

# Investor Presentation

August 2023

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# Q2 2023 UPDATES

# Quarterly income statement highlights

<i>USD millions except per share data</i>	2Q22	3Q22	4Q22	1Q23	2Q23	qoq	yoy
<b>Net revenues</b>	<b>2,314</b>	<b>1,932</b>	<b>1,972</b>	<b>1,701</b>	<b>2,364</b>	<b>+39%</b>	<b>+2%</b>
-CSI Solar	1,816	1,973	1,976	1,709	2,014	+18%	+11%
-Recurrent Energy	554	101	74	20	360	+1,696%	-35%
-Elimination	(56)	(142)	(78)	(28)	(10)		
<b>Gross margin</b>	<b>16.0%</b>	<b>18.8%</b>	<b>17.7%</b>	<b>18.7%</b>	<b>18.6%</b>	<b>-10 bp</b>	<b>+260 bp</b>
-CSI Solar margin	15.9%	17.3%	17.4%	18.5%	14.3%	-420 bp	+160 bp
-Recurrent Energy margin	14.4%	47.1%	21.7%	36.0%	43.9%		
Selling and distribution expenses	158	166	126	88	88	-1%	-45%
General and admin expenses	88	102	89	79	139	+77%	+59%
R&D expenses	18	18	21	17	23	+34%	+28%
Other operating income	(9)	(12)	(23)	(12)	(34)		
<b>Total operating expenses</b>	<b>255</b>	<b>274</b>	<b>213</b>	<b>172</b>	<b>216</b>	<b>+26%</b>	<b>-15%</b>
<b>Operating income</b>	<b>116</b>	<b>89</b>	<b>136</b>	<b>146</b>	<b>224</b>	<b>+54%</b>	<b>+93%</b>
Net interest income or (expense)	(15)	4	(11)	(12)	(21)		
Net FX gain or (loss)	6	39	(15)	(13)	34		
Income tax expense	(28)	(29)	(22)	(29)	(46)		
<b>Net income</b>	<b>89</b>	<b>102</b>	<b>99</b>	<b>107</b>	<b>198</b>	<b>+85%</b>	<b>+123%</b>
<b>Net income attributable to Canadian Solar Inc.</b>	<b>74</b>	<b>78</b>	<b>78</b>	<b>84</b>	<b>170</b>	<b>+103%</b>	<b>+128%</b>
<b>Diluted EPS</b>	<b>1.07</b>	<b>1.12</b>	<b>1.11</b>	<b>1.19</b>	<b>2.39*</b>	<b>+101%</b>	<b>+123%</b>

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. \$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).

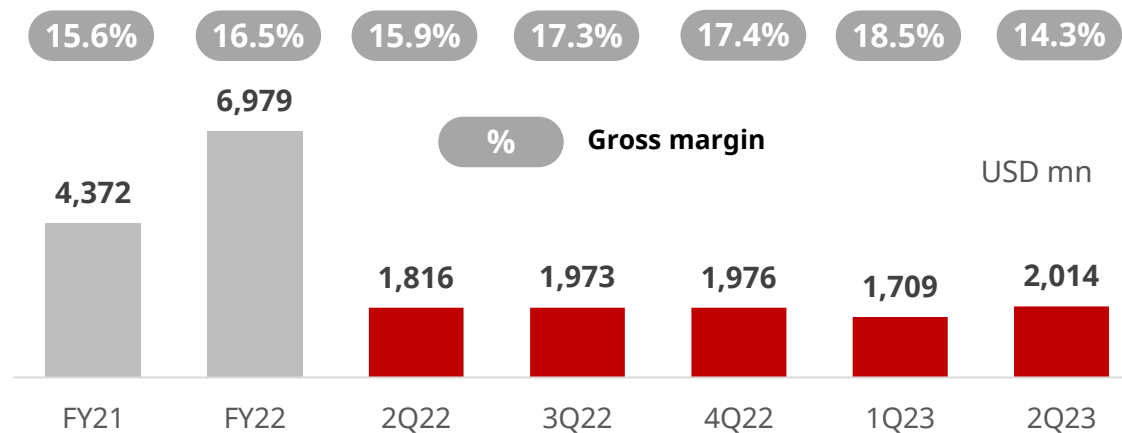
# Results summary by divisions

USD millions except shipment data <sup>(1)</sup>		2Q23	yoy	qoq	FY22	yoy
	Total module shipments (GW)	8.2	62%	35%	21.1	45%
CSI Solar	Revenues	2,014	11%	18%	6,976	60%
	Gross profit	288	-1%	-9%	1,151	69%
	Income from operations	119	91%	-30%	344	364%
Recurrent Energy	Revenues	360	-35%	1,696%	822	-27%
	Gross profit	158	98%	2,093%	161	-17%
	Income from operations	122	119%	904%	80	-17%

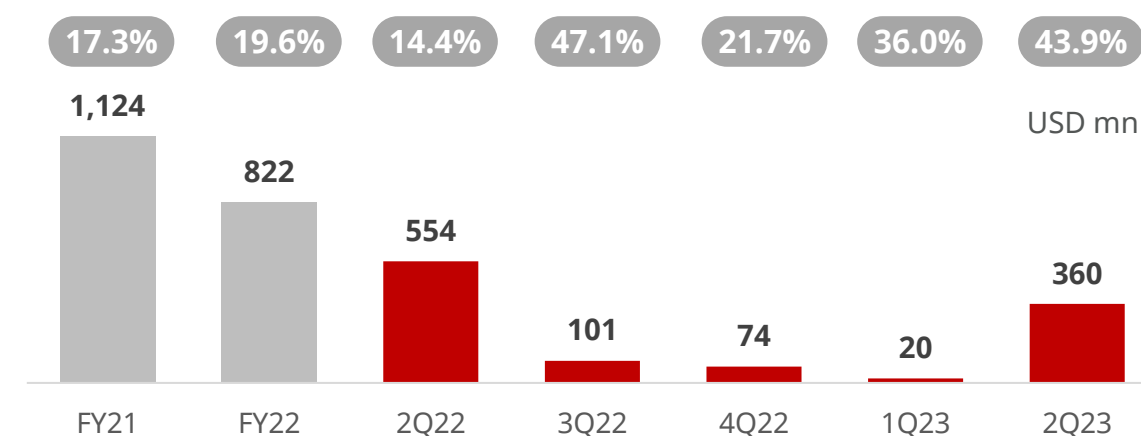
## HIGHLIGHTS

- ☀️ Q2 2023 solar module shipments up 62% yoy to 8.2 GW; total revenue up 2% yoy to \$2.4 billion with a quarterly record high net income of \$170 million or \$2.39 per diluted share.
- ☀️ CSI Solar Q2 2023 revenue up 11% yoy to \$2.0 billion and operating income up 91% yoy to \$119 million. Battery storage contracted revenue reached over \$2.1 billion as of June 30, 2023.
- ☀️ Recurrent Energy Q2 2023 operating income up 119% yoy to \$122 million. As of June 30, 2023, Recurrent Energy had a total solar development pipeline of 25 GW and battery storage development pipeline of 52 GWh.

### CSI Solar Revenue <sup>(1)</sup>



### 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.

## Guidance as of August 22, 2023

	Q2 2023 Actual	Q3 2023 Guidance	FY2022 Actual	FY2023 Guidance	2022-23E yoy Δ%
<b>Solar Module Shipments</b>	8.2 GW	8.5 – 8.7 GW	21.1 GW	30 – 35 GW	c. +55%
<b>Utility Scale Storage Shipments*</b>	51 MWh	n/a	1.8 GWh	1.8 – 2.0 GWh	c. +5%
<b>Revenue</b>	\$2.4 bn	\$1.9 bn – \$2.1 bn	\$7.5 bn	\$8.5 bn – \$9.0 bn	c. +17%
<b>Gross Margin</b>	18.6%	17.5% – 19.5%	16.9%	n/a	n/a

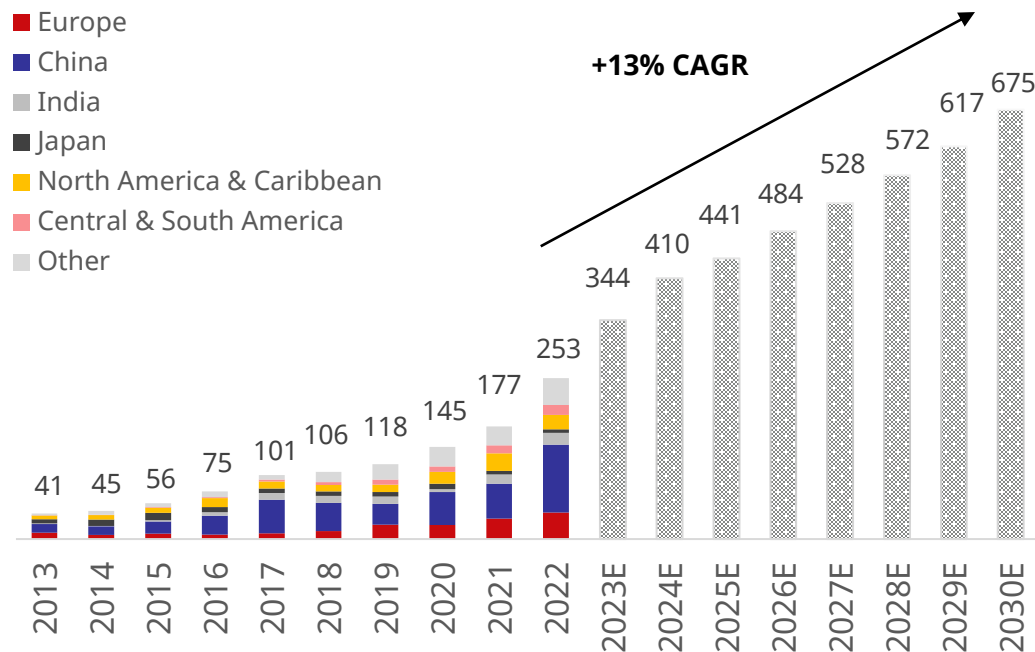
- ☀️ Q3 margin guidance implies improvement in CSI Solar margin, offset by lower contribution from Recurrent Energy
- ☀️ Margins expected to rebalance through the year as CSI Solar limits the production of non-vertically integrated solar module shipments

\*Storage shipments in DC nominal volume.

