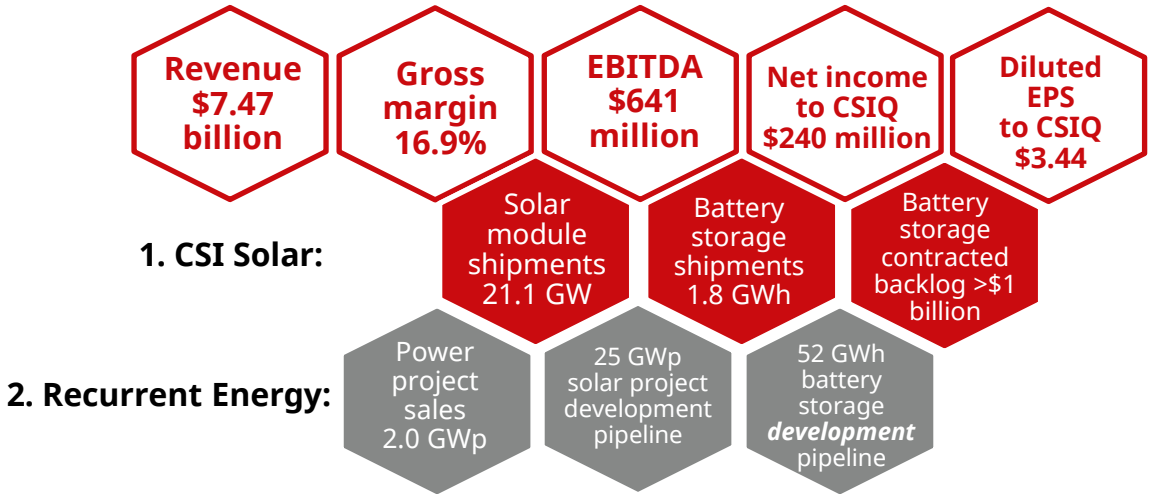
OUR ORIGINS

- Founded in 2001 in Ontario, Canada
- Listed on the NASDAQ as CSIQ in 2006

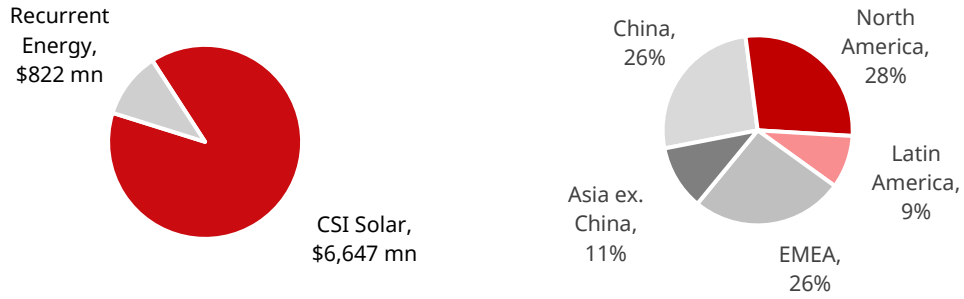
OUR PERFORMANCE

- Top 5 global module brand with 30% annual growth in shipments since 2013
- 19.4% 5-year average gross margin
- 4.2% 5-year average net profit margin
- Global presence in 25 countries/territories, focusing on premium markets

SUMMARY FINANCIAL AND OPERATIONAL METRICS (FY2022)



Revenue Breakdown FY22



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Diversified and integrated business model

1 Manufacturing: CSI Solar

- Top tier solar module brand: cumulative shipments of 110 GW. Delivered 8.3 GW in Q3 of 2023, expect over 30 GW in 2023 and 42-47 GW in 2024
- Solar module manufacturing and total system solutions provider including inverters, system kits, energy storage and EPC services
- Battery storage solutions provider, delivering end-to-end, integrated battery storage solutions for utility scale, commercial and industrial, and residential applications
- Delivered 2.9 GWh in battery storage shipments cumulatively, expect 1.8-2.0 GWh in 2023 and 6-6.5 GWh in 2024; $2.6 billion in the contracted backlog

2 Project Development: Recurrent Energy

- Solar project development: develop, build, operate, sell and own solar and solar power plants across 20+ countries/ territories
- Battery storage project development: co-located utility-scale solar plus energy storage and stand-alone battery storage
- 27 GW of total solar project pipeline (1) of which 14 GW have interconnections
- 55 GWh of total battery storage pipeline (2) of which 13 GWh have interconnections

(1) Includes 847 MWp of solar projects in operation
(2) Includes 594 MWh of battery storage projects in operation

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Why invest in Canadian Solar

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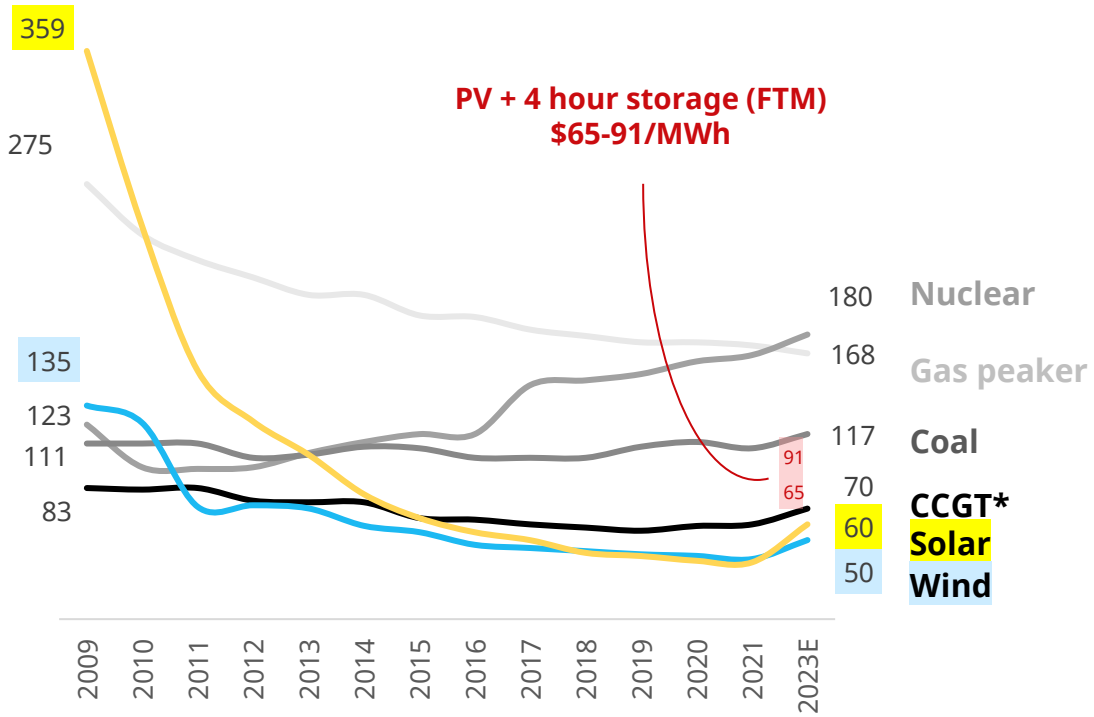
Led by a strategically-minded and prudent management team with excellent track record

1. Global market leader with strong growth outlook driven by solar grid parity and accelerating demand for clean renewable energy
2. Multiple levers of growth in solar modules, system solutions, project development & ownership, and battery storage
3. Market-oriented strategy driving technology and business model innovation, capturing new opportunities such as energy storage
4. Strong and consistent operational and financial track record
5. Attractive valuation supported by strong fundamentals & balance sheet

Solar PV the most environmentally and economically attractive source of electricity, critical to any global decarbonization scenario

Solar + 4h battery storage is increasingly competitive; meanwhile, the cost of carbon is set to increase

Mean unsubsidized levelized cost of energy (LCOE) and levelized cost of storage (LCOS), $/MWh



**CCGT = Combined Cycle Gas Turbine*

Source: Lazard 2023 LCOE and LCOS Reports, public announcements.

Strong energy security, climate change and decarbonization commitments by major economies

- **U.S.**: Inflation Reduction Act (IRA) commits $369 billion for energy security and climate change mitigation over 10 years; extension of clean energy ITC/PTCs, stand-alone storage incentives, credit transferability etc.
- **REPowerEU:** to reduce reliance on imported gas; 420 GW of additional solar capacity by 2030, with high scenario potential for 1 TW; Germany to increase solar tenders to 20 GW by 2028 from current 5 GW.
- **China**: "1+N" policies to reach peak carbon by 2030, and carbon neutrality by 2060. Non-fossil fuel energy to account for 20% / 25% of primary energy consumption by 2025 / 2030 resp. Solar and wind total installation to reach 1,200 GW and non-fossil fuel sources to account for 80% of primary energy consumption by 2060, implying annual solar capacity additions of 80-100 GW. Energy storage commercialization during the 14th Five Year Plan (system costs to reduce 30%).

Corporations are also demanding more clean energy to decarbonize their operations

- Many firms committing to 100% renewable energy, contributing to lower energy costs and achieving corporate ESG goals.
- Key clean energy corporate off-takers: Amazon, Total, TSMC, Verizon, Meta, General Motors, Dow Chemical, Anglo American, General Mills and more.

