



Investor Presentation

Second Quarter, August 2020

CSIQ
Nasdaq Listed

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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

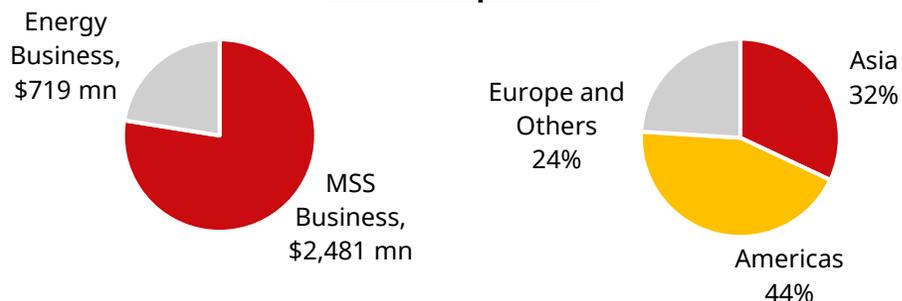
OUR ORIGINS

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

OUR PERFORMANCE

- ☀ 30% cumulative growth in shipments since 2013
- ☀ 450 bp average margin premium relative to industry⁽¹⁾
- ☀ \$1.4 billion in cash generated cumulatively since 2013
- ☀ 16% average ROE since 2013
- ☀ Global presence in 23 countries/regions

Revenue Split FY19



(1) Over the past 3 years. For gross margin comparison, see slide 17.

OUR BUSINESS MODEL

Module and System Solutions (MSS)



- ☀ We manufacture solar modules and deliver system solutions such as inverters, energy storage solutions and EPC services
- ☀ Top tier brand to deliver 11-12 GW in 2020 & 18-20 GW in 2021

Energy Business



- ☀ We develop, build, operate, sell and own solar power plants across 20+ countries/territories
- ☀ 15 GW of project pipeline and 1 GW of projects in operation