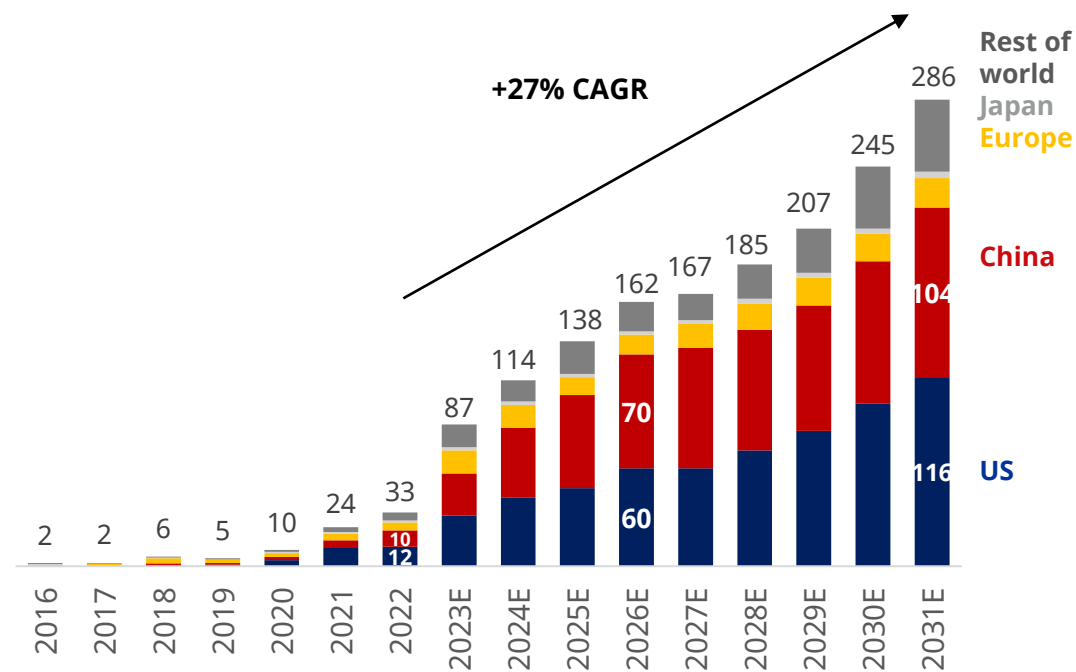
# Strong long term growth outlook for both solar and battery storage

- ☀️ 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 reaching over 260 GWh in 2024 and to reach 1.2 TWh by 2030
- ☀️ Long term growth driven by competitive economics and ESG/decarbonization efforts

Global Solar PV Annual Installations, GW



Energy Storage Annual Capacity Additions, GWh



# Canadian Solar published its latest ESG Sustainability Report



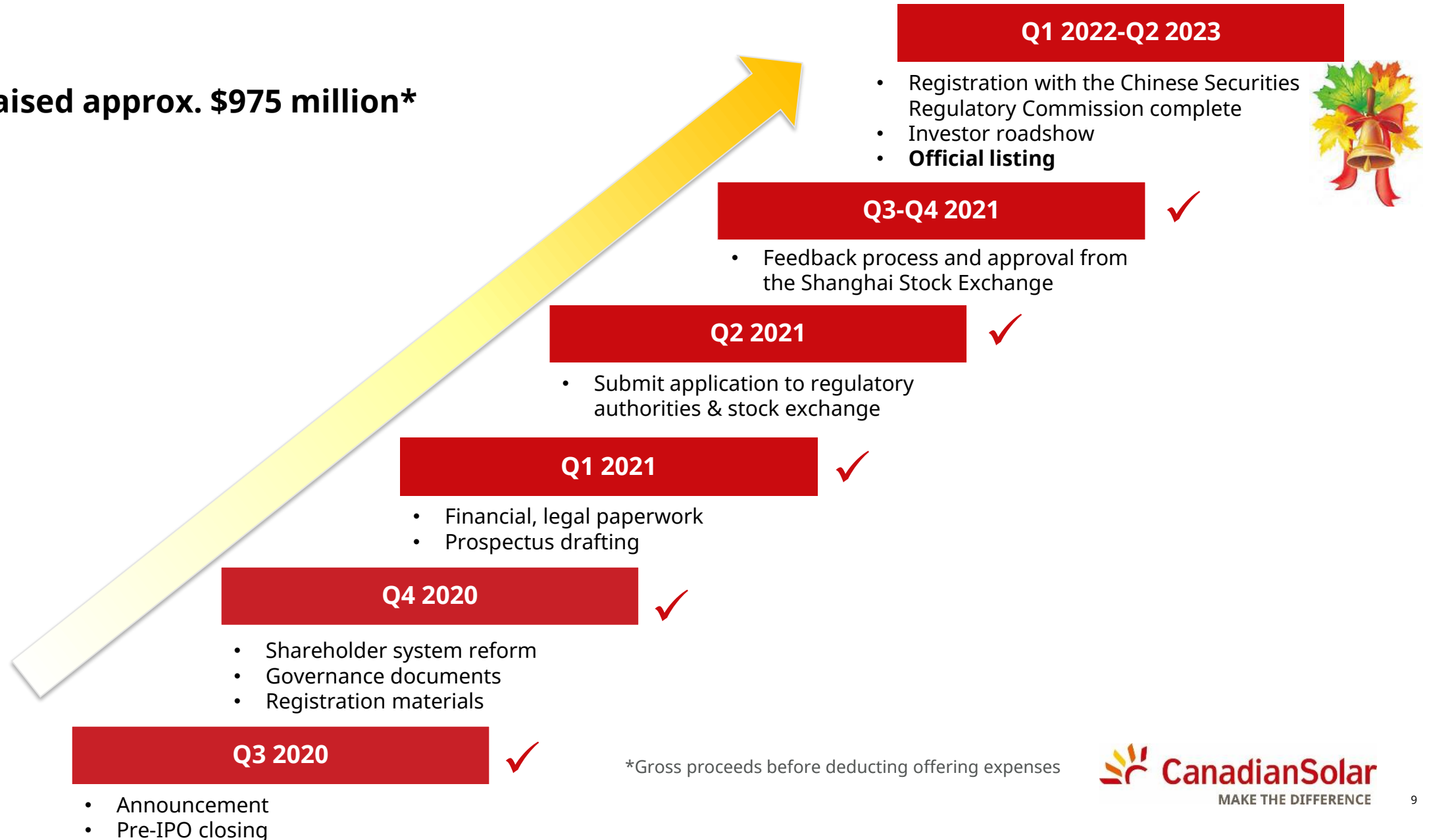
- Expanded commitment to international ESG initiatives
- Continue to reduce environmental impact and helping customers achieve their clean energy goals
- Expanding our ethical business practices, including in our operations and suppliers, diversity and inclusion, community engagement, protecting biodiversity, etc.





# CSI Solar subsidiary IPO completed on June 9, 2023 – ticker 688472

Equity raised approx. \$975 million\*



\*Gross proceeds before deducting offering expenses



# A COMPELLING INVESTMENT OPPORTUNITY

# Canadian Solar at a glance

## OUR MISSION

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

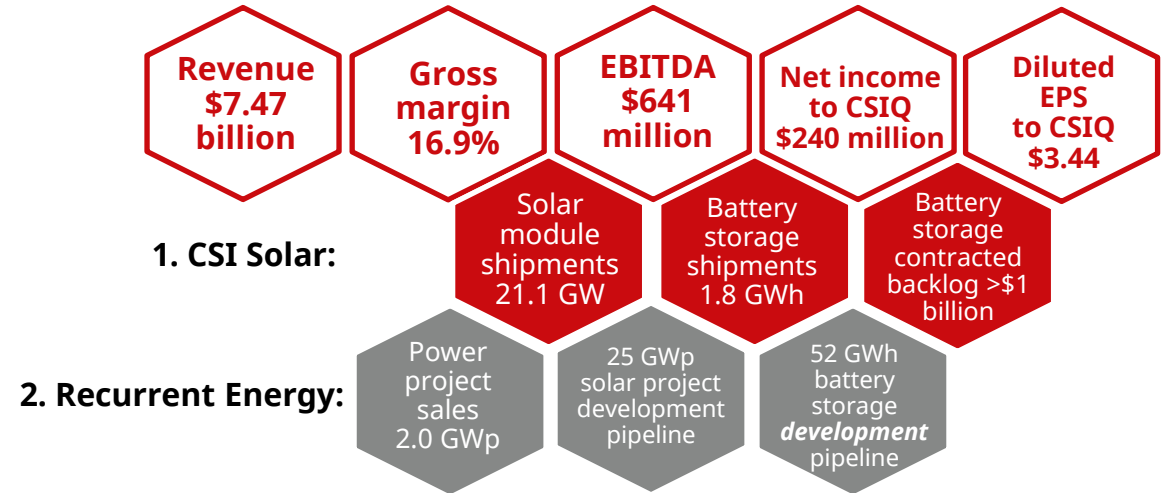
## OUR ORIGINS

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

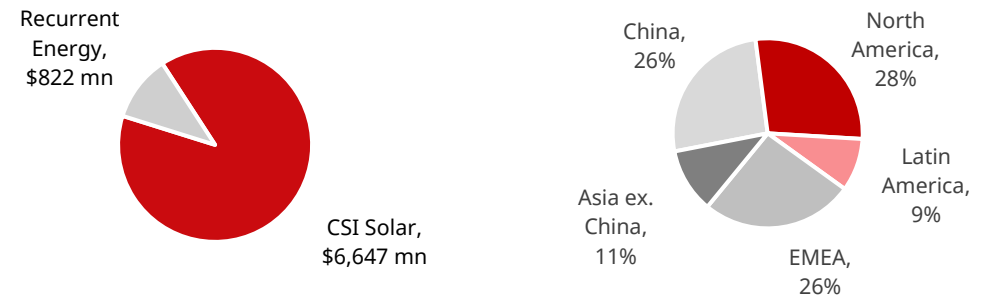
## OUR PERFORMANCE

- 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



# Diversified and integrated business model

1

## Manufacturing: CSI Solar



- ☛ Top tier solar module brand: cumulative shipments of 102 GW. Delivered 8.2 GW in Q2 of 2023, expect 30-35 GW in 2023
- ☛ 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 2.7 GWh in battery storage shipments cumulatively, expect 1.8-2.0 GWh in 2023; \$2.1 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
- ☛ 25 GW of total solar project pipeline, of which 14 GW have interconnections
- ☛ 52 GWh of total battery storage pipeline, of which 12 GWh have interconnections

# Why invest in Canadian Solar



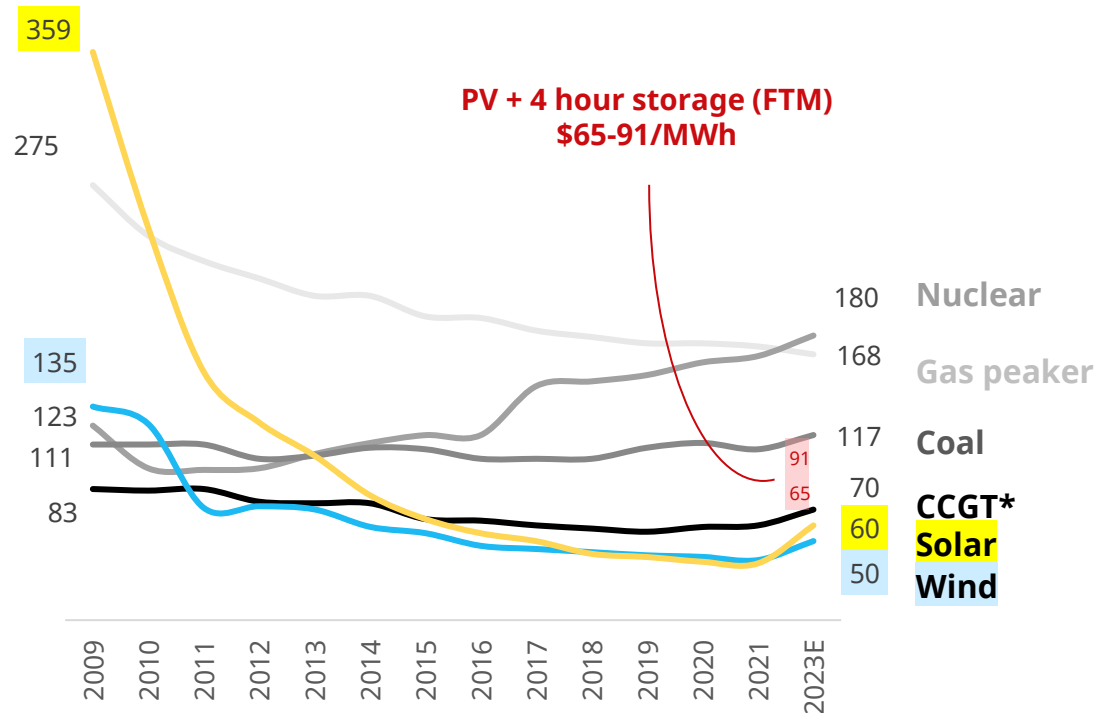
*Led by a strategically-minded and prudent management team with excellent track record*

- 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

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%).