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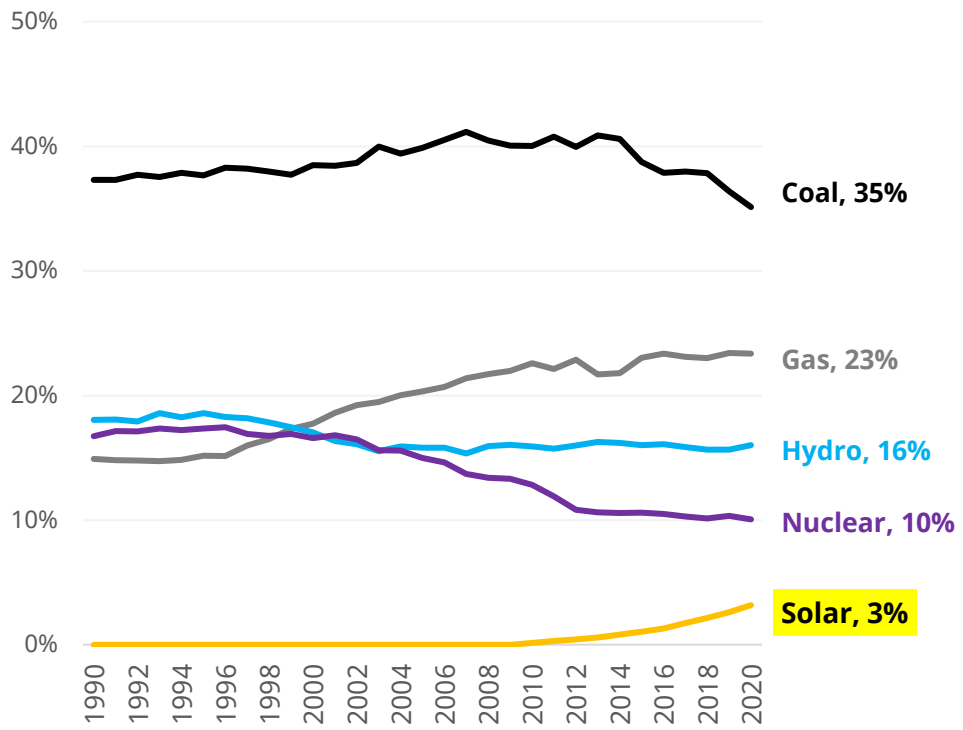
Massive growth potential as solar remains underpenetrated

Despite rapid growth, solar penetration remains at just 3%

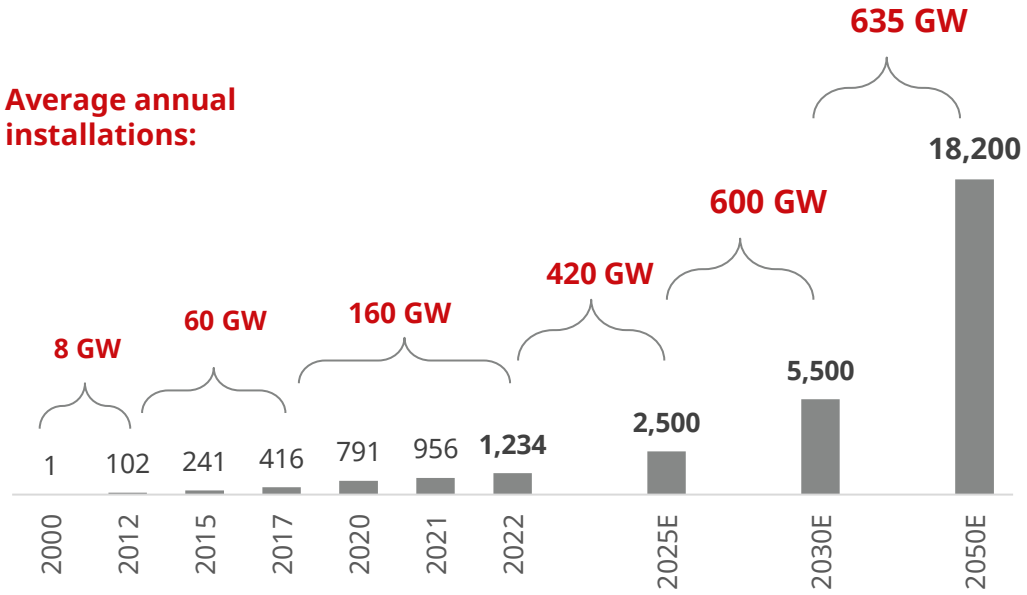
Electricity generation by fuel type



Solar's cumulative capacity base could reach 18 TW by 2050 from 1 TW in 2022

Global solar PV cumulative installations, GW

To achieve the **1.5°C Paris Agreement** goal, solar PV's global installed capacity needs to reach 5.5 TW by 2030 and 18 TW by 2050



Source: BP Energy Outlook 2021, IHS, BNEF, IRENA World Energy Transitions Outlook 2023.

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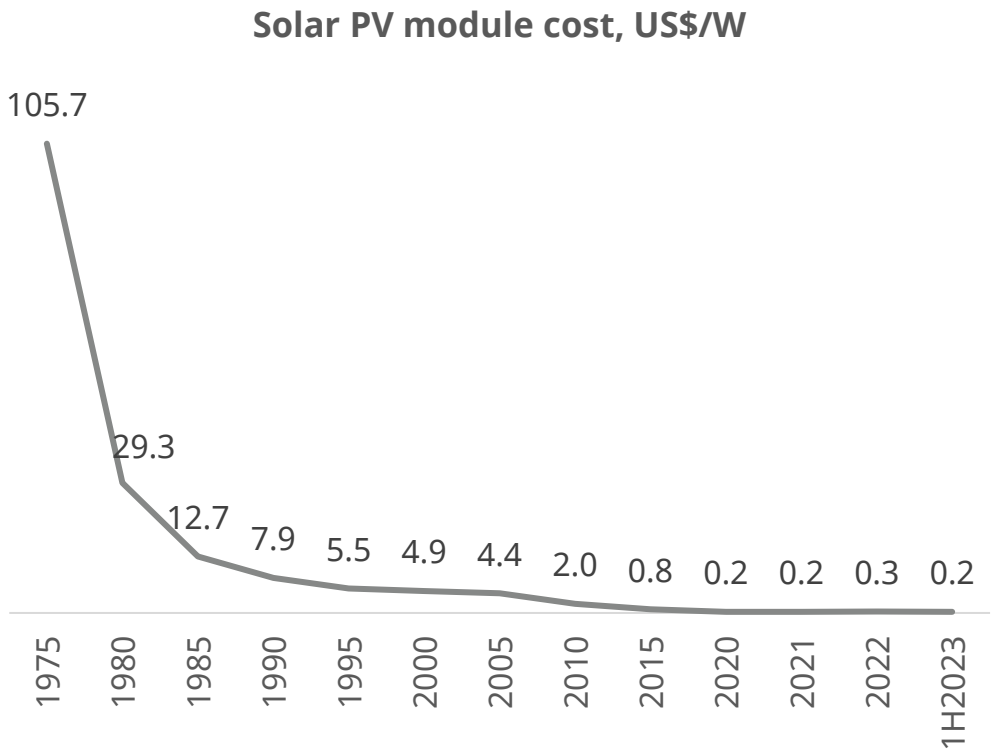
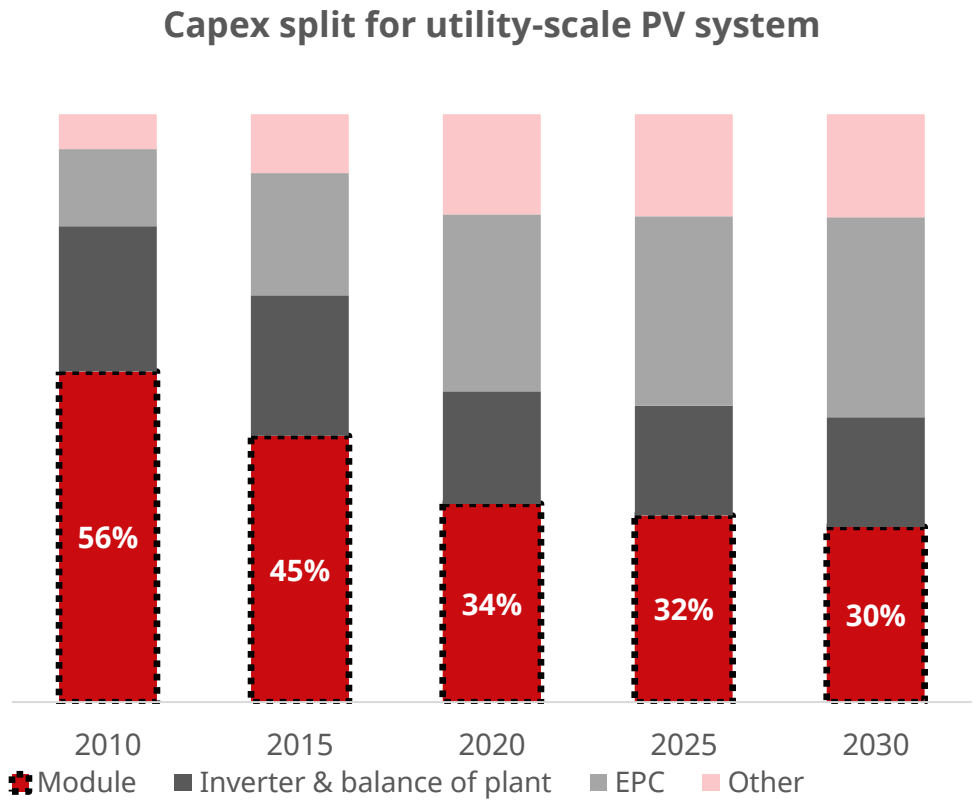
Solar PV modules nearing the bottom of the cost curve

Solar module prices have declined dramatically



Declining marginal benefit from further module price cuts



Source: IEA, BNEF, PV Infolink.

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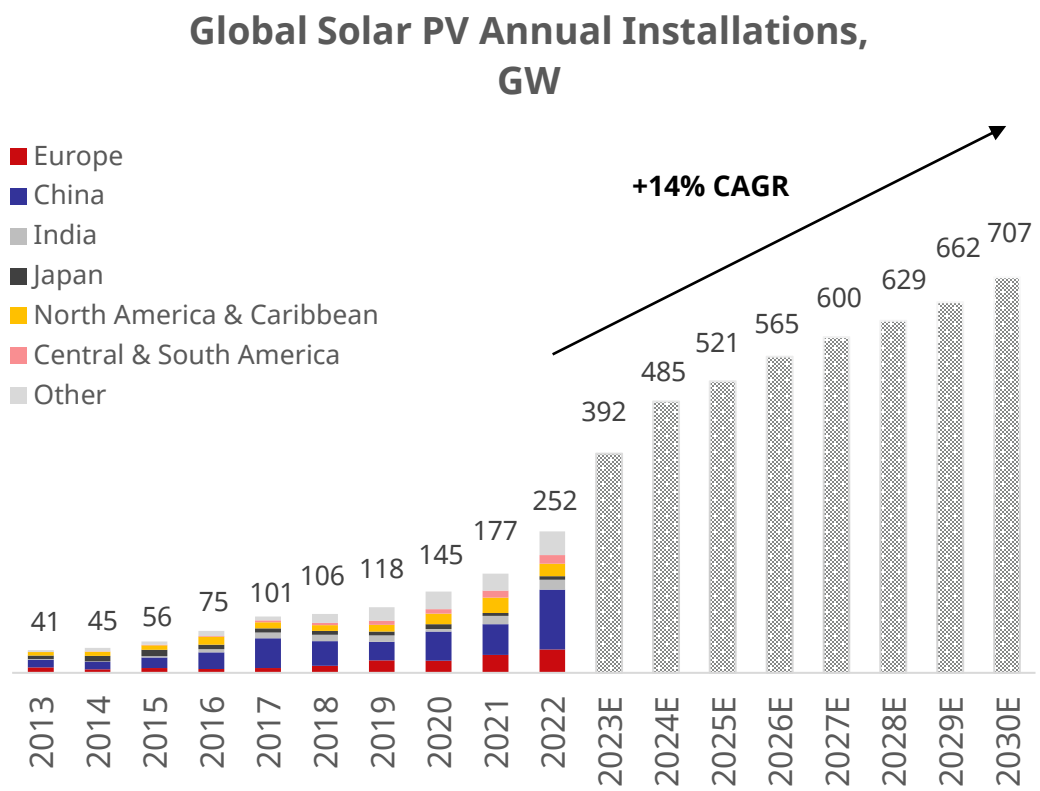
Significant growth visibility and healthier market dynamics

Strong growth outlook on a much larger market base: annual PV installations up 7x over the past decade



Lower risk and higher return outlook in the solar industry

LOWER RISK:

- **Independence from subsidies**: grid parity driving lower market uncertainty from subsidy policy overhang; lower demand/supply mismatch volatility from subsidy deadlines;
- **Greater market stability**: faster demand and supply adjustments to market signals
- **Lower market concentration**: the number of 1 GW+ markets to grow from 6 in 2016 to 32 in 2022
- **Larger market scale**: Much larger and stabler global base of demand

HIGHER RETURNS:

- **Accelerating demand** for solar energy consumption and for solar energy assets
- **Solar module prices approaching the bottom** of the cost curve

Source: BNEF, IHS.