Why invest in Canadian Solar



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



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

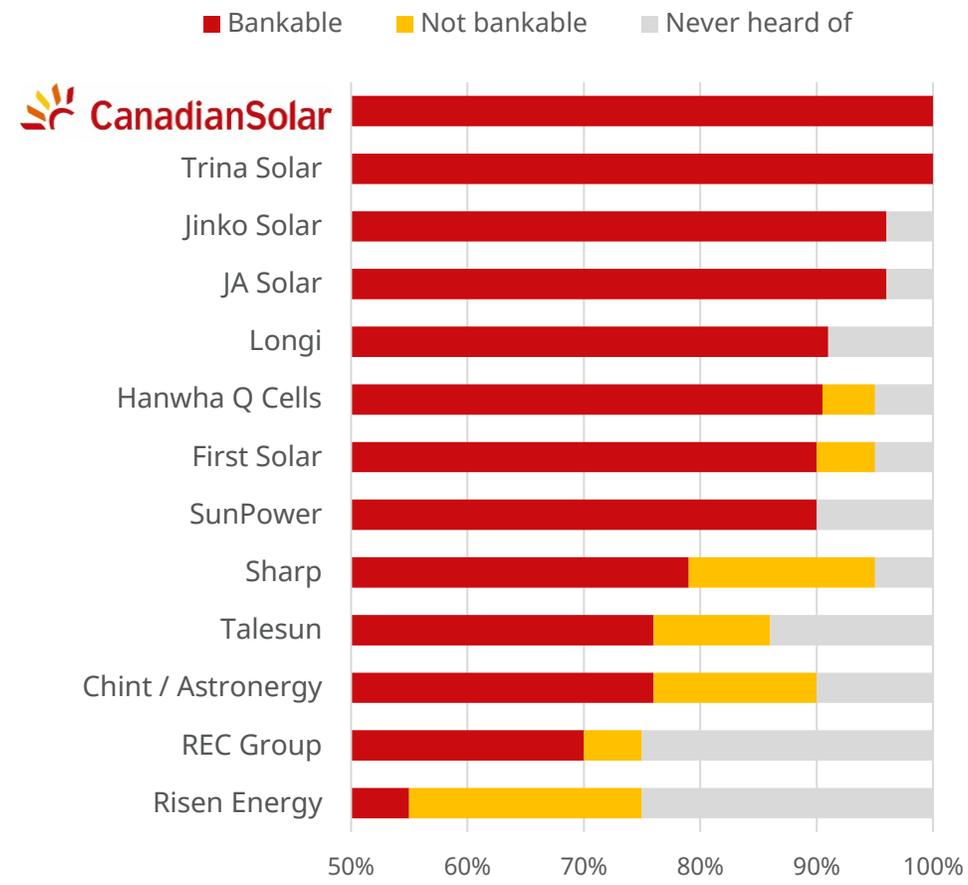


Our success is driven by our global-local teams and our culture of diversity

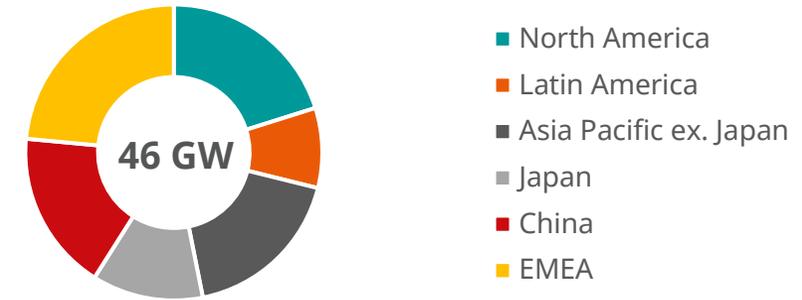
Note: Certain offices are shared between the Energy and MSS businesses.

Top-tier bankable solar module brand

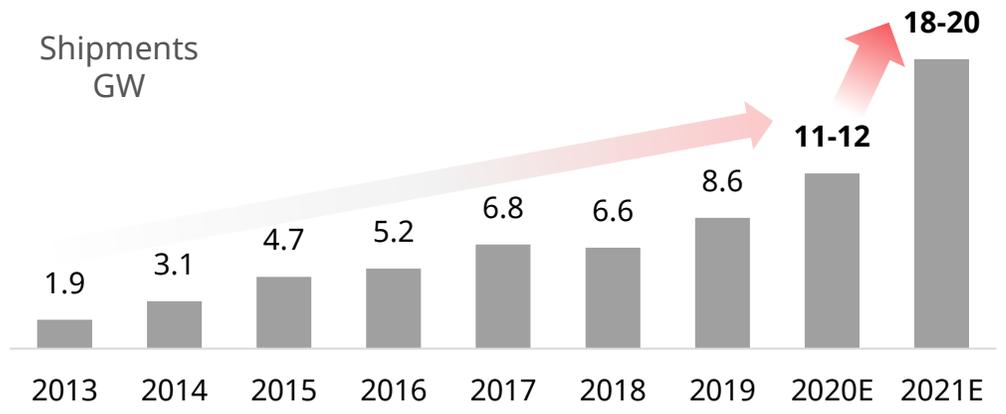
No.1 Most Bankable Module Supplier by BNEF with 100% bankability for 3 consecutive years



We have cumulatively delivered over 46 GW to 150 countries



Shipment growth in 2021 to accelerate to c.65% in 2021E from c.30% historical CAGR



Source: Extract from Bloomberg New Energy Finance Module Bankability Survey, 2019. 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.

1

Differentiated market and channel strategy a key driver of Canadian Solar's strong pricing power and industry-leading profitability

Market segment	ASP	Order size	Customer loyalty	Barriers to entry	Demand Stability	2021E shipments (approx.)	Order fulfilment priority
Premium rooftop direct sales <ul style="list-style-type: none"> Dedicated channel management policies: co-marketing, financial, insurance, warehousing, training and technical support Approx. 20% market share in target residential and C&I markets 	High	Small	High	High	High	25%	High
Other premium markets <ul style="list-style-type: none"> US: demand > supply due to tariffs Japan: high power prices 	High	Medium	Medium	Medium	Medium	25%	Medium
Captive markets <ul style="list-style-type: none"> Energy business Turnkey (EPC) 	Medium	Large/ Medium	High	High	High	10%	Medium
Open, competitive markets	Low	Large	Low	Low	High	40%	Low

Sales strategy focused on markets with high ASP, high customer loyalty and high barriers to entry

Note: For indicative purposes only.