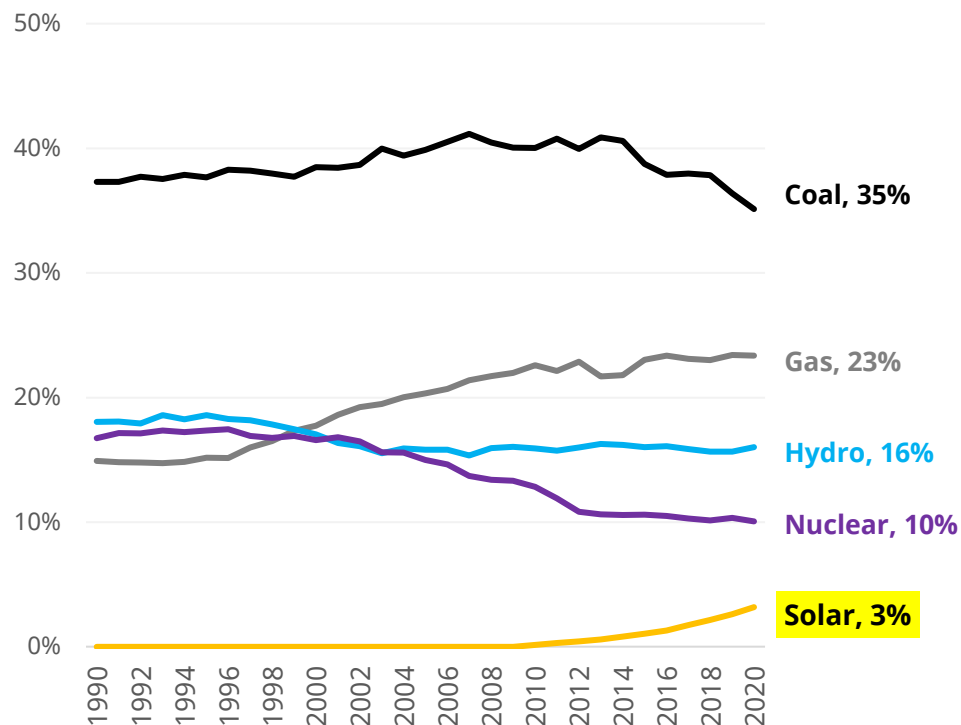
Corporations are also demanding more clean energy to decarbonize their operations

- 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.

# Massive growth potential as solar remains underpenetrated

Despite rapid growth, solar penetration remains at just 3%

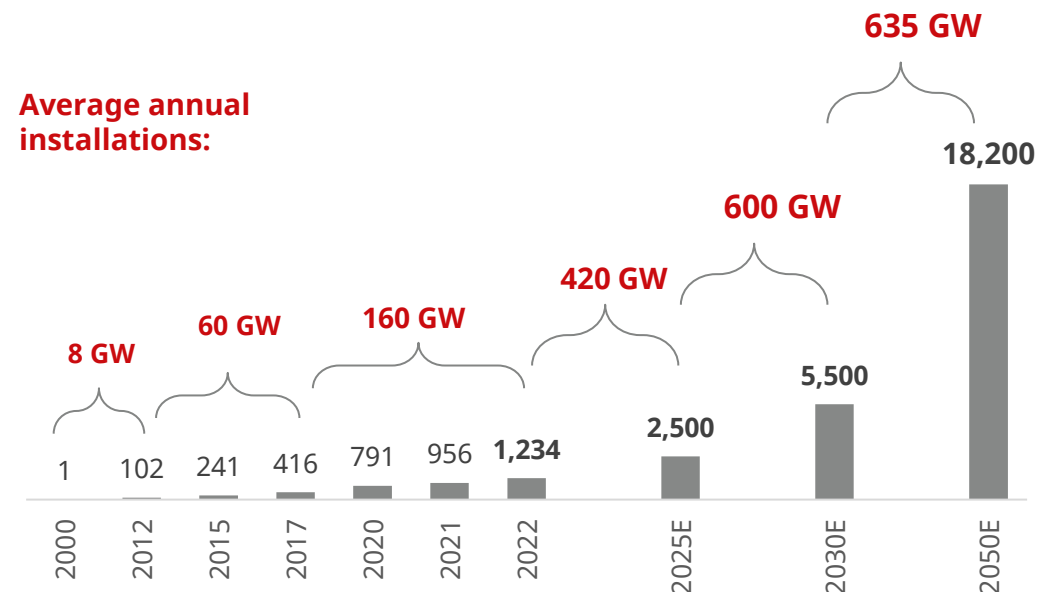
Electricity generation by fuel type



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

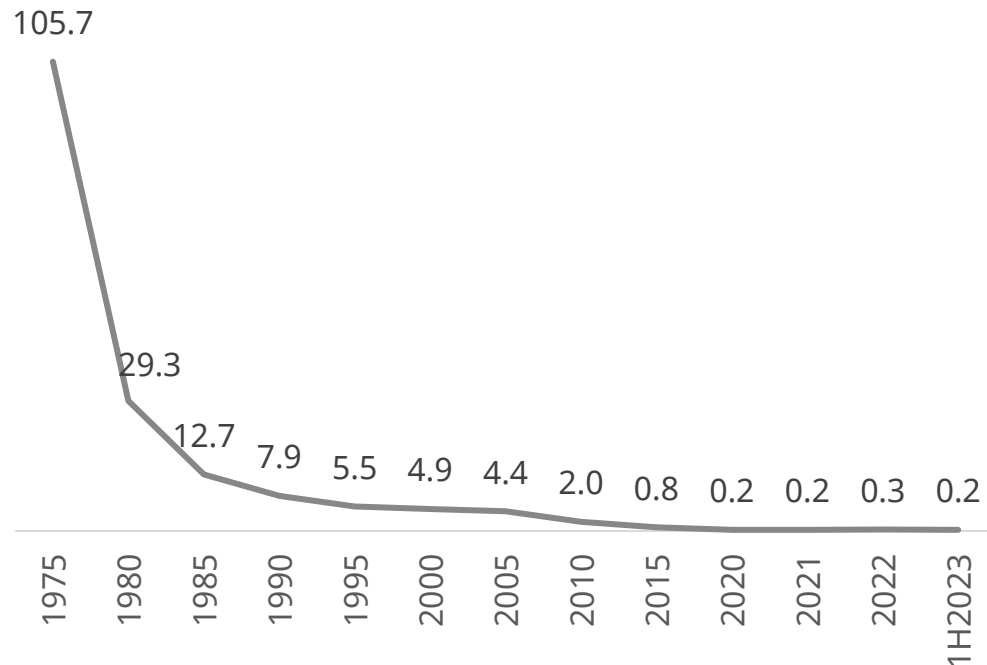


# Solar PV modules nearing the bottom of the cost curve

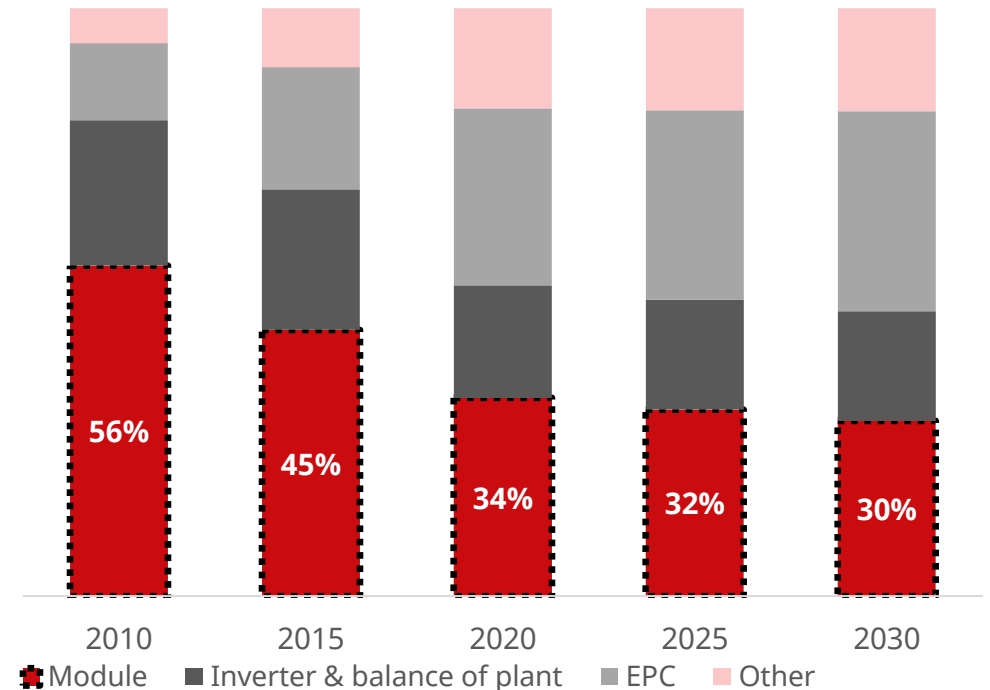
Solar module prices have declined dramatically