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Market leader in solar energy with a global footprint in project development and module manufacturing and sales

North America

Canada
Guelph: Global HQ
Calgary

U.S.
Austin: North America HQ
Mesquite, Texas
Jeffersonville, Indiana
Walnut Creek
New York City

Europe

Germany
Munich, EMEA CSIS HQ
Frankfurt

Spain
Madrid: EMEA RE HQ
Camas, Barcelona, Badajoz

Netherlands
Amsterdam

U.K.
London
Colchester

Italy
Milan

Poland
Warsaw

France
Biarritz

Latin America

Brazil
São Paulo

Mexico
Mexico City

Colombia
Bogotá

Chile
Santiago

Middle East and Africa

U.A.E.
Abu Dhabi
Dubai

South Africa
Cape Town

Asia Pacific

P.R. China
Suzhou: China HQ
Yancheng
Yangzhou
Suqian
Luoyang
Baotou
Hohhot
Jiaxing
Xining
Beijing
Jinan
Guangzhou
Kuming
Wuhan
Wuhu
Hong Kong, SAR

Taiwan, China
Hsinchu

Japan
Tokyo
Osaka
Fukuoka
Sendai

South Korea
Seoul
Gwangju

India
New Delhi

Thailand
Chonburi

Vietnam
Hai Phong

Malaysia
Kuala Lumpur

Singapore
Singapore

Australia
Melbourne
Sydney

Manufacturing operations. US solar manufacturing operations being established

Our success is driven by our global-local teams and our culture of diversity

Note: Showing office locations only. Certain offices are shared between the CSI Solar and Recurrent Energy businesses. Canadian Solar may do business in more locations than shown on the map.

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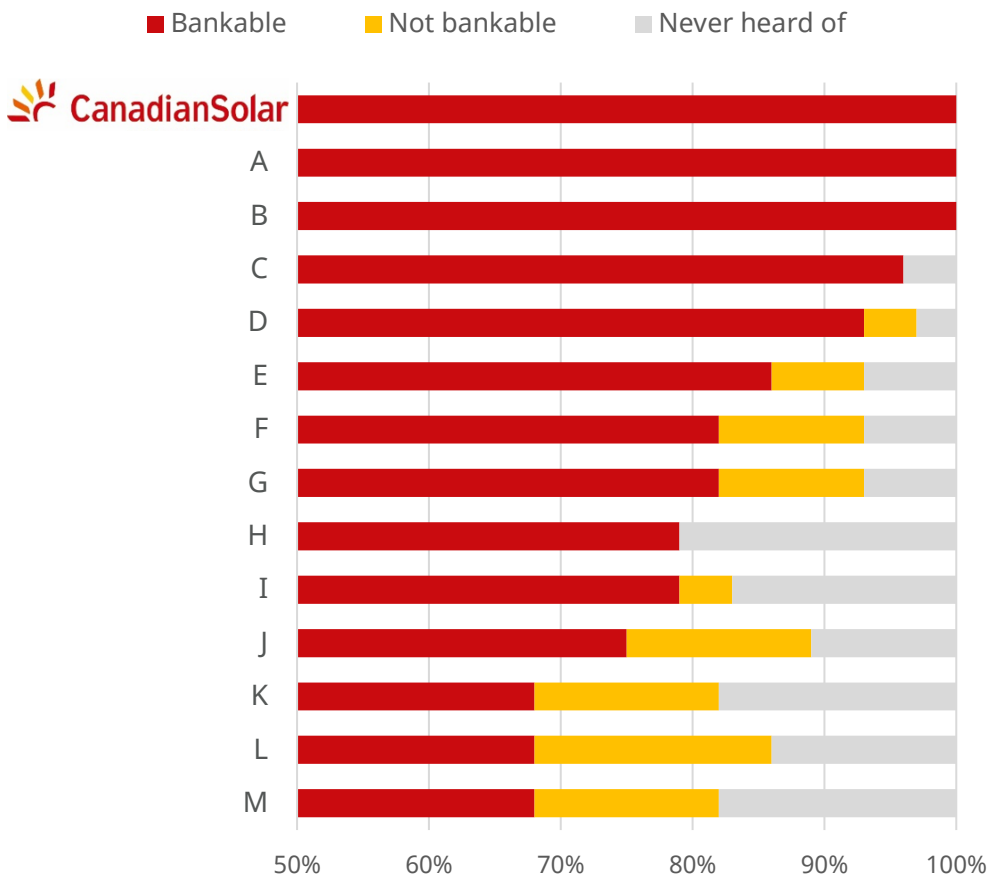
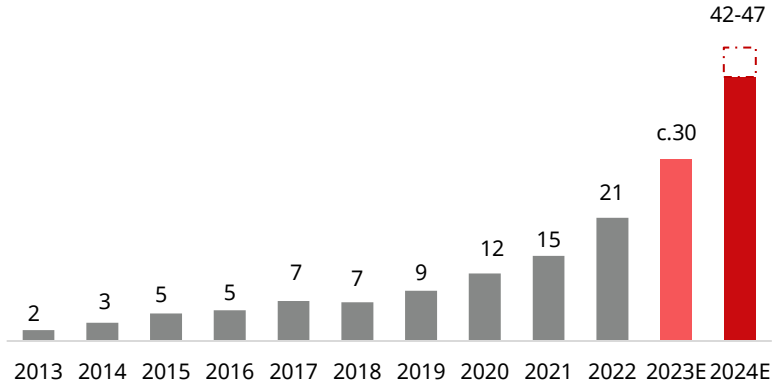
Top-tier, most bankable and globally diversified solar module brand

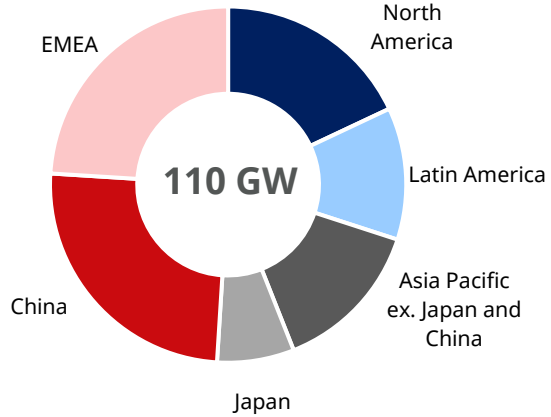
Most bankable module supplier by BNEF with 100% bankability



Solar Module Shipments, GW



Cumulative shipments



Source: Extract from Bloomberg New Energy Finance PV Module and Inverter Bankability 2022. Solar brand bankability ratings are used by financial institutions across the world for credit analysis, indicating the likelihood that projects using the said solar products will be offered non-recourse financing by banks. Factors considered include quality and reliability of products and services, warranties, financial strength and track record.

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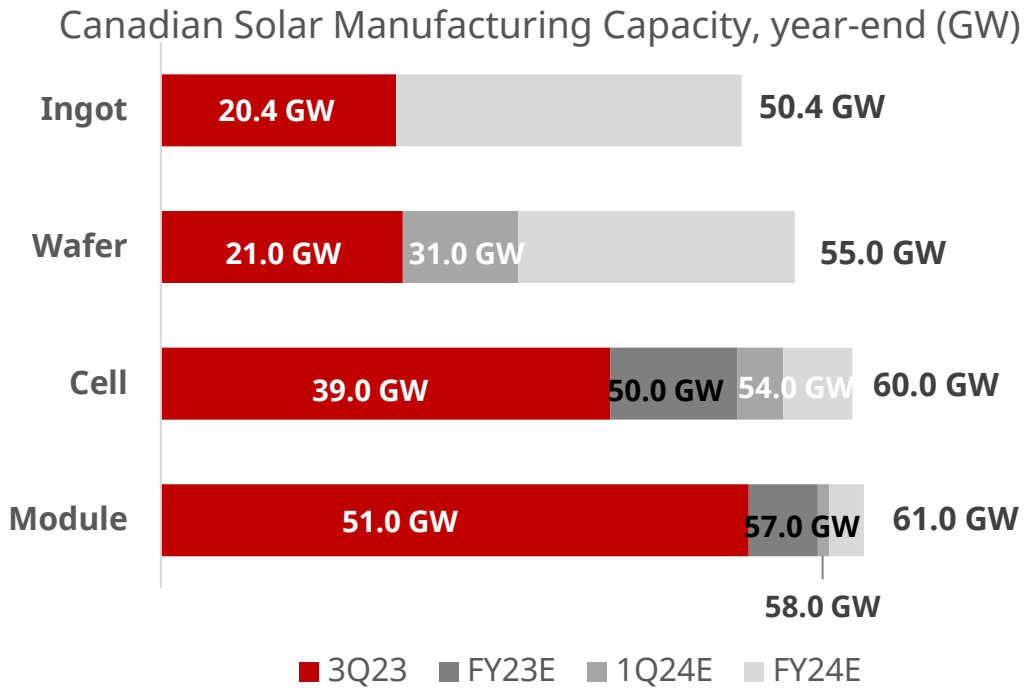
Robust and improving capacity structure to drive profitable growth