Strong competitive positioning and diversified pipeline across global markets

Plants in Operation

956 MWp

Plants in Construction

839 MWp

Backlog

4.2 GWp

Pipeline

10.9 GWp

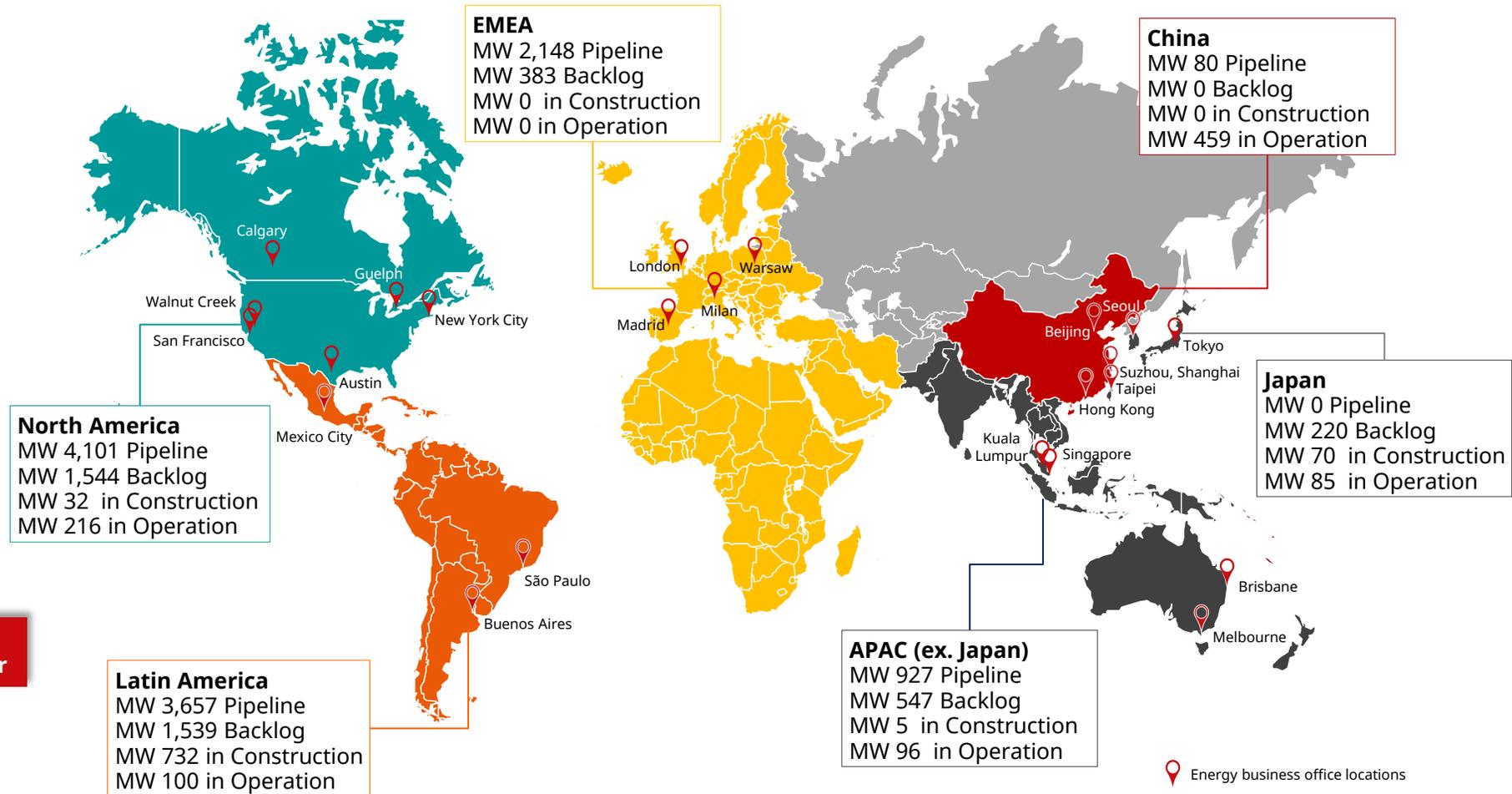
Storage Backlog

1,201 MWh

Storage Pipeline

3,482 MWh

**Early
mover**



Opportunity to unlock value in 6 GWp⁽¹⁾ of executed or contracted projects

As of June 30, 2020.