Declining marginal benefit from further module price cuts

Solar PV module cost, US\$/W



Capex split for utility-scale PV system

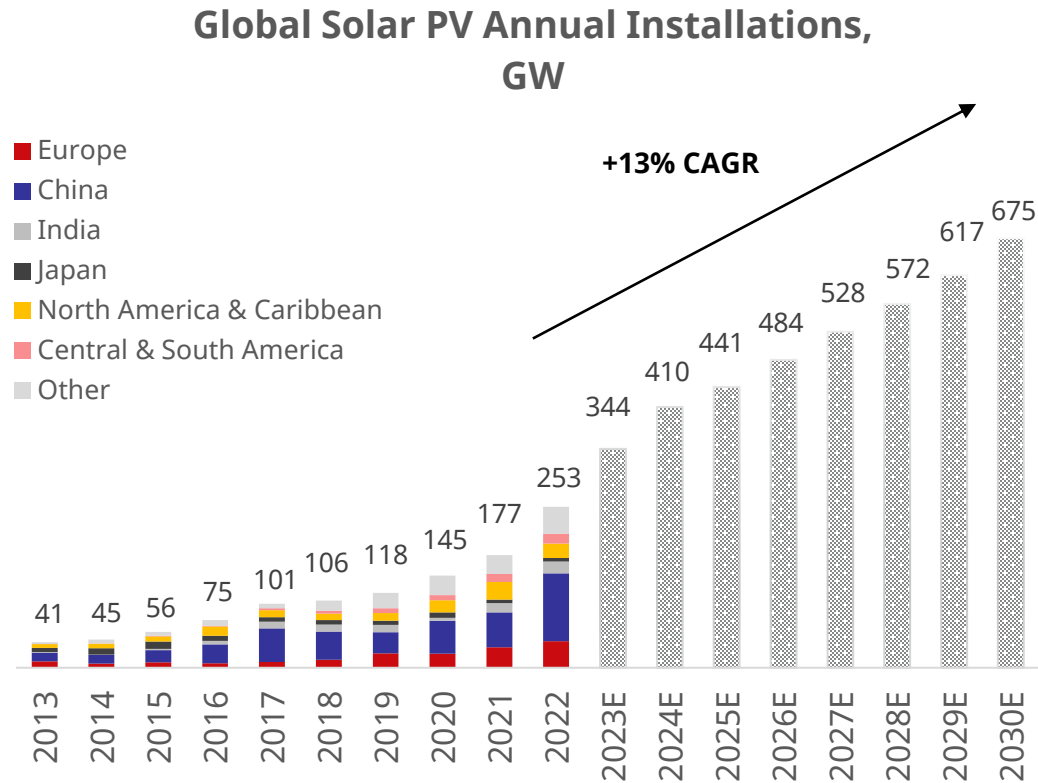




# Significant growth visibility and healthier market dynamics

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

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



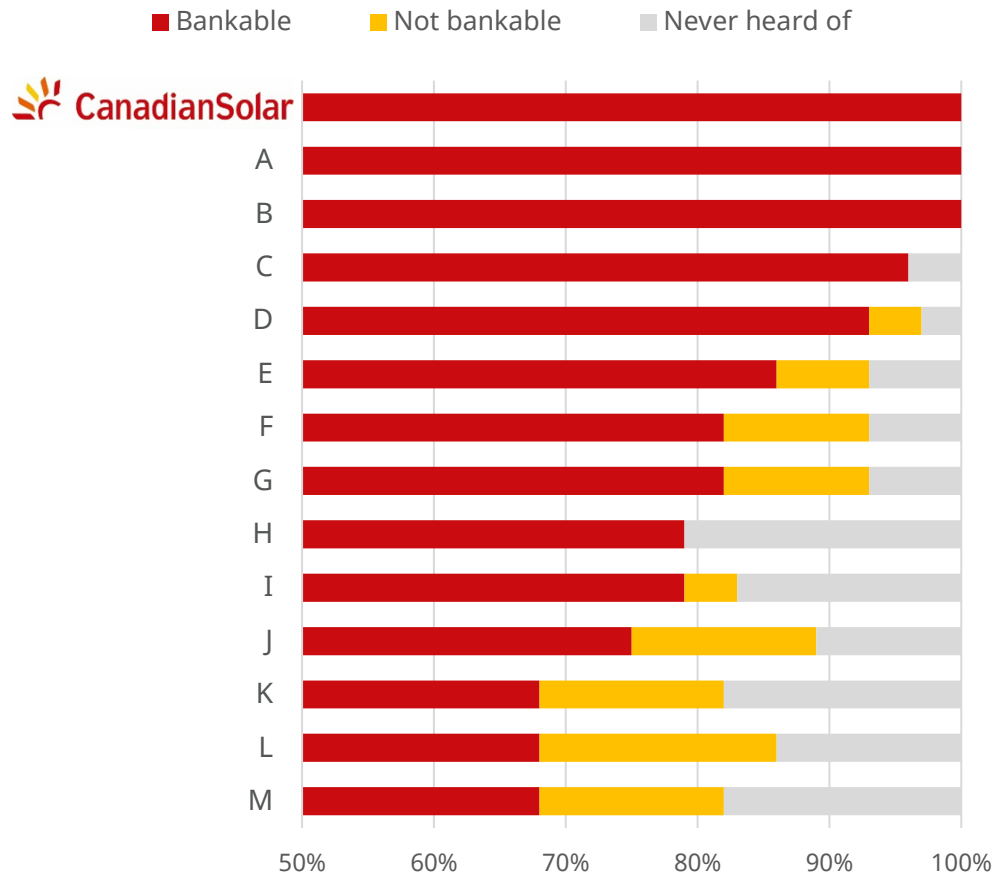
🏭 Manufacturing operations. US manufacturing operation being established

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

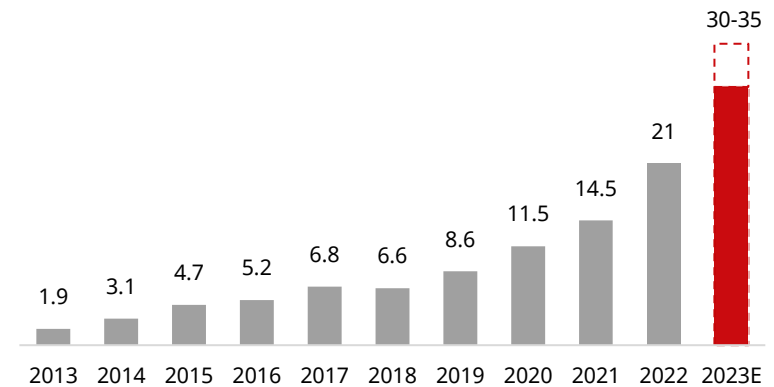
Note: Showing office locations only. Certain offices are shared between the CSI Solar and Recurrent Energy businesses. Canadian Solar may do business in more locations than shown on the map.

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

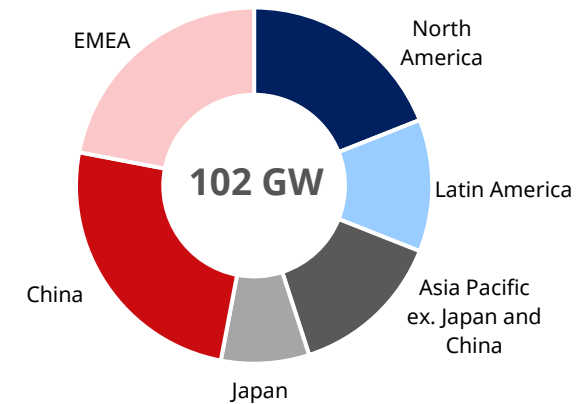
## Most bankable module supplier by BNEF with 100% bankability



## Solar Module Shipments, GW



## Cumulative shipments

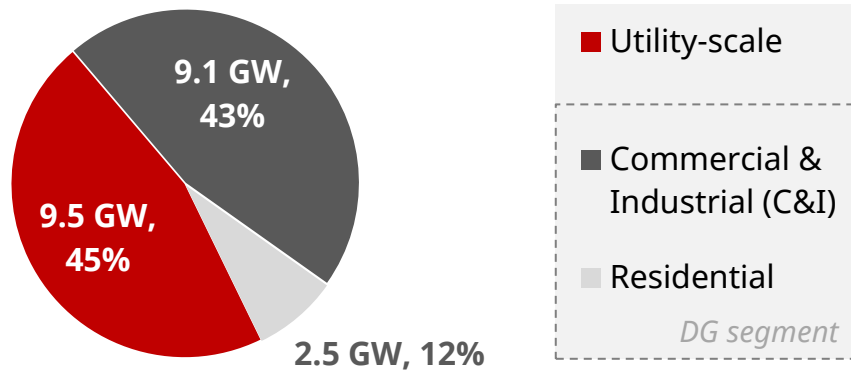


Source: Extract from Bloomberg New Energy Finance PV Module and Inverter Bankability 2022. Solar brand bankability ratings are used by financial institutions across the world for credit analysis, indicating the likelihood that projects using the said solar products will be offered non-recourse financing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

# Differentiated sales strategy focused on delivering high value-add system solutions to premium markets – driver of CSI Solar’s stronger pricing power

CSI Solar is over-indexed to the distributed generation (DG) market segment as it accounts for 55% of our FY22 shipments

FY22 shipments



## DG market segment

- ✓ Higher ASP / smaller volume orders
- ✓ Dedicated channel management
- ✓ Higher customer loyalty
- ✓ Greater demand stability
- ✓ Higher barriers to entry

## Integrated System Solutions = Dedicated product management for high-value channels and markets (Module + Inverter + Battery Storage)

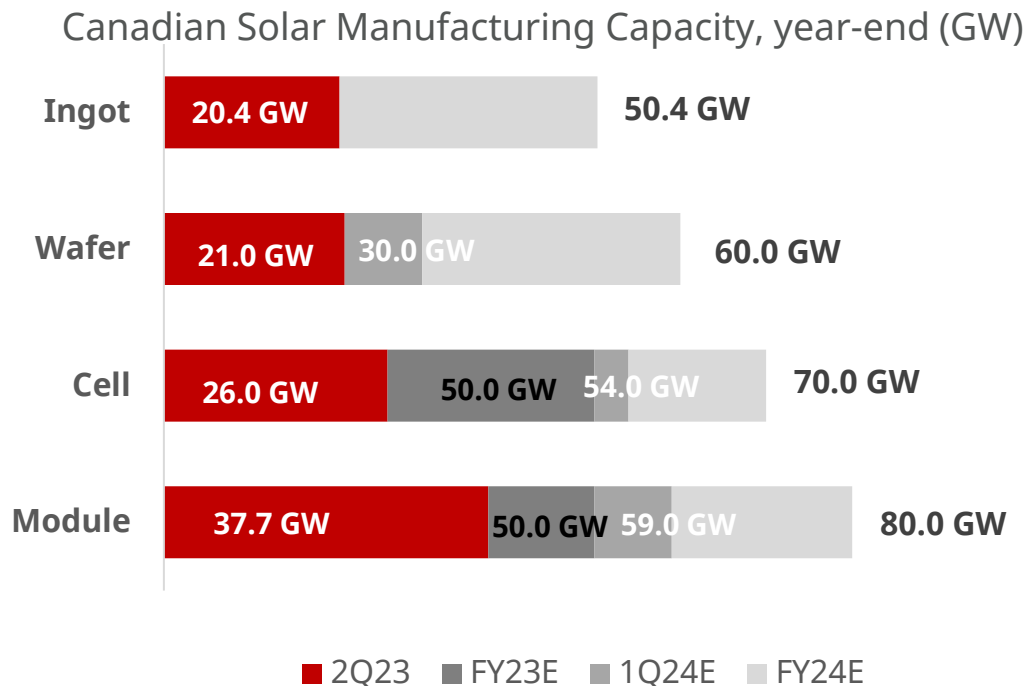
Product and solution development	Value proposition based on user experience
<b>Module</b> <ul style="list-style-type: none"> <li>High efficiency all-black modules for resi market</li> <li>Lightweight modules for Japanese market</li> <li>TOPCon and Heterojunction high power wattage modules</li> </ul>	<ul style="list-style-type: none"> <li><b>Greater pricing power for top quality solutions &amp; services</b></li> <li><b>Leverage existing channels to expand premium product offering</b></li> <li><b>Battery storage, power electronics and AI enablers of new business models</b></li> </ul>
<b>Inverter</b> <ul style="list-style-type: none"> <li>CSI Solar full power range own-made inverters for residential, C&amp;I and utility-scale applications</li> </ul>	
<b>Storage</b> <ul style="list-style-type: none"> <li>Residential and utility-scale storage systems launched in 2022 and 2023 for global key markets</li> </ul>	

# Gaining global market share through capacity expansion

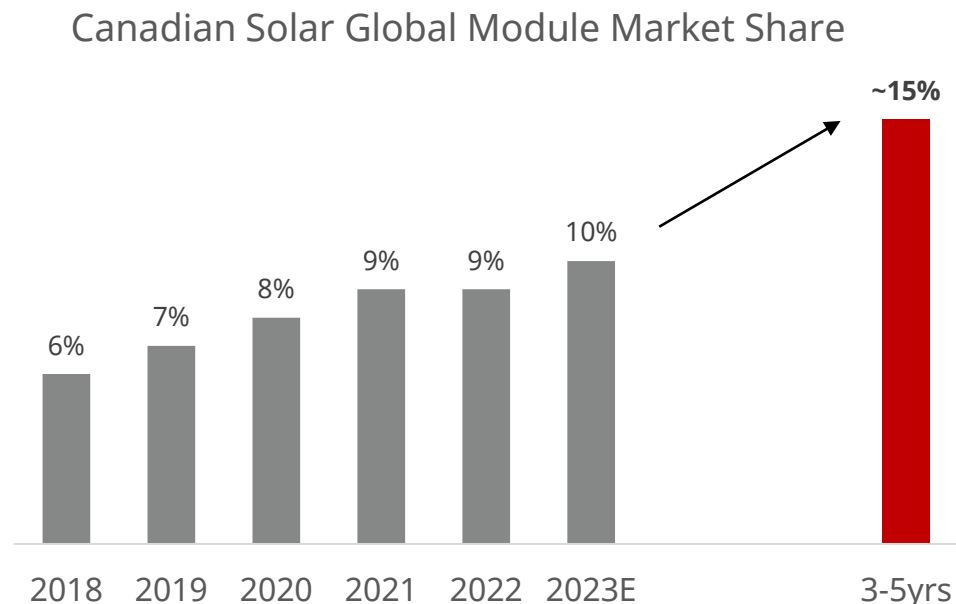
**In the long term**, with demand growth and supply consolidation, **CSI Solar's strategy** is to expand capacity and increase the level of vertical integration, in order to gain global market share, enhance pricing power, better control costs and improve profitability over the long run

**In the near term**, our capacity expansion plans remain flexible, taking into account upstream supply chain dynamics and technological advances affecting new and old capacity utilization