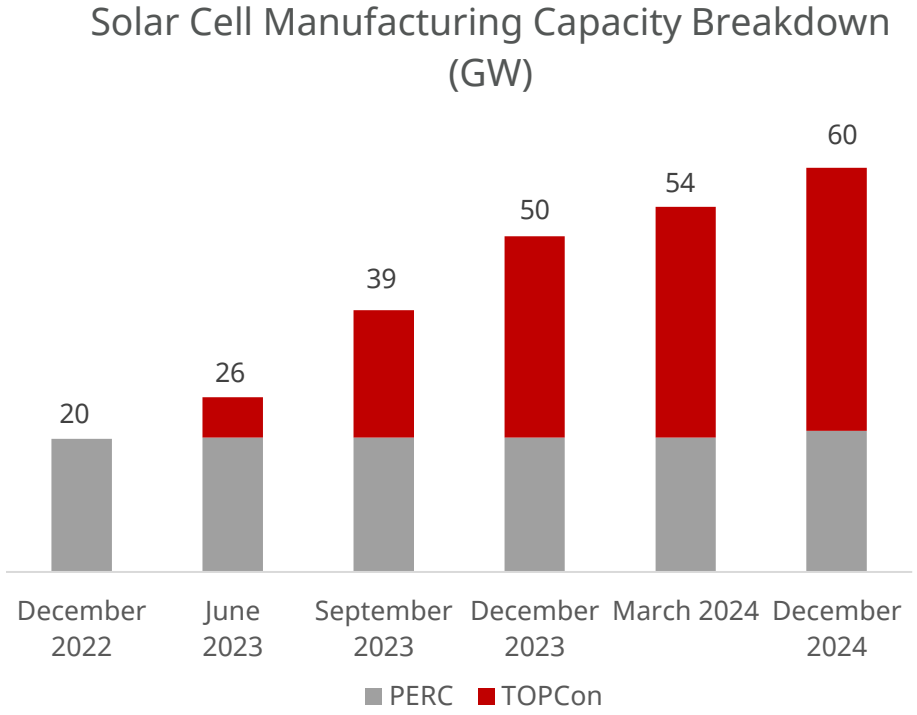
In the long term, with demand growth and supply consolidation, **CSI Solar's strategy** is to expand capacity and increase the level of vertical integration, in order to gain global market share, enhance pricing power, better control costs and improve profitability over the long run

In the near term, our capacity structure is being improved with higher level of vertical integration, taking into account technological advances and upstream supply chain dynamics

Expand capacity and increase vertical integration



N-type TOPCon cell accounts for half of total cell capacity



Source: IHS, BNEF, Wood Mackenzie.

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Large global solar project pipeline of 27 GWp across the world

TOTAL
27 GWp

Plants in Operation
0.8 GWp

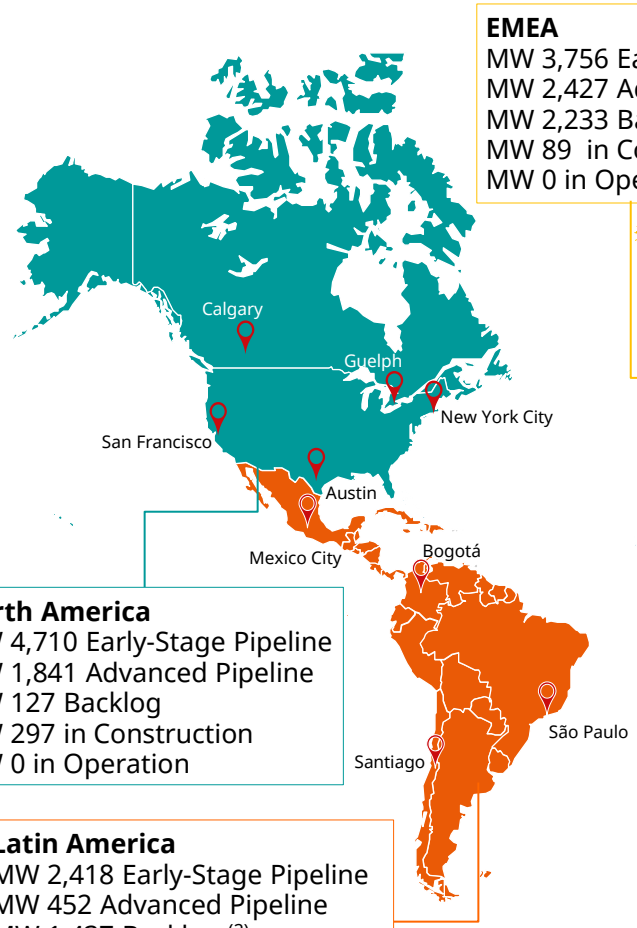
Plants in Construction
1.8 GWp

Backlog
6.0 GWp

Majority contracted

Advanced Pipeline
5.6 GWp

Early-Stage Pipeline
13.0 GWp

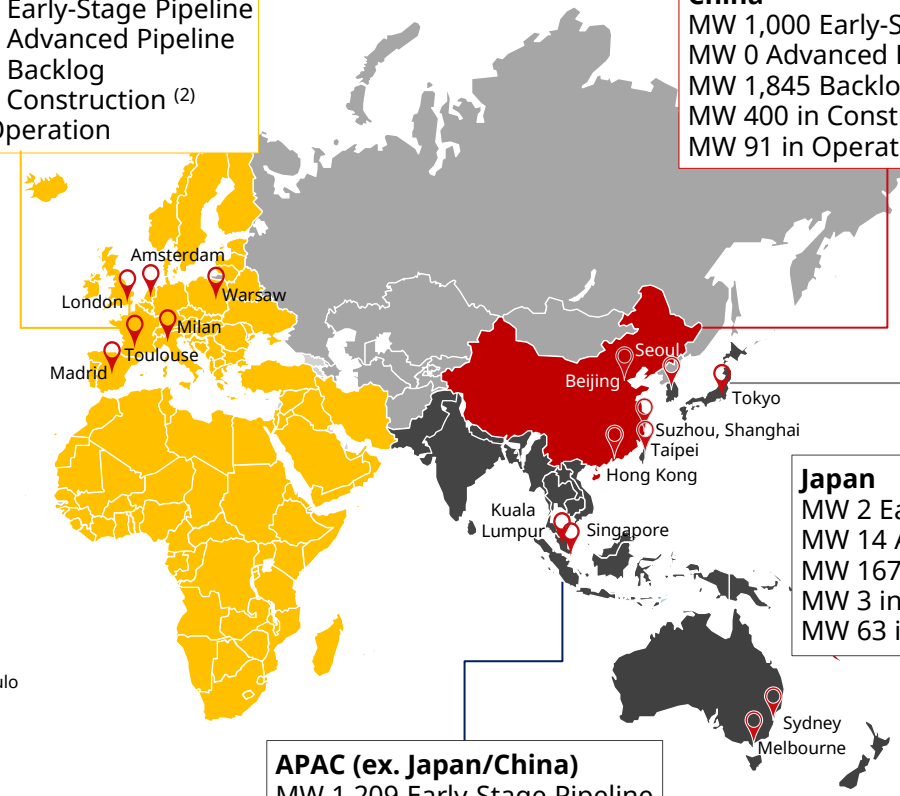


North America
MW 4,710 Early-Stage Pipeline
MW 1,841 Advanced Pipeline
MW 127 Backlog
MW 297 in Construction
MW 0 in Operation

Latin America
MW 2,418 Early-Stage Pipeline
MW 452 Advanced Pipeline
MW 1,437 Backlog (2)
MW 1,051 in Construction (2)
MW 684 in Operation

EMEA
MW 3,756 Early-Stage Pipeline
MW 2,427 Advanced Pipeline
MW 2,233 Backlog
MW 89 in Construction (2)
MW 0 in Operation

China (1)
MW 1,000 Early-Stage Pipeline
MW 0 Advanced Pipeline
MW 1,845 Backlog (2)
MW 400 in Construction
MW 91 in Operation



Japan
MW 2 Early-Stage Pipeline
MW 14 Advanced Pipeline
MW 167 Backlog
MW 3 in Construction
MW 63 in Operation

APAC (ex. Japan/China)
MW 1,209 Early-Stage Pipeline
MW 830 Advanced Pipeline
MW 187 Backlog
MW 0 in Construction
MW 9 in Operation

Recurrent Energy office locations

To unlock value in ~8.7 GWp(2) of contracted solar projects while continuing to grow our total pipeline

Total pipeline as of September 30, 2023. Definitions of backlog/advanced pipeline/early-stage pipeline consistent with industry practice – see next slide.
(1) China portfolio is part of Recurrent Energy.
(2) Gross project capacity includes aggregate project stakes of c.1.4 GWp not owned by CSIQ.

CanadianSolar
MAKE THE DIFFERENCE

Large diversified solar project pipeline across various stages of development

TOTAL
27 GWp

- Good balance of projects across regions and different stages of development
- Majority of 8.7 GWp of solar projects secured with power purchase agreements
- Projects are originated by regional teams, but Investment Committee has final say on projects, with strong risk management function

Plants in Operation
0.8 GWp

- Projects in operation and connected to the local grid, generating electricity revenues

Plants in Construction
1.8 GWp

- Projects in construction that have not yet reached commercial operation

Backlog
6.0 GWp

- Late-stage projects that have passed the Risk Cliff Date and are expected to be built in the next 1-4 years
- Risk Cliff Date is the date on which the project passes the last high-risk development milestone (varies by country)
- Most backlog projects will have received required environmental and regulatory approvals and entered into interconnection agreements. Significant majority of projects in backlog have contracted revenues

Advanced Pipeline
5.6 GWp

- Mid-stage projects that have secured or have more than 90% certainty of securing an interconnection agreement

Early-Stage Pipeline
13.0 GWp

- Early-stage projects controlled by Recurrent Energy that are in the process of securing interconnection.
- The Company may exit from earlier stage projects that do not show acceptable risk/return/cash flow profile

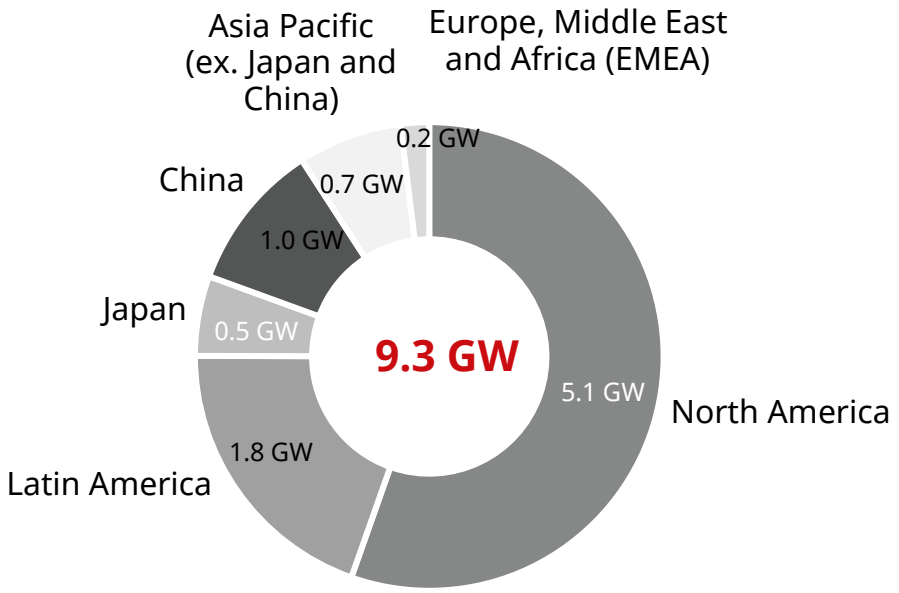
Total pipeline as of September 30, 2023. Definitions of backlog/pipeline consistent with industry practice.
(1) China portfolio is part of Recurrent Energy.
(2) Gross project capacity includes aggregate project stakes of c.1.4 GWp not owned by CSIQ.