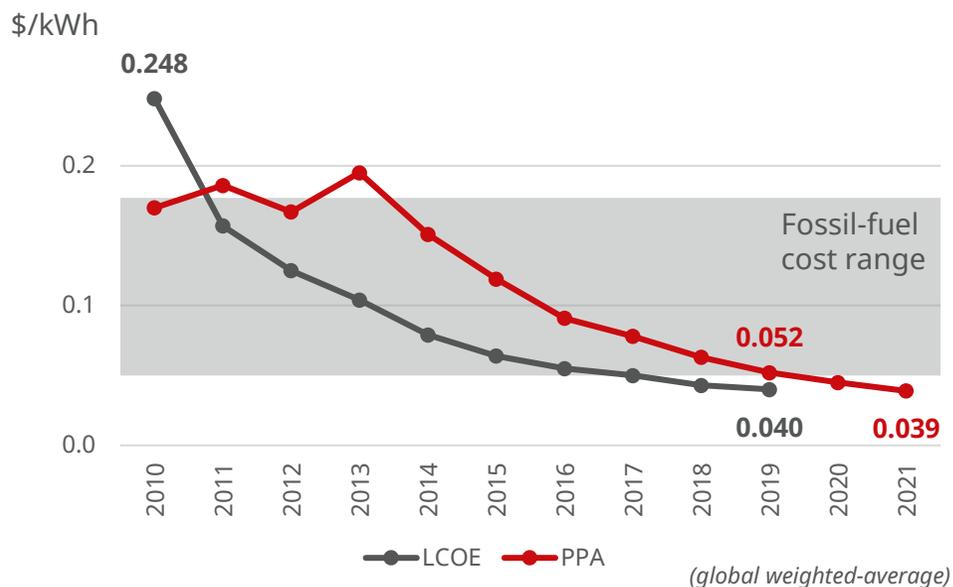
(1) Gross GWp of projects in backlog, construction and operation, including combined project stakes of c.800 MWp already sold to third parties.

Note: Definitions of backlog and pipeline are consistent with industry practice. For more details, see form 6-K for Q2 2020 results on August 7, 2020.

Accelerating adoption as solar energy is ready to replace fossil-fuel generation as the most attractive source of electricity

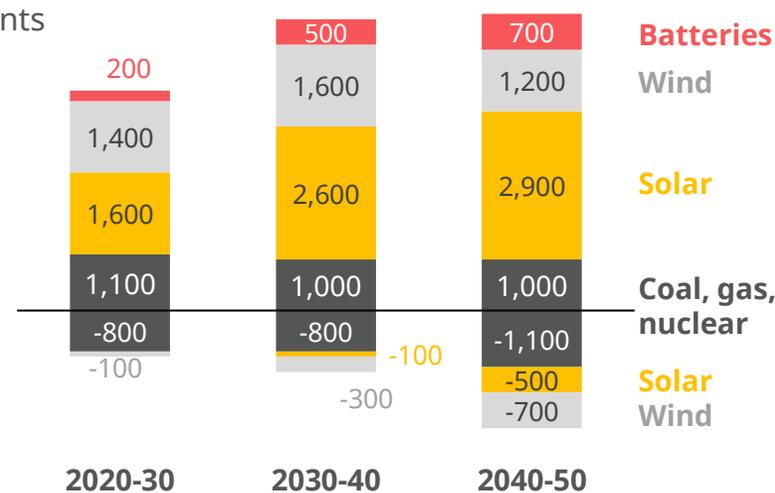
- ☀️ The **global weighted-average solar PPA** for commissioning in 2021 is **USD 0.039/kWh**, which is **over 20% cheaper than the cheapest fossil-fuel competitor** i.e. coal-fired plants (estimated cost in the range of USD 0.05-0.177/kWh)
- ☀️ This is also cheaper than the **marginal operating cost of 1,200 GW of existing coal-fired power plants**, in a study of 2,000 GW of global coal-fired capacity by Carbon Tracker (2018)

The average 2021 PPA is >20% cheaper than the cheapest fossil-fuel (coal) generator



800 GW of fossil fuel capacity expected to retire over the next decade and 2,700 GW over the next 3 decades

Capacity additions & retirements (GW)