## Expand capacity and increase vertical integration...



## ...to gain global market share and pricing power



# Large global solar project pipeline of 26 GWp across the world

**TOTAL**  
**26 GWp**

Plants in Operation  
**0.7 GWp**

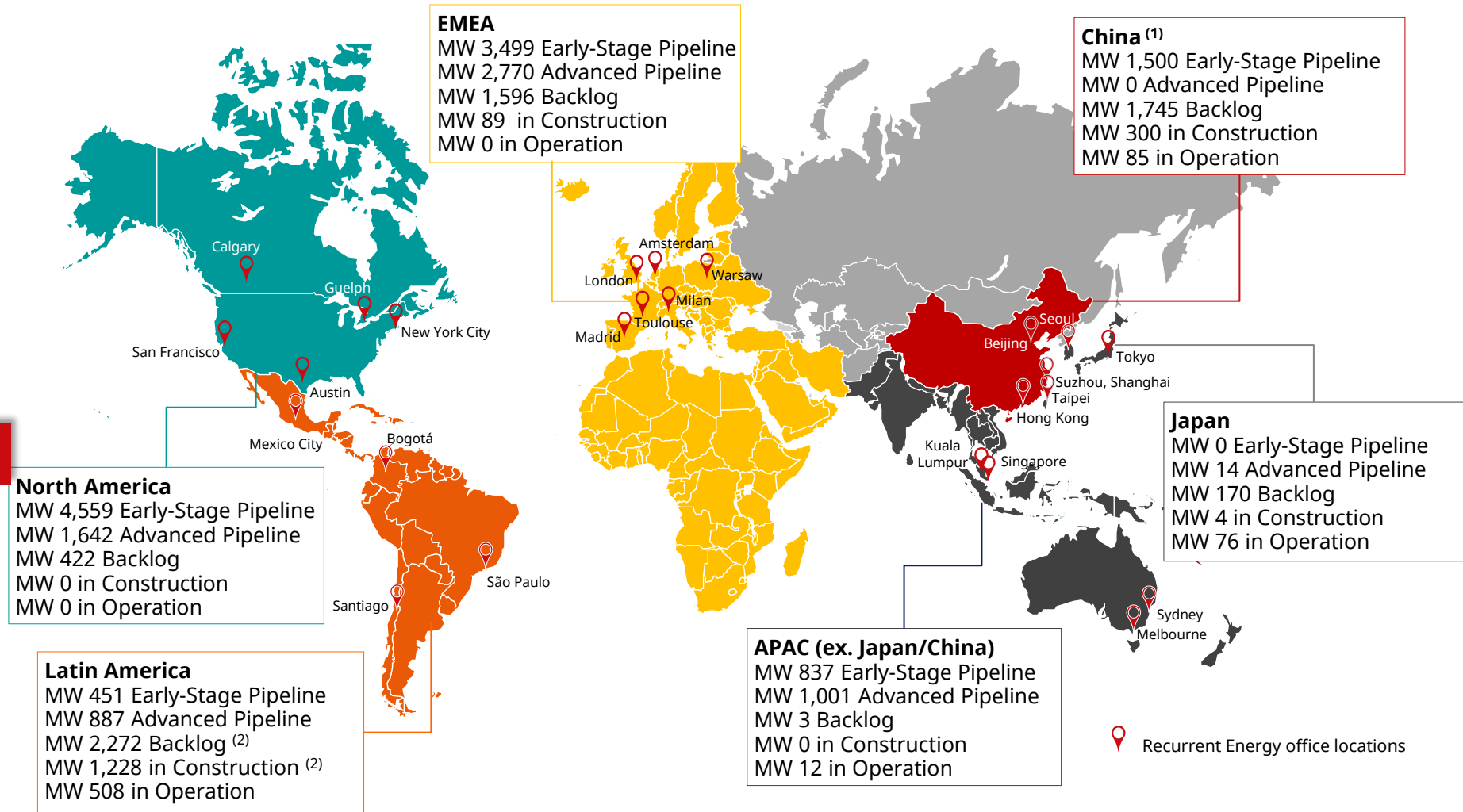
Plants in Construction  
**1.6 GWp**

Backlog **6.2 GWp**

**Majority contracted**

Advanced Pipeline  
**6.3 GWp**

Early-Stage Pipeline  
**10.9 GWp**



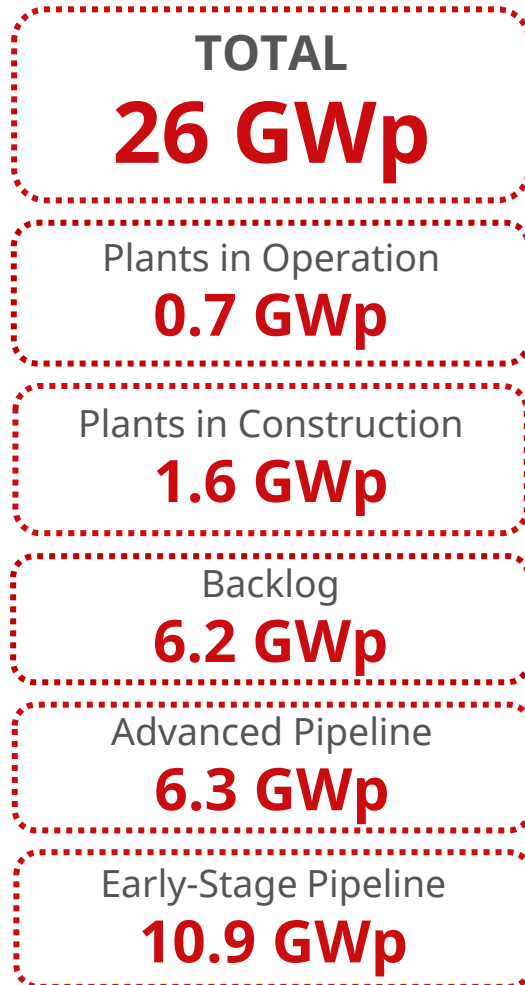
**To unlock value in 8.5 GWp<sup>(2)</sup> of contracted solar projects while continuing to grow our total pipeline**

Total pipeline as of June 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.

# Large diversified solar project pipeline across various stages of development



- Good balance of projects across regions and different stages of development
- Approx. 8.5 GWp of contracted solar projects
- Projects are originated by regional teams, but Investment Committee has final say on projects, with strong risk management function

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

- Projects in construction that have not yet reached commercial operation

- 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

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

- 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 June 30, 2023. Definitions of backlog/pipeline consistent with industry practice.

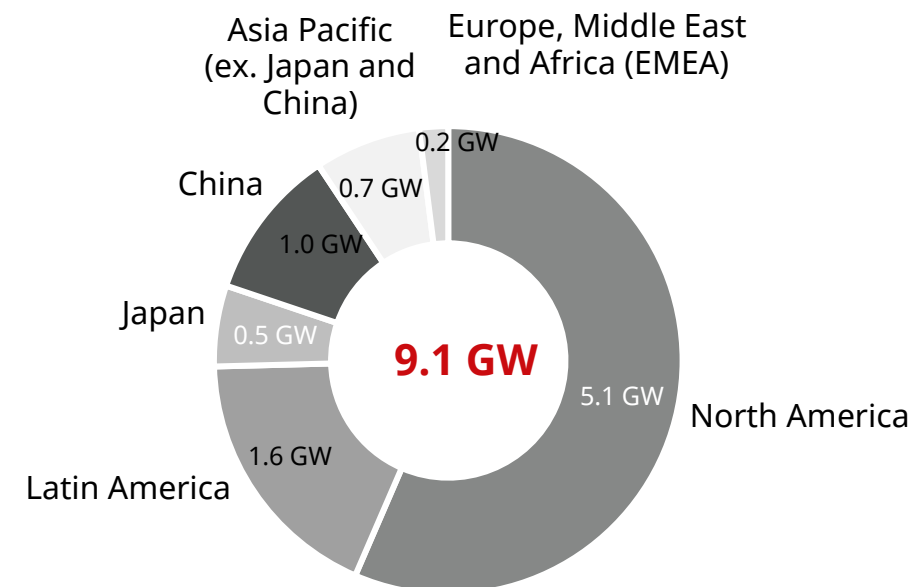
(1) China portfolio is part of Recurrent Energy.

(2) Gross project capacity includes aggregate project stakes of c.1.4 GWp not owned by CSIQ.

# Strong track record and multiple drivers of competitive advantage

- 🌅 **Interconnections on hand:** 14 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)





# Leading presence in markets with strong fundamentals

## Focus on low-risk, high growth markets

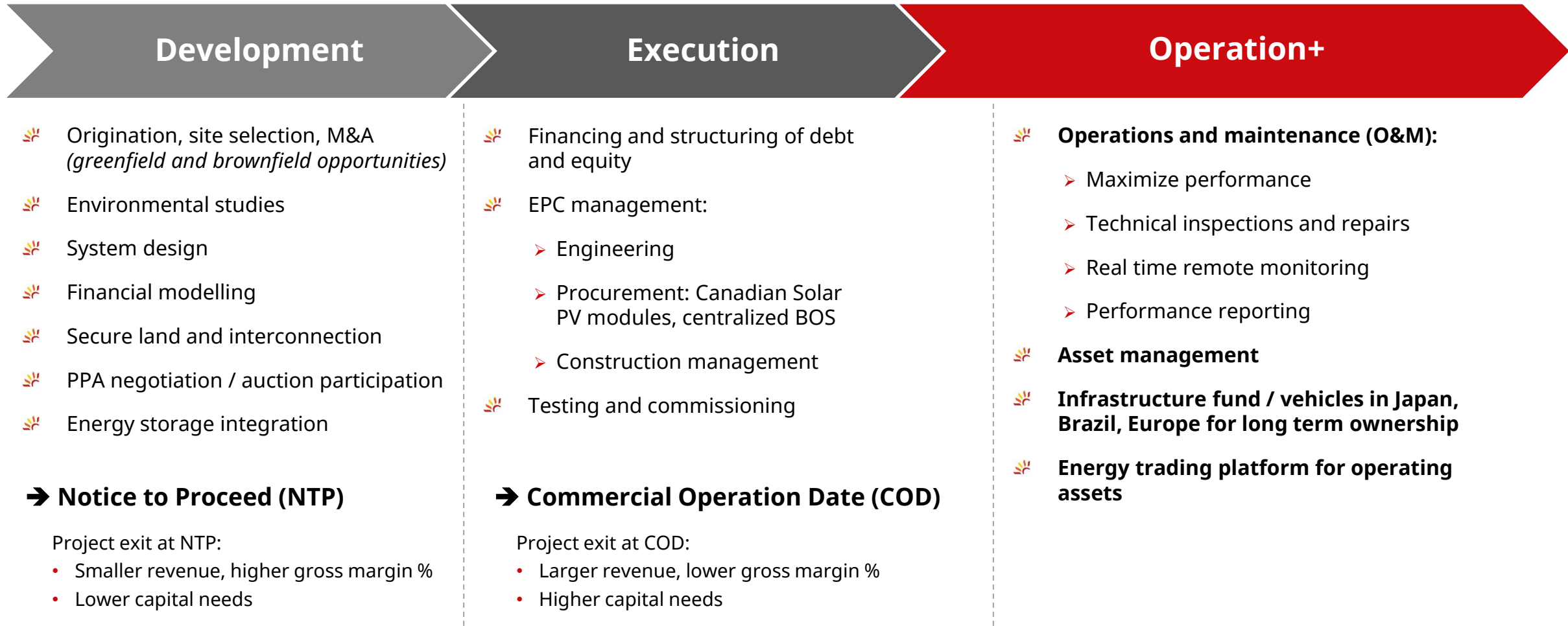
- 🌟 **North America:** Positive legislations, including the Inflation Reduction Act in the U.S., to allow CSIQ to capture greater value from solar and storage assets; future potential to build local investment vehicle
- 🌟 **Latin America:** Growth through both public auctions and private PPAs. Brazil – over 2 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