CanadianSolar
MAKE THE DIFFERENCE

Strong track record and multiple drivers of competitive advantage

- **Interconnections on hand:** 13 GWp of solar and 12 GWh of storage
- **Vertically-integrated expertise**: across greenfield origination, development, financing, execution, operations and maintenance, and asset management
- **14 years' experience**: delivered over 9 GWp of solar and 3 GWh of battery storage power projects

Global Track Record
(developed & built)



CanadianSolar
MAKE THE DIFFERENCE

Leading presence in markets with strong fundamentals

Focus on low-risk, high growth markets

- **North America**: Positive legislations, including the Inflation Reduction Act in the U.S., to allow CSIQ to capture greater value from solar and storage assets; future potential to build local investment vehicle
- **Latin America**: Growth through both public auctions and private PPAs. Brazil – over 1.5 GW of projects in backlog, expected to reach COD this year and over the next few years; to feed into the FIP-IE vehicle. Projects under development in Chile, Mexico and Colombia
- **EMEA**: Expect significant growth driven by net zero carbon emissions targets; in Italy, established CSFS Fund 1, a closed-ended alternative investment fund, partnering with patient capital investors to retain ownership of projects over the longer term. Largest developer in Italy in terms of contracted volume.
- **Japan**: Strong fundamentals; transition from feed-in-tariff to auctions market
- **Asia Pacific ex. Japan and China**: Increase presence in markets such as South Korea and explore opportunities in markets such as Malaysia, Thailand and Vietnam

Majority of 8.7 GW of contracted projects secured by long-term PPAs

Average length of FIT/PPA contracts	
U.S.	12-20
Brazil	15-20
Europe	~ 10
Japan	~ 20
Southeast Asia	~ 20
Australia	10-20

CanadianSolar
MAKE THE DIFFERENCE

Unparalleled expertise in the solar development value chain across 20+ jurisdictions

Development

- Origination, site selection, M&A *(greenfield and brownfield opportunities)*
- Environmental studies
- System design
- Financial modelling
- Secure land and interconnection
- PPA negotiation / auction participation
- Energy storage integration

➔ Notice to Proceed (NTP)

Project exit at NTP:
- Smaller revenue, higher gross margin %
- Lower capital needs

Execution

- Financing and structuring of debt and equity
- EPC management:
  - Engineering
  - Procurement: Canadian Solar PV modules, centralized BOS
  - Construction management
- Testing and commissioning

➔ Commercial Operation Date (COD)

Project exit at COD:
- Larger revenue, lower gross margin %
- Higher capital needs

Operation+

- **Operations and maintenance (O&M):**
  - Maximize performance
  - Technical inspections and repairs
  - Real time remote monitoring
  - Performance reporting
- **Asset management**
- **Infrastructure fund / vehicles in Japan, Brazil, Europe for long term ownership**
- **Energy trading platform for operating assets**

Maximize project valuation, accelerate cash turn, minimize risk exposure, focus on capturing long term returns of solar and battery storage project assets

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CSIF: Japan's largest publicly listed solar infrastructure fund

Canadian Solar Infrastructure Fund
(TSE: 9284.T) 15% owned by CSIQ

Valuation (1)	¥ 75 bn (~$500 mn)
Market capitalization (2)	¥ 46 bn (~$310 mn)
No. of power plants	30
Capacity	225 MWp

Total sponsor portfolio
19 projects, **233** MWp

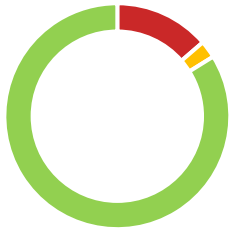
=

Operational and under construction
11 projects, 66 MWp

+

Under late-stage Development (backlog)
8 projects, 167 MWp

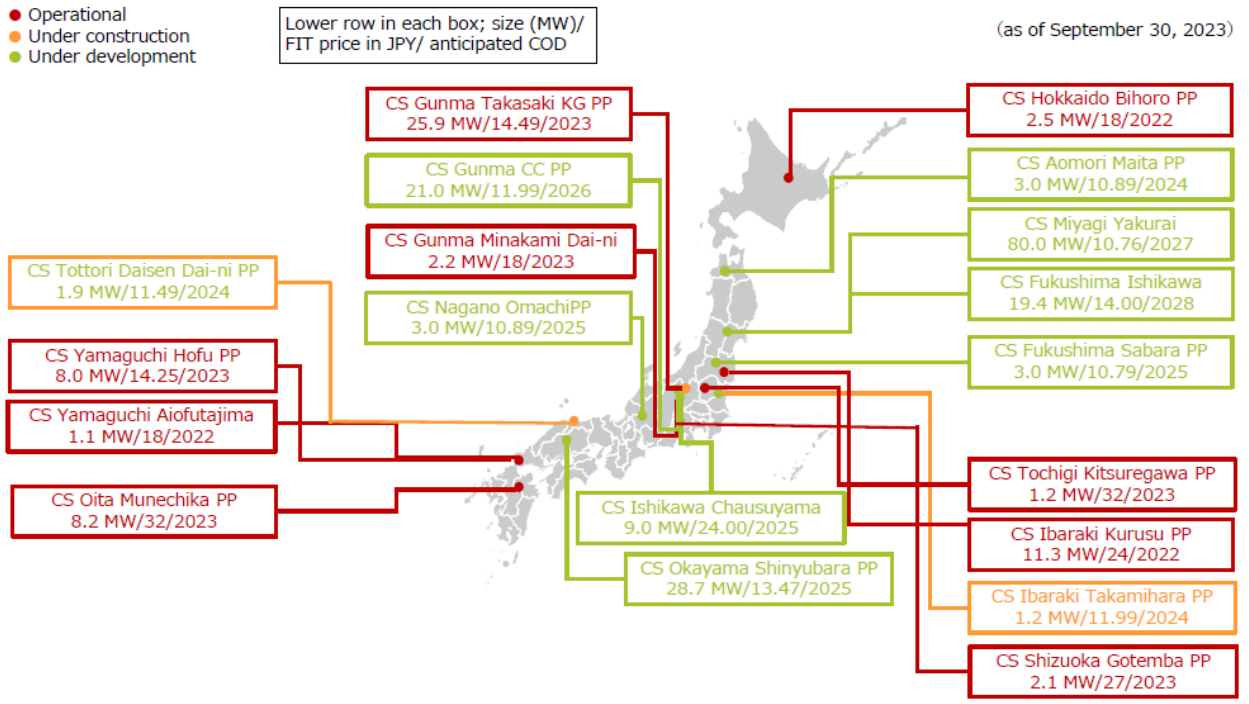
Sponsor portfolio FIT distribution (by MW)



■ ¥ 24-32 ■ ¥ 15-23 ■ < ¥ 15

Over 15% of portfolio contracted at USD >0.10/kWh FIT

Map of CSIF and sponsor (CSIQ) assets



(1) Median project valuation report amount, which is the estimated value calculated by Kroll, LLC at the end of June 2023
(2) As of November 24, 2023

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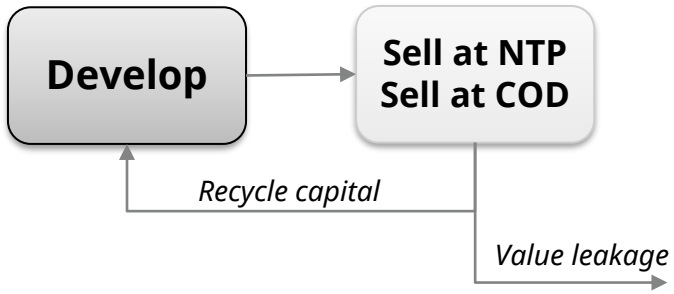
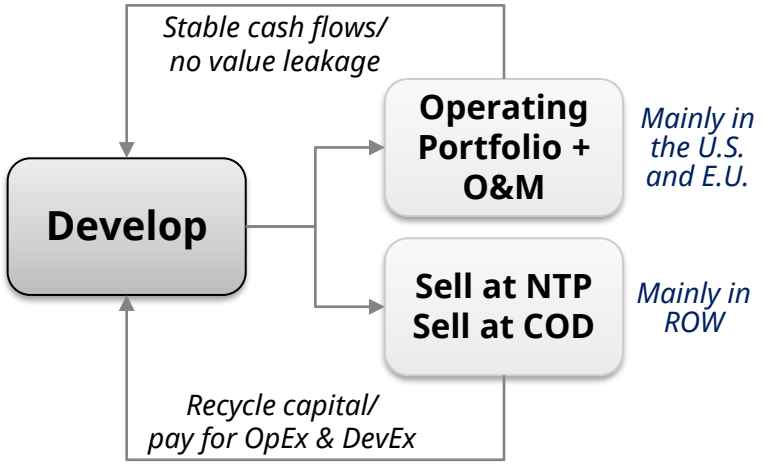
Greater value capture from the business model transition

Develop-to-Sell Model



Value leakage, continuous project churn

Hybrid Model



Long-term predictable cash flows in a diversified low-risk portfolio, combining develop-to-own and develop-to-sell