## Over 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

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



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

# CSIF: Japan's largest publicly listed solar infrastructure fund

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

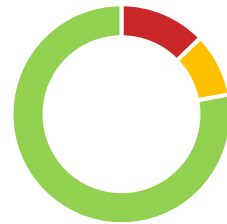
Valuation <sup>(1)</sup>	¥ 75 bn (~\$580 mn)
Market capitalization <sup>(2)</sup>	¥ 46 bn (~\$515 mn)
No. of power plants	30
Capacity	225 MWp

Total sponsor portfolio  
20 projects, 250 MWp

Operational and  
under construction  
8 projects, 76 MWp

Under late-stage  
Development (backlog)  
12 projects, 174 MWp

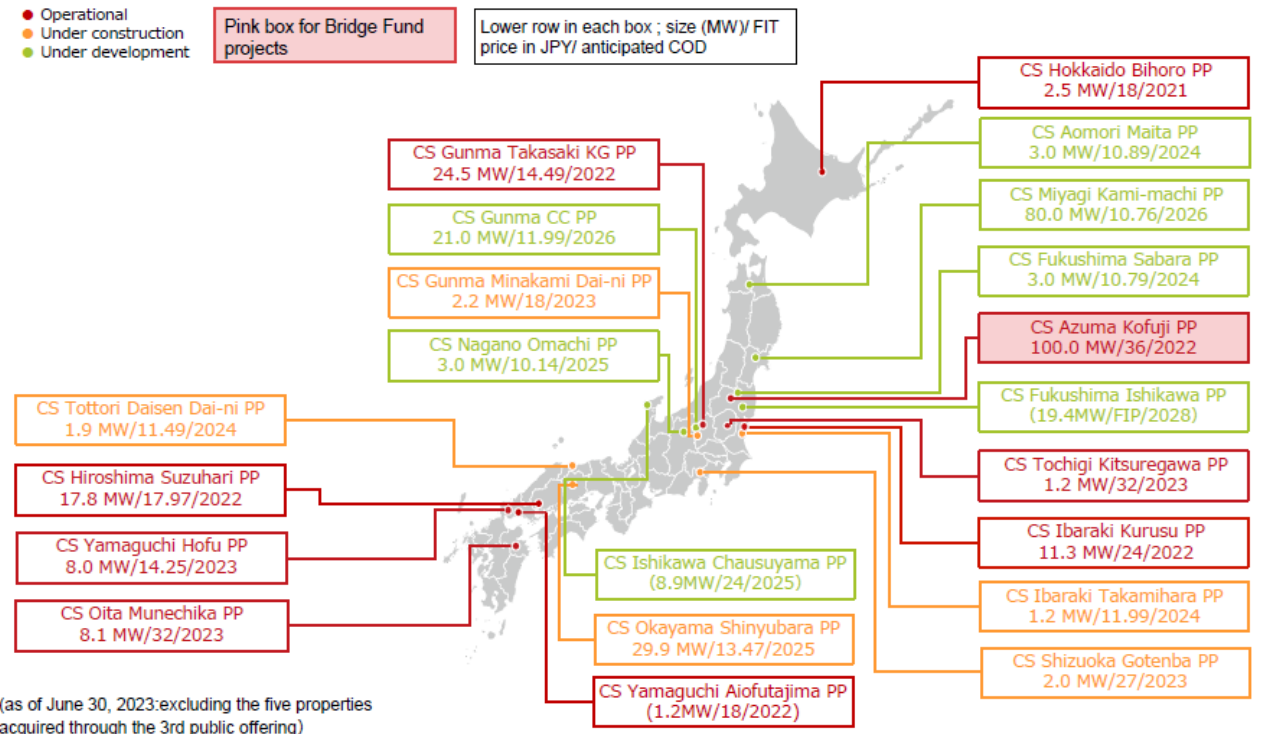
### Sponsor portfolio FIT distribution (by MW)



■ ¥ 24-32 ■ ¥ 15-23 ■ < ¥ 15

20% of portfolio  
contracted at  
USD >0.10/kWh FIT

## Map of CSIF and sponsor (CSIQ) assets

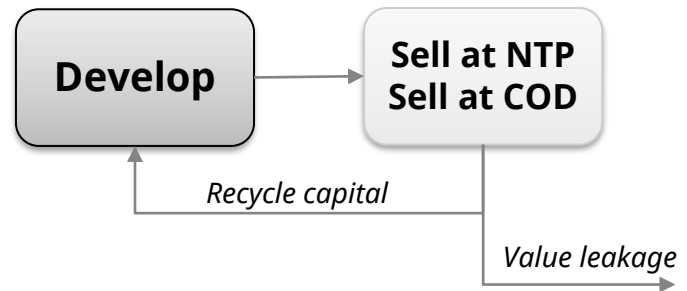


(1) Median project valuation report amount, which is the estimated value calculated by Kroll, LLC at the end of June 2023

(2) As of August 24, 2023

# Greater value capture from the business model transition

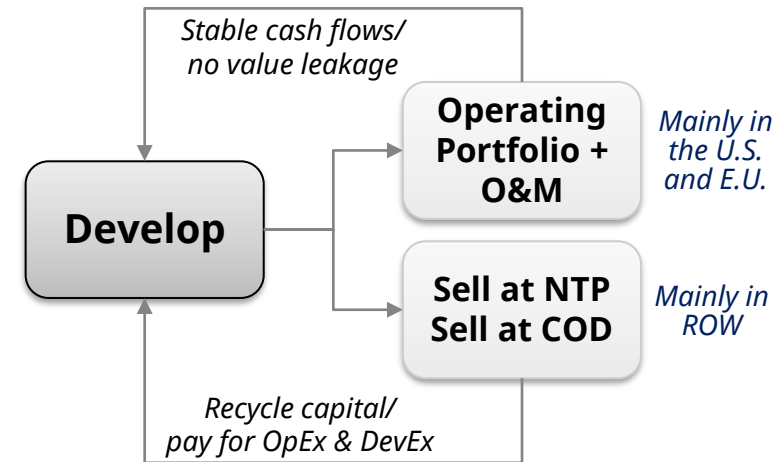
## Develop-to-Sell Model



Value leakage, continuous project churn



## Hybrid Model

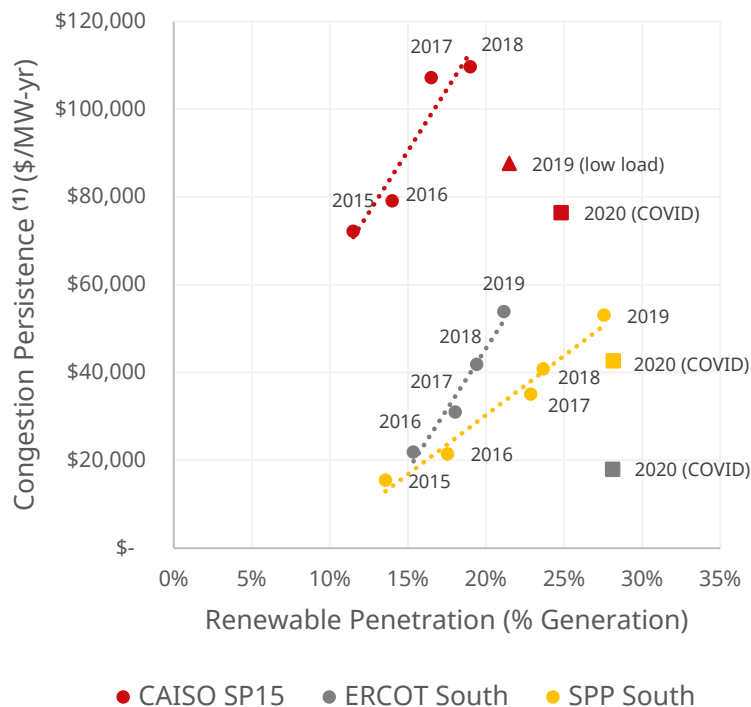


Long-term predictable cash flows in a diversified low-risk portfolio, combining develop-to-own and develop-to-sell

# 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

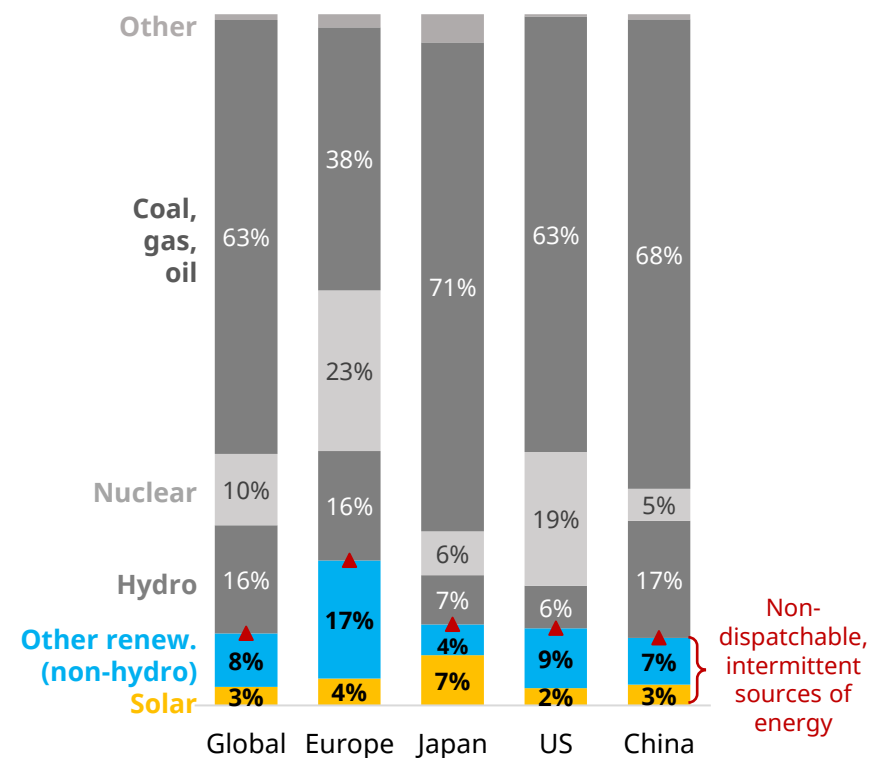
Increasing penetration of renewable energy lowers power costs and decarbonizes the power grid, but it **creates price volatility and affects grid stability: battery storage can mitigate the effect of renewable energy on the grid**

### 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 %**



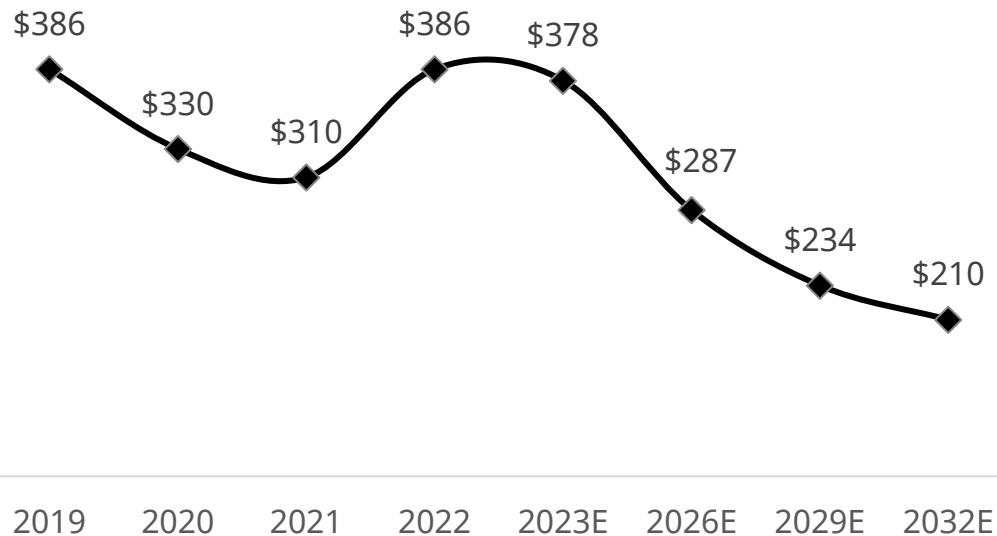
Source: Ascend Analytics, BP.