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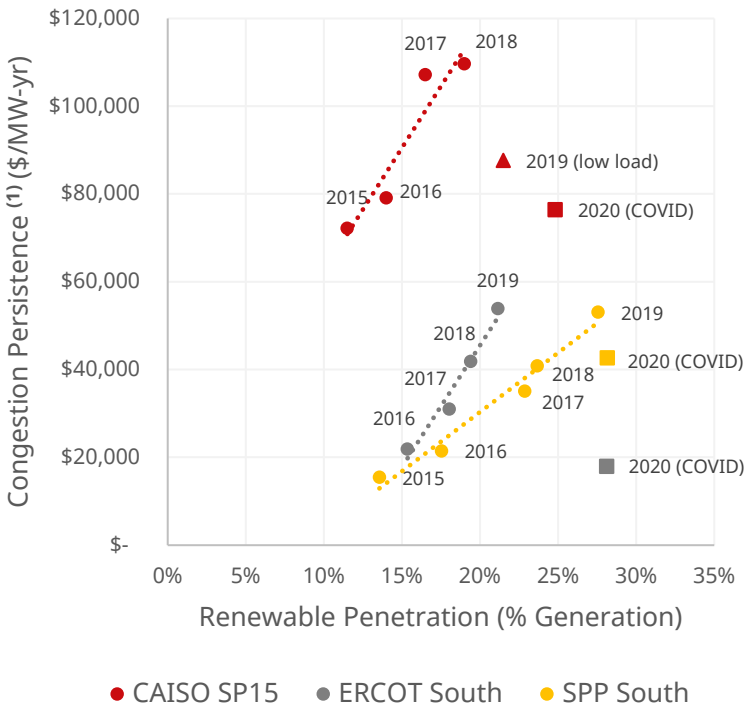
Increasing demand for energy storage with greater adoption of renewables

The value of battery storage is directly correlated with the penetration of renewable energy

Value of storage and renewable penetration across U.S. ISOs



Battery storage has unique advantages in providing grid services

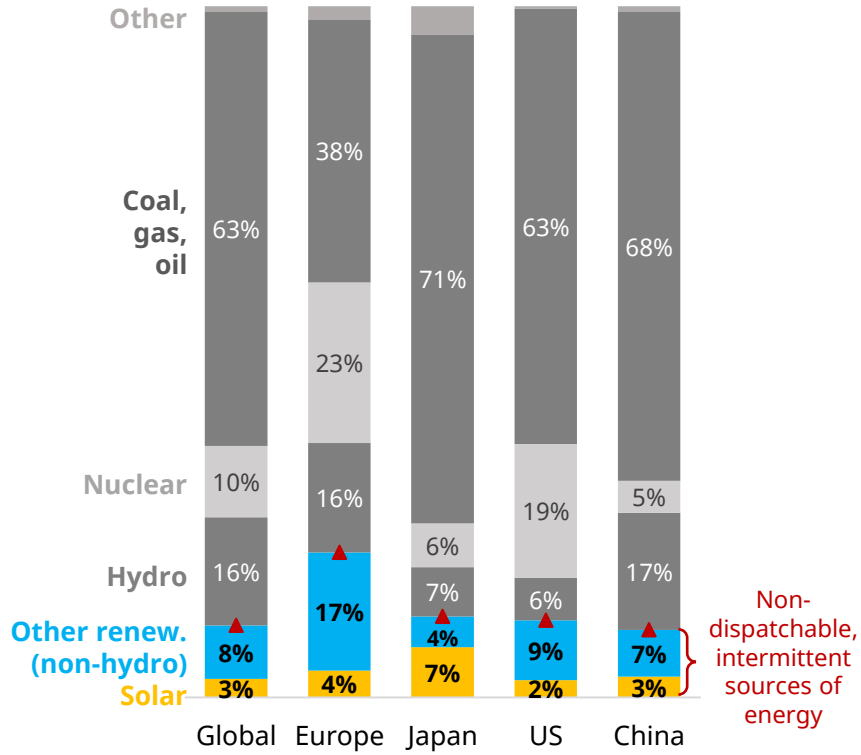
Increasing penetration of renewable energy lowers power costs and decarbonizes the power grid, but it **creates price volatility and affects grid stability: battery storage can mitigate the effect of renewable energy on the grid**

Advantages of battery storage:

- Modular, flexible size
- No startup costs, short ramp time
- Ability to charge and discharge
- Battery costs declining rapidly

The need for battery storage will only increase as renewable penetration continues to go up

Electricity mix %



Source: Ascend Analytics, BP.
(1) Congestion persistence = value of storage to real-time energy prices based on the frequency and magnitude of energy price spikes. The volatility correlates to the opportunity for storage to arbitrage in the energy market.

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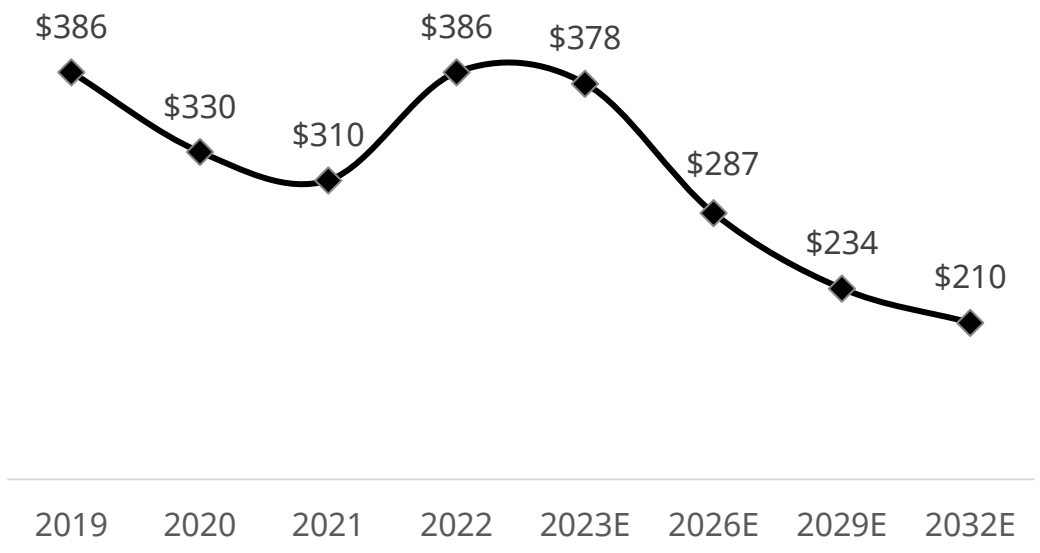
Energy storage entering exponential market growth phase

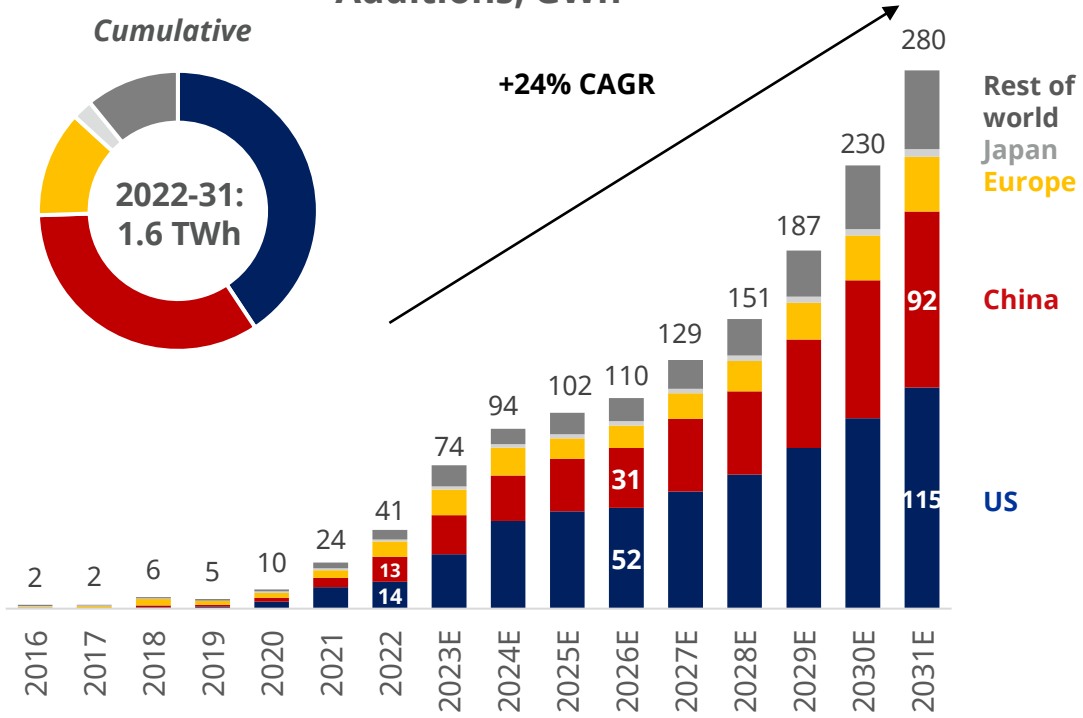
Expected cost reductions improving the economics of battery storage solutions

Capital cost for a fully-installed large 4h duration AC energy storage system, $/kW



The U.S. market to account for nearly half of the global storage market over the next decade

Energy Storage Annual Capacity Additions, GWh



Source: BNEF, Wood Mackenzie.

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Building a leadership position in battery storage

- **CSIQ to deliver 1.8-2.0 GWh battery storage products in 2023 and 6-6.5 GWh in 2024 (CSI Solar)**
- Diversified solar business model + global presence = competitive advantage in identifying early storage market opportunities
- Deep understanding of power grids and power markets to identify the markets/locations that maximize the value of storage

Battery Storage Solutions Integration (CSI Solar)

- Proprietary, integrated battery storage technological solutions
- Bankable fully-wrapped capacity and performance guarantees, supported by robust risk management strategies, financial modeling and warranty designs
- Long term operations & maintenance including battery capacity augmentation
- Total project turnkey pipeline of 43 GWh and 2.9 GWh of projects under long-term service agreements
- **Total contracted backlog of approx. $2.6 billion**

Battery Storage Project Development (Recurrent Energy)

- Signing storage tolling and other off-take agreements with a variety of power purchasers
- Permitting/interconnection
- Financial modeling
- Fully integrated with solar development

Storage development pipeline, MWh	In Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
	10	4,569	7,845	42,118	**54,542**

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Solid earnings performance

Total Debt and Cash Breakdown (in thousands of USD)

	4Q22	1Q23	2Q23	3Q23
Short-term borrowings	1,444	1,762	1,899	1,706
Financing liabilities – current	49	50	42	6
Finance leases liabilities – current	15	36	49	63
Long-term borrowings	813	863	1,013	1,072
Convertible bonds and greed bonds	258	258	260	382
Financing liabilities – non-current	-	-	-	17
Finance leases liabilities - non-current	14	30	37	81
Total debt	**2,593**	**2,999**	**3,300**	**3,327**
Cash and equivalents	981	848	2,011	1,921
Restricted cash:	988	1,227	1,239	1,072
Total cash (for EV calculation)	**981**	**848**	**2,011**	**1,921**
Net debt	**1,612**	**2,151**	**1,289**	**1,406**

EBITDA Calculation

	4Q22	1Q23	2Q23	3Q23	TTM
Total revenue	1,972	1,701	2,364	1,846	7,883
- COGS	-1,623	-1,383	-1,923	-1,538	-6,467
Gross profit	349	318	441	308	1,416
- Operating expenses	-213	-172	-217	-225	-827
Operating profit	**136**	**146**	**224**	**83**	**589**
-/+ Other expenses/income	-4	2	41	-20	19
+ Depreciation & amortization	50	68	73	76	267
EBITDA (non-GAAP)	**182**	**216**	**338**	**139**	**875**
Impairments	17	-	21	-	38
Adjusted EBITDA (non-GAAP)*	**199**	**216**	**359**	**139**	**913**

**EBITDA including impairments*

Market Capitalization $1,356 mn + **Total Debt $3,327 mn** − **Total Cash $1,921 mn** + **Non-Controlling Interests $1,127 mn** = **Enterprise Value $3,889 mn** → **EV/EBITDA TTM 4.4x/4.3x***

1. Prices as of November 22, 2023, market close.
2. All Canadian Solar financials are actual reported values. For a reconciliation of GAAP to non-GAAP results, see accompanying table "GAAP to Non-GAAP Reconciliation" on slide 38.
3. A previous version of this table included restricted cash to secure debt in the net debt calculation – the latest version excludes all restricted cash and is a stricter measure of leverage. Noncash items may be subject to revision.

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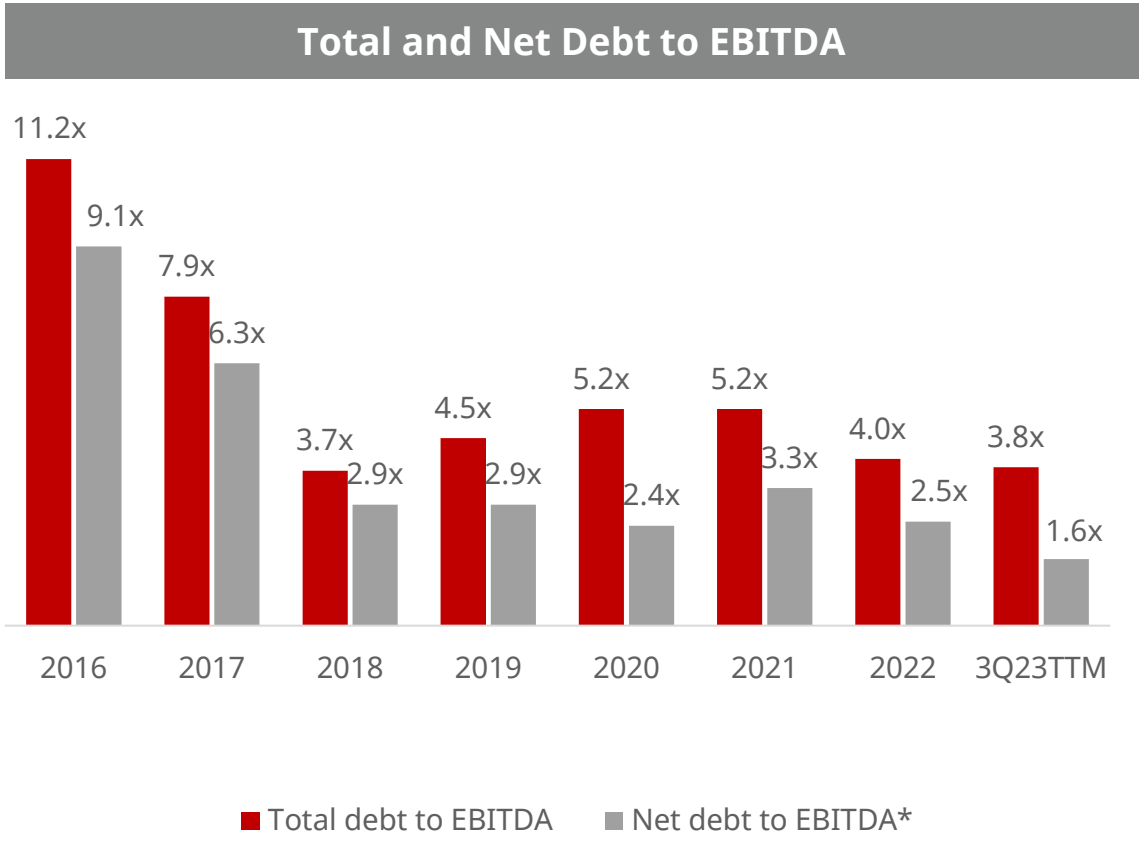
Strong balance sheet with low leverage



- Total and net debt to EBITDA at 3.8x and 1.6x respectively
- Excluding non-recourse debt, the ratios would be c.0.4x lower

Note: Net debt calculation nets out unrestricted cash only.

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Strategically-minded management team with excellent track record

	**Dr. Shawn Qu** Chairman Chief Executive Officer	❖ Founded Canadian Solar in 2001 with NASDAQ IPO in 2006 ❖ Director & VP at Photowatt International S.A. ❖ Research scientist at Ontario Hydro (Ontario Power Generation)
	**Yan Zhuang** President CSI Solar Co., Ltd.	❖ Head of Asia of Hands-on Mobile, Inc. ❖ Asia Pacific regional director of marketing planning and consumer insight at Motorola Inc.
	**Dr. Huifeng Chang** Senior VP Chief Financial Officer	❖ Co-Head of Sales & Trading at CICC US in New York ❖ CEO of CSOP Asset Management in Hong Kong ❖ Vice President of Citigroup Equity Proprietary Investment in New York
	**Ismael Guerrero** Corporate VP President of Energy Group	❖ President, Head of Origination and COO at TerraForm Global ❖ Vice President of Global Projects at Canadian Solar ❖ Director of Operations for Asia at the Global Sustainable Fund
	**Guangchun Zhang** Senior VP CSI Solar Co., Ltd.	❖ Vice President for R&D and Industrialization of Manufacturing Technology at Suntech Power Holdings ❖ Centre for Photovoltaic Engineering at the University of New South Wales and Pacific Solar Pty. Limited
	**Hanbing Zhang** Chief Sustainability Officer CSI Solar Co., Ltd.	❖ Global Head of Marketing at Canadian Solar ❖ Founder and President of Women in Solar Energy, an industry association to promote the participation and career development of women in the solar industry

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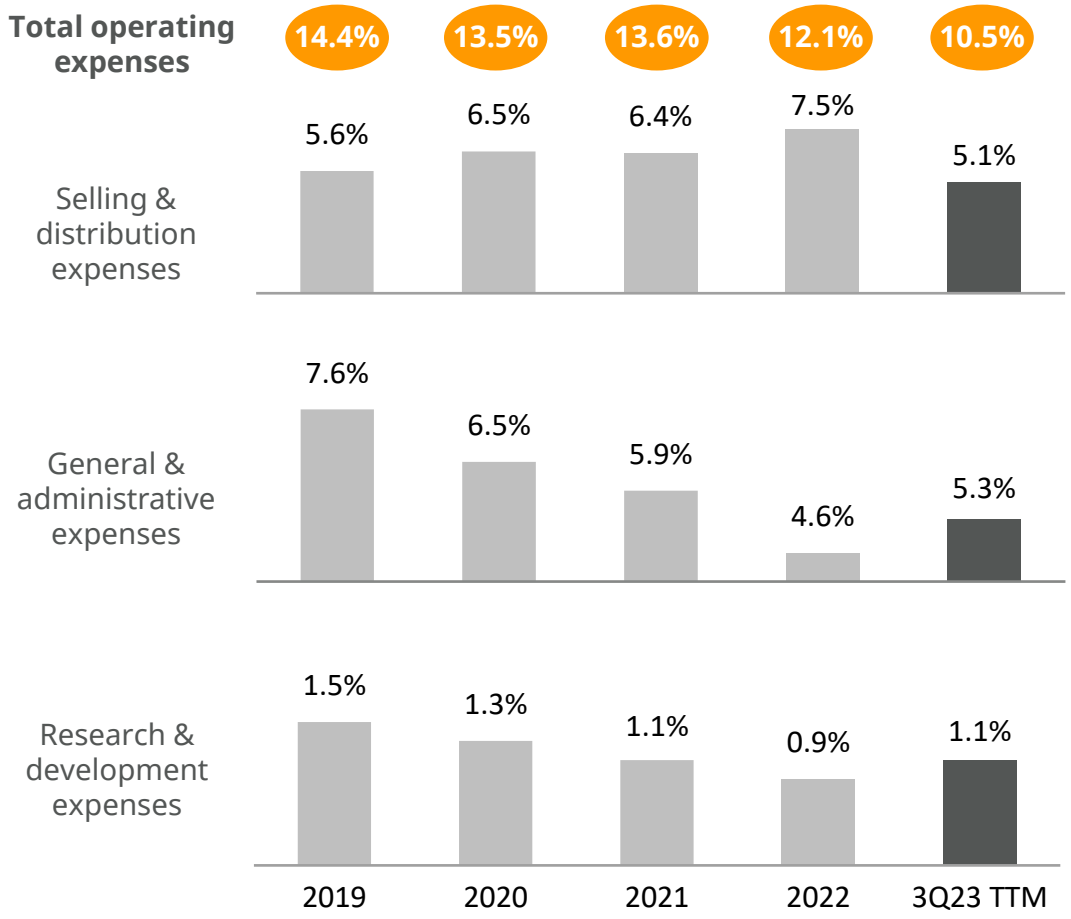
FINANCIALS

Disciplined management of opex, working capital and capex

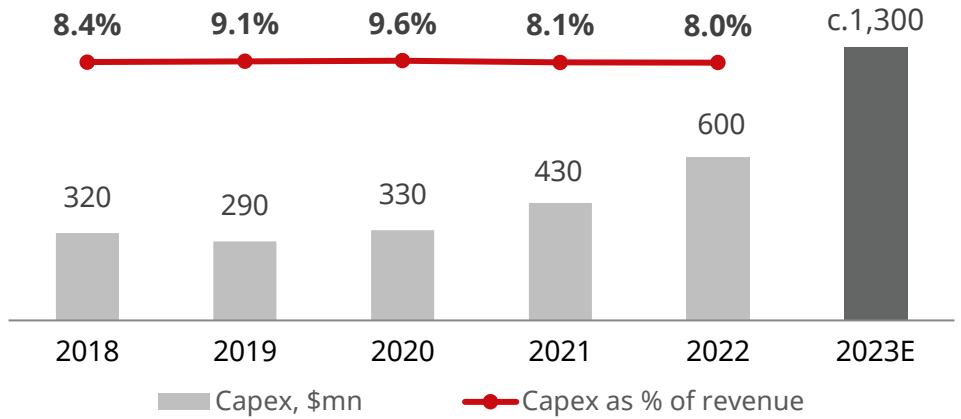
Operating Expenses as % of Revenue



Working Capital Days (1)

Days	2021	2022	4Q22	1Q23	2Q23	3Q23
Inventory turnover	89	81	87	105	76	90
Accounts receivable turnover	46	44	48	58	48	62
Accounts payable turnover	123	108	127	154	115	147
Cash conversion cycle	**12**	**17**	**8**	**9**	**9**	**5**

Capital Expenditures(2)



1) Inventory turnover days calculated as average gross inventory (adding back provisions) divided by cost of revenues x365
Account receivables days calculated as average gross accounts receivable (adding back bad debt allowance) divided by total revenues x365.
Accounts payable days calculated as average accounts and short-term notes payable divided by purchases x365.
2) Capex for PP&E only (does not include capex related to project development).