(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.

# Energy storage entering exponential market growth phase

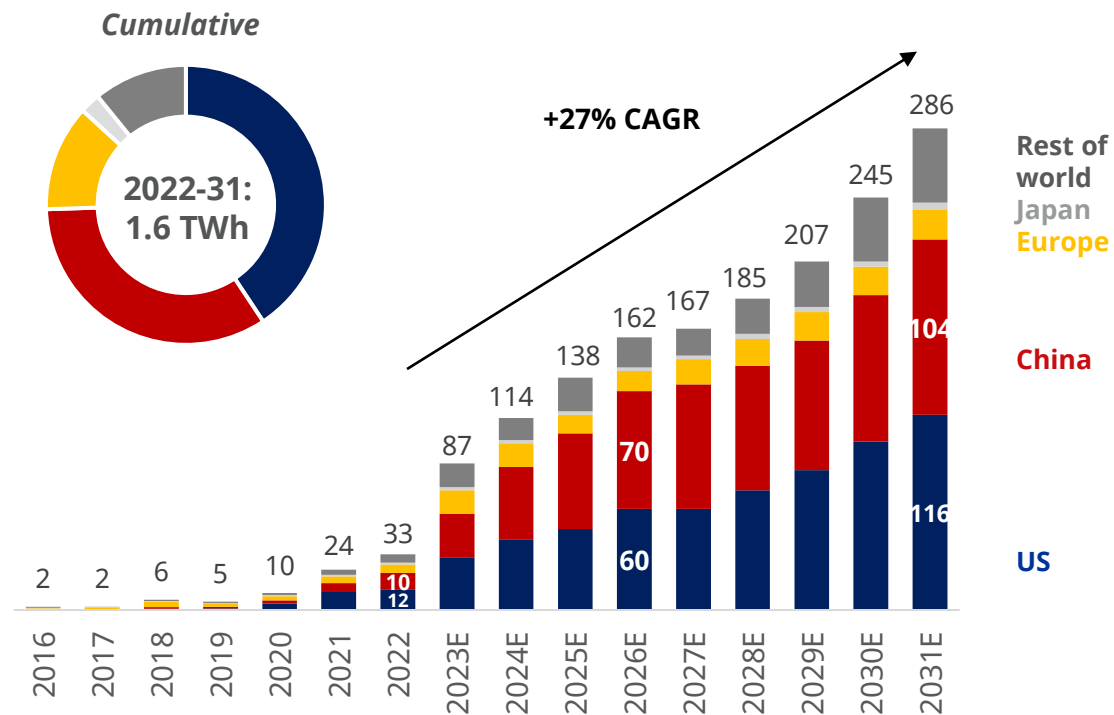
Expected cost reductions improving the economics of battery storage solutions

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



# Building a leadership position in battery storage

- ☀️ **CSIQ to deliver 1.8-2.0 GWh battery storage projects in 2023 (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 26 GWh and 2.4 GWh of projects under long-term service agreements
- ☀️ **Total contracted backlog of approx. \$2.1 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
	24	1,649	10,556	39,510	<b>51,739</b>

# Solid earnings performance

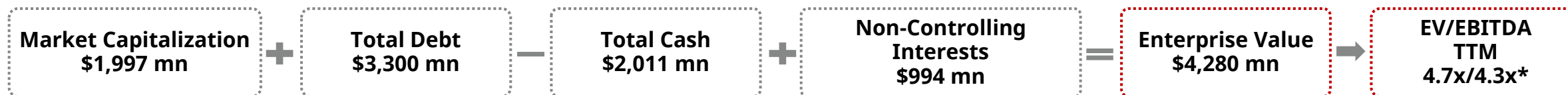
## Total Debt and Cash Breakdown (in thousands of USD)

	3Q22	4Q22	1Q23	2Q23
Short-term borrowings	1,427	1,444	1,762	1,899
Financing liabilities – current	54	49	50	42
Finance leases liabilities – current	15	15	36	49
Long-term borrowings	942	813	863	1,013
Convertible notes	226	226	226	227
Green bond*	30	32	32	33
Financing liabilities – non-current	5	-	-	-
Finance leases liabilities - non-current	14	14	30	37
<b>Total debt</b>	<b>2,713</b>	<b>2,593</b>	<b>2,999</b>	<b>3,300</b>
Cash and equivalents	1,083	981	848	2,011
Restricted cash:	872	988	1,227	1,239
<b>Total cash (for EV calculation)</b>	<b>1,083</b>	<b>981</b>	<b>848</b>	<b>2,011</b>
<b>Net debt</b>	<b>1,630</b>	<b>1,612</b>	<b>2,151</b>	<b>1,289</b>

## EBITDA Calculation

	3Q22	4Q22	1Q23	2Q23	TTM
Total revenue	1,932	1,972	1,701	2,364	7,969
- COGS	-1,569	-1,623	-1,383	-1,923	-6,498
Gross profit	363	349	318	441	1,471
- Operating expenses	-274	-213	-172	-217	-876
<b>Operating profit</b>	<b>89</b>	<b>136</b>	<b>146</b>	<b>224</b>	<b>595</b>
-/+ Other expenses/income	38	-4	2	41	77
+ Depreciation & amortization	56	50	68	73	247
<b>EBITDA (non-GAAP)</b>	<b>183</b>	<b>182</b>	<b>216</b>	<b>338</b>	<b>919</b>
Impairments	30	17	-	21	68
<b>Adjusted EBITDA (non-GAAP)*</b>	<b>213</b>	<b>199</b>	<b>216</b>	<b>359</b>	<b>987</b>

\*EBITDA including impairments



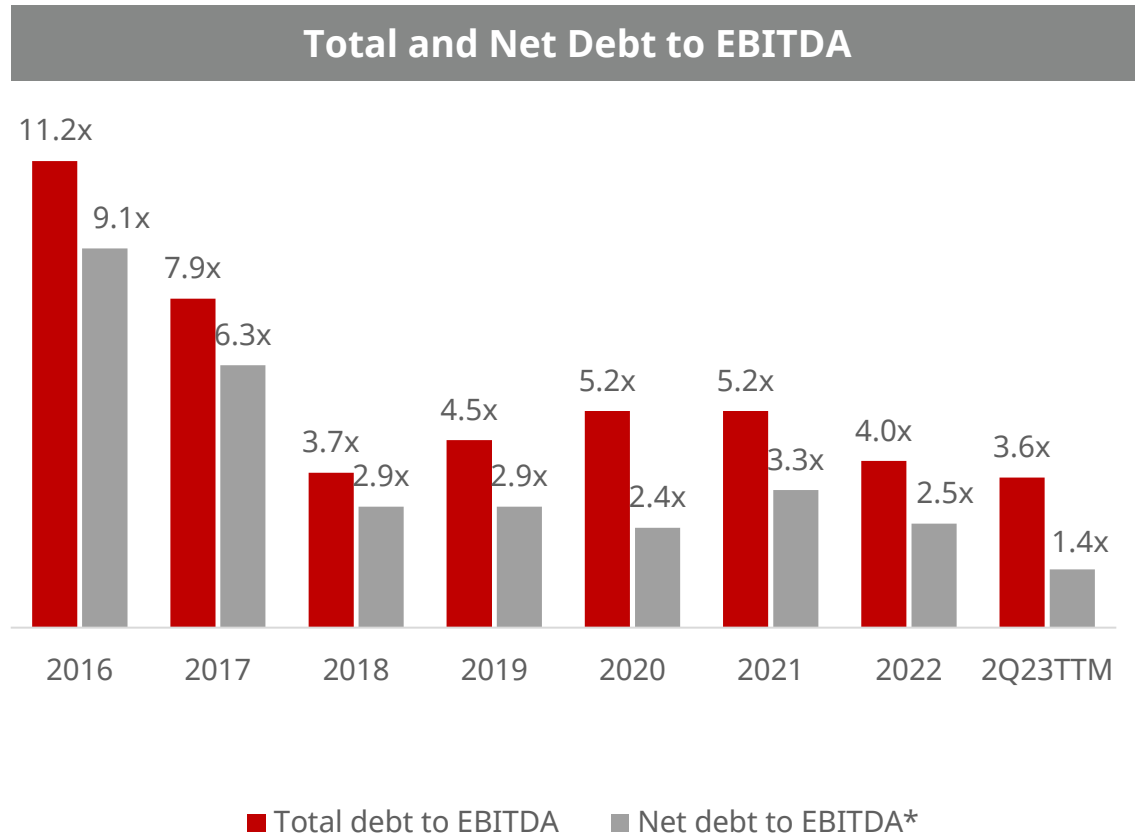
1. Prices as of August 24, 2023, market close.

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 39.

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.



# Strong balance sheet with low leverage



- ☀ Total and net debt to EBITDA at 3.6x and 1.4x respectively
- ☀ Excluding non-recourse debt, the ratios would be c.0.3x lower

Note: Net debt calculation nets out unrestricted cash only.

# 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.

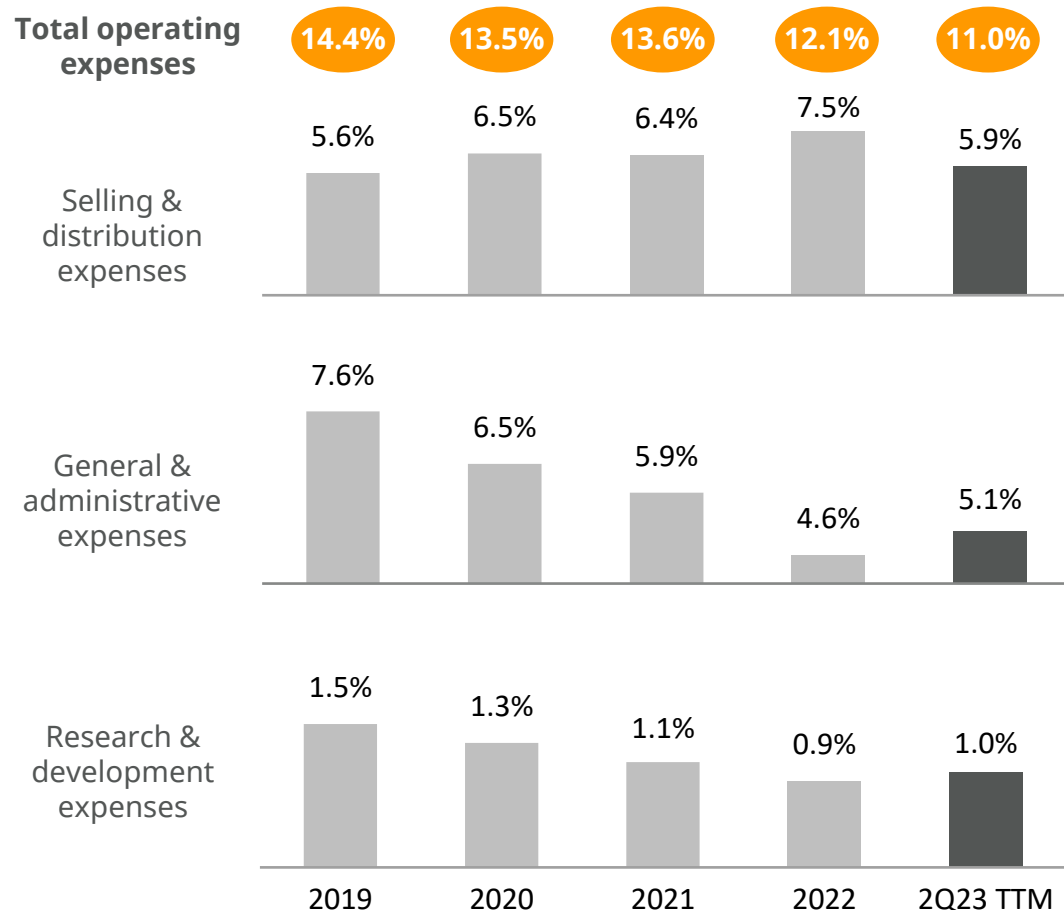
- ❖ Global Head of Marketing at Canadian Solar
- ❖ Founder and President of Women in Solar Energy, an industry association to promote the participation and career development of women in the solar industry



# FINANCIALS

# Disciplined management of opex, working capital and capex

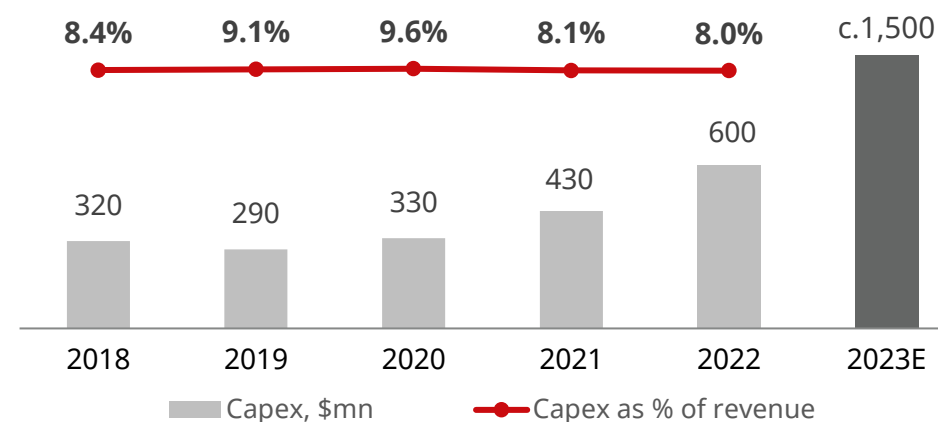
## Operating Expenses as % of Revenue



## Working Capital Days <sup>(1)</sup>

Days	2021	2022	3Q22	4Q22	1Q23	2Q23
Inventory turnover	89	81	93	87	105	76
Accounts receivable turnover	46	44	44	48	58	48
Accounts payable turnover	123	108	130	127	154	115
Cash conversion cycle	12	17	7	8	9	9

## Capital Expenditures <sup>(2)</sup>



- 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 cost of revenues x365.
- 2) Capex for PP&E only (does not include capex related to project development).

# Consolidated income statement

<i>USD millions except per share data</i>	2020	2021	2022	yoy	2Q22	3Q22	4Q22	1Q23	2Q23	qoq	yoy
<b>Net Revenue</b>	<b>3,476</b>	<b>5,277</b>	<b>7,469</b>	<b>42%</b>	<b>2,314</b>	<b>1,932</b>	<b>1,972</b>	<b>1,701</b>	<b>2,364</b>	<b>39%</b>	<b>2%</b>
Cost of revenues	-2,787	-4,368	-6,206	42%	-1,943	-1,569	-1,623	-1,383	-1,923	39%	-1%
<b>Gross profit</b>	<b>690</b>	<b>909</b>	<b>1,263</b>	<b>39%</b>	<b>371</b>	<b>363</b>	<b>349</b>	<b>318</b>	<b>441</b>	<b>39%</b>	<b>19%</b>
Selling and distribution expenses	-224	-399	-559	40%	-158	-166	-126	-88	-88	-1%	-45%
General and administrative expenses	-226	-309	-342	11%	-88	-102	-89	-79	-139	77%	59%
Research and development expenses	-45	-58	-70	20%	-18	-18	-21	-17	-23	34%	28%
Other operating income, net	26	47	64		9	12	23	12	34		
<b>Total operating expenses, net</b>	<b>-469</b>	<b>-719</b>	<b>-907</b>	<b>26%</b>	<b>-255</b>	<b>-274</b>	<b>-213</b>	<b>-172</b>	<b>-216</b>	<b>26%</b>	<b>-15%</b>
<b>Income from operations</b>	<b>220</b>	<b>190</b>	<b>356</b>	<b>-87%</b>	<b>116</b>	<b>89</b>	<b>136</b>	<b>146</b>	<b>224</b>	<b>54%</b>	<b>93%</b>
Net interest (expense) income	-63	-47	-33		-15	4	-11	-12	-21		
Gain (loss) on change in fair value of derivatives	50	24	-44		-5	12	-27	8	-24		
Foreign exchange gain (loss)	-65	-47	78		11	27	12	-21	58		
Investment income (loss)	-9	19	0		7	-3	2	8	2		
Income tax benefit (expense)	2	-36	-73		-28	-29	-22	-29	-46		
Equity in earnings of affiliates	11	7	15		2	2	9	7	5		
<b>Net income</b>	<b>147</b>	<b>110</b>	<b>299</b>		<b>89</b>	<b>102</b>	<b>99</b>	<b>107</b>	<b>198</b>		
Less: net income attributable to non-controlling interests	0	15	59		15	24	21	23	28		
<b>Net income attributable to Canadian Solar Inc.</b>	<b>147</b>	<b>95</b>	<b>240</b>	<b>152%</b>	<b>74</b>	<b>78</b>	<b>78</b>	<b>84</b>	<b>170</b>	<b>103%</b>	<b>128%</b>
Earnings per share – basic	2.46	1.55	3.73		1.16	1.22	1.21	1.30	2.62		
<b>Earnings per share – diluted</b>	<b>2.38</b>	<b>1.46<sup>(1)</sup></b>	<b>3.44<sup>(3)</sup></b>	<b>136%</b>	<b>1.07<sup>(2)</sup></b>	<b>1.12<sup>(2)</sup></b>	<b>1.11<sup>(2)</sup></b>	<b>1.19<sup>(2)</sup></b>	<b>2.39<sup>(2)</sup></b>	<b>101%</b>	<b>123%</b>

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. \$1.07/share is calculated from total earnings of \$76M (including 2.5% coupon of \$1.3M) divided by diluted shares 71.1 million shares (including 6.3 million shares issuable upon the conversion of convertible notes). \$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).

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).

# Summary balance sheet

<i>USD millions</i>	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Cash and cash equivalents	1,103	1,179	981	814	868	870	845	1,054	1,083	981	848	2,011
Restricted cash - current	445	458	539	494	487	561	845	888	865	978	1,208	1,234
Accounts receivable	494	409	396	625	742	652	728	833	956	971	991	1,267
Inventories	625	696	934	1,130	1,213	1,192	1,629	1,622	1,604	1,524	1,672	1,532
Project assets - current	544	748	756	563	661	594	683	329	332	386	396	340
Other current assets	711	696	802	736	986	903	964	1,007	913	805	932	933
<b>Total current assets</b>	<b>3,921</b>	<b>4,186</b>	<b>4,408</b>	<b>4,362</b>	<b>4,957</b>	<b>4,772</b>	<b>5,694</b>	<b>5,733</b>	<b>5,753</b>	<b>5,645</b>	<b>6,047</b>	<b>7,317</b>
Restricted cash - non-current	14	3	3	3	2	4	4	6	7	10	20	5
Property, plant and equipment	989	1,158	1,265	1,398	1,367	1,402	1,382	1,354	1,517	1,827	1,986	2,000
Net intangible assets	22	22	21	20	19	19	18	16	15	18	15	14
Project assets - non-current	589	390	327	390	423	433	526	498	579	439	468	347
Solar power systems	87	158	155	160	109	108	108	104	101	365	472	613
Investments in affiliates	78	78	74	63	83	99	99	105	107	116	136	159
Other non-current assets	491	542	586	629	522	551	542	564	582	617	685	744
<b>Total non-current assets</b>	<b>2,271</b>	<b>2,351</b>	<b>2,431</b>	<b>2,663</b>	<b>2,525</b>	<b>2,616</b>	<b>2,679</b>	<b>2,647</b>	<b>2,908</b>	<b>3,392</b>	<b>3,782</b>	<b>3,882</b>
<b>TOTAL ASSETS</b>	<b>6,193</b>	<b>6,537</b>	<b>6,839</b>	<b>7,025</b>	<b>7,482</b>	<b>7,388</b>	<b>8,373</b>	<b>8,380</b>	<b>8,661</b>	<b>9,037</b>	<b>9,829</b>	<b>11,199</b>
Short-term borrowings	1,303	1,401	1,481	1,358	1,380	1,593	1,607	1,522	1,428	1,444	1,762	1,899
Accounts and notes payable	1,103	1,225	1,395	1,579	1,617	1,384	2,130	2,269	2,272	2,299	2,418	2,474
Other payables	458	509	588	658	704	668	669	650	765	853	864	798
Other current liabilities	306	453	410	274	477	393	355	343	465	619	771	832
<b>Total current liabilities</b>	<b>3,170</b>	<b>3,588</b>	<b>3,874</b>	<b>3,869</b>	<b>4,178</b>	<b>4,038</b>	<b>4,761</b>	<b>4,784</b>	<b>4,930</b>	<b>5,215</b>	<b>5,815</b>	<b>6,003</b>
Long-term borrowings	624	446	467	531	579	524	753	780	942	813	863	1,014
Convertible notes	223	223	224	224	224	225	225	225	226	226	226	227
Other non-current liabilities	360	387	400	437	467	475	489	480	447	476	491	514
<b>Total non-current liabilities</b>	<b>1,207</b>	<b>1,056</b>	<b>1,091</b>	<b>1,192</b>	<b>1,270</b>	<b>1,224</b>	<b>1,467</b>	<b>1,485</b>	<b>1,615</b>	<b>1,515</b>	<b>1,580</b>	<b>1,755</b>
<b>TOTAL LIABILITIES</b>	<b>4,377</b>	<b>4,644</b>	<b>4,965</b>	<b>5,061</b>	<b>5,448</b>	<b>5,262</b>	<b>6,228</b>	<b>6,269</b>	<b>6,545</b>	<b>6,730</b>	<b>7,395</b>	<b>7,758</b>
Common shares	687	687	687	745	793	836	836	836	836	836	836	836
Retained earnings	934	940	963	974	1,010	1,036	1,045	1,119	1,197	1,276	1,359	1,529
Other equity	-120	-56	-80	-68	-90	-71	-63	-166	-249	-170	-147	82
<b>Total Canadian Solar Inc. shareholders' equity</b>	<b>1,501</b>	<b>1,571</b>	<b>1,570</b>	<b>1,651</b>	<b>1,713</b>	<b>1,801</b>	<b>1,818</b>	<b>1,789</b>	<b>1,785</b>	<b>1,942</b>	<b>2,048</b>	<b>2,447</b>
Non-controlling interests	315	322	304	313	321	325	327	322	331	365	386	994
<b>TOTAL EQUITY</b>	<b>1,816</b>	<b>1,893</b>	<b>1,874</b>	<b>1,964</b>	<b>2,034</b>	<b>2,126</b>	<b>2,145</b>	<b>2,111</b>	<b>2,116</b>	<b>2,307</b>	<b>2,434</b>	<b>3,441</b>

## GAAP to non-GAAP reconciliation

<i>In USD millions</i>	FY21	FY22	1Q23	2Q23
<b>GAAP net income</b>	<b>110</b>	<b>299</b>	<b>107</b>	<b>198</b>
<i>Add back:</i>				
Income tax expense	36	74	29	46
Net interest expense	47	33	12	21
<b>Non-GAAP EBIT</b>	<b>193</b>	<b>406</b>	<b>148</b>	<b>265</b>
<i>Add back:</i>				
Depreciation & amortization	283	235	68	73
<b>Non-GAAP EBITDA</b>	<b>476</b>	<b>641</b>	<b>216</b>	<b>338</b>
<i>Add back:</i>				
Impairments	23	62	-	21
<b>Non-GAAP adjusted EBITDA</b>	<b>499</b>	<b>703</b>	<b>216</b>	<b>359</b>

- 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.



**Thank you**

**CSIQ**  
Nasdaq Listed