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Consolidated income statement

USD millions except per share data	2020	2021	2022	yoy	3Q22	4Q22	1Q23	2Q23	3Q23	qoq	yoy
Net Revenue	**3,476**	**5,277**	**7,469**	**42%**	**1,932**	**1,972**	**1,701**	**2,364**	**1,846**	**-22%**	**-4%**
Cost of revenues	-2,787	-4,368	-6,206	42%	-1,569	-1,623	-1,383	-1,923	-1,538	-20%	-2%
Gross profit	**690**	**909**	**1,263**	**39%**	**363**	**349**	**318**	**441**	**308**	**-30%**	**-15%**
Selling and distribution expenses	-224	-399	-559	40%	-166	-126	-88	-88	-100	14%	-40%
General and administrative expenses	-226	-309	-342	11%	-102	-89	-79	-139	-114	-18%	12%
Research and development expenses	-45	-58	-70	20%	-18	-21	-17	-23	-29	25%	62%
Other operating income, net	26	47	64		12	23	12	34	18		
Total operating expenses, net	**-469**	**-719**	**-907**	**26%**	**-274**	**-213**	**-172**	**-216**	**-225**	**4%**	**-18%**
Income from operations	**220**	**190**	**356**	**-87%**	**89**	**136**	**146**	**224**	**83**	**-63%**	**-6%**
Net interest (expense) income	-63	-47	-33		4	-11	-12	-21	-11		
Gain (loss) on change in fair value of derivatives	50	24	-44		12	-27	8	-24	-4		
Foreign exchange gain (loss)	-65	-47	78		27	12	-21	58	-13		
Investment income (loss)	-9	19	0		-3	2	8	2	2		
Income tax benefit (expense)	2	-36	-73		-29	-22	-29	-46	10		
Equity in earnings of affiliates	11	7	15		2	9	7	5	-5		
Net income	**147**	**110**	**299**		**102**	**99**	**107**	**198**	**62**		
Less: net income attributable to non-controlling interests	**0**	**15**	**59**		**24**	**21**	**23**	**28**	**40**		
Net income attributable to Canadian Solar Inc.	**147**	**95**	**240**	**152%**	**78**	**78**	**84**	**170**	**22**	**-87%**	**-72%**
Earnings per share – basic	2.46	1.55	3.73		1.22	1.21	1.30	2.62	0.33		
Earnings per share – diluted	**2.38**	**1.46[1]**	**3.44[3]**	**136%**	**1.12[2]**	**1.11[2]**	**1.19[2]**	**2.39[2]**	**0.32[2]**	**-87%**	**-71%**

1)We increased our issued share base by 3.6 million shares for the full year 2021 with our ATM offering program. For the twelve months ended December 31, 2021, diluted EPS of $1.46 was calculated from total earnings of $101 million, including 2.5% coupon of $5.3 million, divided by 68.9 million diluted shares outstanding, including 6.3 million shares issuable upon the conversion of the convertible notes.
2) Diluted EPS includes the dilutive effect of convertible bonds. $1.12/share is calculated from total earnings of $80M (including 2.5% coupon of $1.3M) divided by diluted shares 71.4 million shares (including 6.3 million shares issuable upon the conversion of convertible notes). $1.11/share is calculated from total earnings of $79M (including 2.5% coupon of $1.3M) divided by diluted shares 71.3 million shares (including 6.3 million shares issuable upon the conversion of convertible notes). $1.19/share is calculated from total earnings of $85M (including 2.5% coupon of $1.3M) divided by diluted shares 71.4 million shares (including 6.3 million shares issuable upon the conversion of convertible notes). $2.39/share is calculated from total earnings of $171M (including 2.5% coupon of $1.3M) divided by diluted shares 71.7 million shares (including 6.3 million shares issuable upon the conversion of convertible notes). $0.32/share is calculated from total earnings of $23M (including 2.5% coupon of $1.3M) divided by diluted shares 72.9 million shares (including 6.3 million shares issuable upon the conversion of convertible notes).
3) Diluted EPS includes the dilutive effect of convertible bonds. $3.44/share is calculated from total earnings of $245M (including 2.5% coupon of $5.2M) divided by diluted shares 71.2 million shares (including 6.3 million shares issuable upon the conversion of convertible notes).

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Summary balance sheet

USD millions	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Cash and cash equivalents	1,179	981	814	868	870	845	1,054	1,083	981	848	2,011	1,921
Restricted cash - current	458	539	494	487	561	845	888	865	978	1,208	1,234	1,065
Accounts receivable	409	396	625	742	652	728	833	956	971	991	1,267	1,015
Inventories	696	934	1,130	1,213	1,192	1,629	1,622	1,604	1,524	1,672	1,532	1,432
Project assets – current	748	756	563	661	594	683	329	332	386	396	340	326
Other current assets	696	802	736	986	903	964	1,007	913	805	932	933	872
Total current assets	**4,186**	**4,408**	**4,362**	**4,957**	**4,772**	**5,694**	**5,733**	**5,753**	**5,645**	**6,047**	**7,317**	**6,631**
Restricted cash - non-current	3	3	3	2	4	4	6	7	10	20	5	7
Property, plant and equipment	1,158	1,265	1,398	1,367	1,402	1,382	1,354	1,517	1,827	1,986	2,000	2,569
Net intangible assets	22	21	20	19	19	18	16	15	18	15	14	14
Project assets - non-current	390	327	390	423	433	526	498	579	439	468	347	420
Solar power systems	158	155	160	109	108	108	104	101	365	472	613	687
Investments in affiliates	78	74	63	83	99	99	105	107	116	136	159	178
Other non-current assets	542	586	629	522	551	542	564	582	617	685	744	894
Total non-current assets	**2,351**	**2,431**	**2,663**	**2,525**	**2,616**	**2,679**	**2,647**	**2,908**	**3,392**	**3,782**	**3,882**	**4,769**
TOTAL ASSETS	**6,537**	**6,839**	**7,025**	**7,482**	**7,388**	**8,373**	**8,380**	**8,661**	**9,037**	**9,829**	**11,199**	**11,400**
Short-term borrowings	1,401	1,481	1,358	1,380	1,593	1,607	1,522	1,428	1,444	1,762	1,899	1,706
Accounts and notes payable	1,225	1,395	1,579	1,617	1,384	2,130	2,269	2,272	2,299	2,418	2,474	2,188
Other payables	509	588	658	704	668	669	650	765	853	864	798	916
Other current liabilities	453	410	274	477	393	355	343	465	619	771	832	903
Total current liabilities	**3,588**	**3,874**	**3,869**	**4,178**	**4,038**	**4,761**	**4,784**	**4,930**	**5,215**	**5,815**	**6,003**	**5,713**
Long-term borrowings	446	467	531	579	524	753	780	942	813	863	1,014	1,071
Convertible bonds and green bonds	223	224	224	224	258	258	257	256	258	258	260	382
Other non-current liabilities	387	400	437	467	442	456	448	417	444	459	481	613
Total non-current liabilities	**1,056**	**1,091**	**1,192**	**1,270**	**1,224**	**1,467**	**1,485**	**1,615**	**1,515**	**1,580**	**1,755**	**2,066**
TOTAL LIABILITIES	**4,644**	**4,965**	**5,061**	**5,448**	**5,262**	**6,228**	**6,269**	**6,545**	**6,730**	**7,395**	**7,758**	**7,779**
Common shares	687	687	745	793	836	836	836	836	836	836	836	836
Retained earnings	940	963	974	1,010	1,036	1,045	1,119	1,197	1,276	1,359	1,529	1,551
Other equity	-56	-80	-68	-90	-71	-63	-166	-249	-170	-147	82	107
Total Canadian Solar Inc. shareholders' equity	**1,571**	**1,570**	**1,651**	**1,713**	**1,801**	**1,818**	**1,789**	**1,785**	**1,942**	**2,048**	**2,447**	**2,494**
Non-controlling interests	322	304	313	321	325	327	322	331	365	386	994	1,127
TOTAL EQUITY	**1,893**	**1,874**	**1,964**	**2,034**	**2,126**	**2,145**	**2,111**	**2,116**	**2,307**	**2,434**	**3,441**	**3,621**

GAAP to non-GAAP reconciliation

In USD millions	FY21	FY22	2Q23	3Q23
GAAP net income	**110**	**299**	**198**	**62**
Add back:				
Income tax expense (benefit)	36	74	46	(10)
Net interest expense	47	33	21	11
Non-GAAP EBIT	**193**	**406**	**265**	**63**
Add back:				
Depreciation & amortization	283	235	73	76
Non-GAAP EBITDA	**476**	**641**	**338**	**139**
Add back:				
Impairments	23	62	21	-
Non-GAAP adjusted EBITDA	**499**	**703**	**359**	**139**

- To supplement financial disclosures presented in accordance with GAAP, the Company uses non-GAAP measures which are adjusted from the most comparable GAAP measures for certain items as described herein.
- The Company presents non-GAAP values for EBITDA so that readers can better understand the underlying operating performance of the business, excluding the effect of non-cash costs such as depreciation, amortization and impairments.
- The non-GAAP numbers are not measures of financial performance under U.S. GAAP, and should not be considered in isolation or as an alternative to other measures determined in accordance with GAAP. These non-GAAP measures may differ from non-GAAP measures used by other companies, and therefore their comparability may be limited.


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