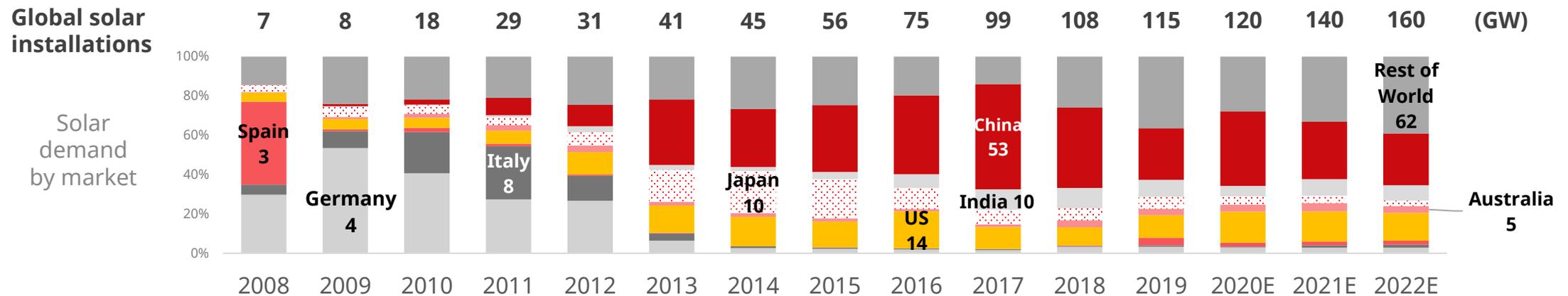
High market growth visibility both in the short and long term

Nearer term, structural factors are driving strong and stable global solar demand growth, namely:

- 🌞 **Grid parity:** industry growth increasingly driven by intrinsic demand and supply, with limited policy overhang from subsidies
- 🌞 **Larger market size:** the solar market has reached critical mass, with annual installations expected at 140 GW+
- 🌞 **Lower market concentration:** much lower risk of global downturn as global demand is no longer dependent on 1-2 markets only. The number of 1 GW+ markets has grown from 6 in 2016 to 20 in 2022.

Longer term, we expect robust secular growth in demand as solar energy remains massively underpenetrated

- 🌞 Solar accounts for only **3%** of global energy generation, expected to grow to **10% by 2030** and **>20% by 2050**
- 🌞 This implies cumulative installations will grow from **650 GW** to **2,500 GW by 2030** and **8,000 GW by 2050**



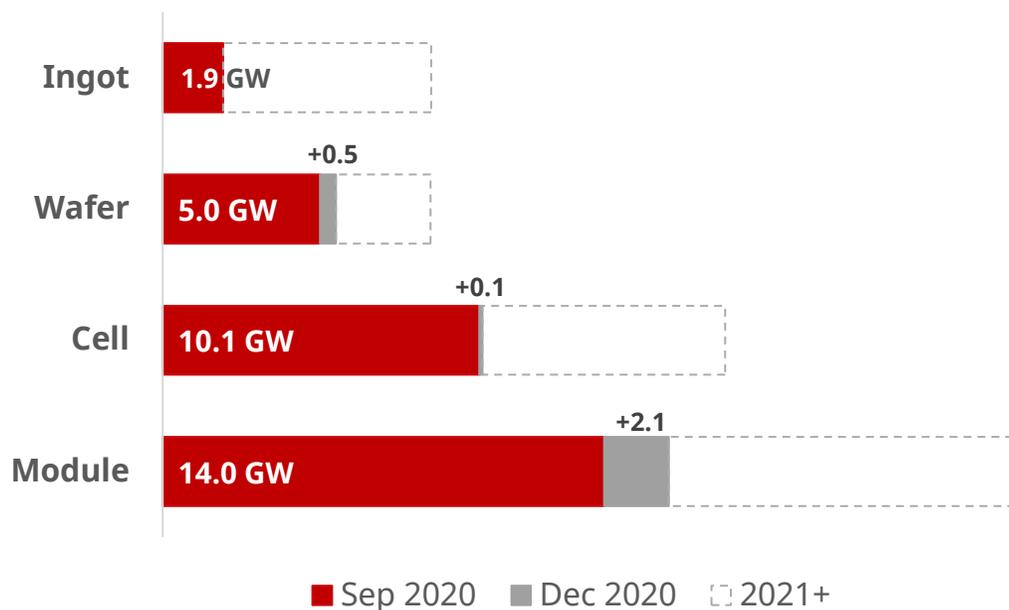
Being a globally diversified solar company with strong sales channels is crucial for sustainable growth

Strongly positioned to capitalize on global growth in solar energy

With demand growth and supply consolidation both accelerating, our **strategy** is to expand capacity and increase the level of vertical integration. This will enable us to gain global market share, enhance pricing power, better control costs and improve our profitability over the long run

Expand capacity and increase vertical integration...

Canadian Solar Manufacturing Capacity (GW)

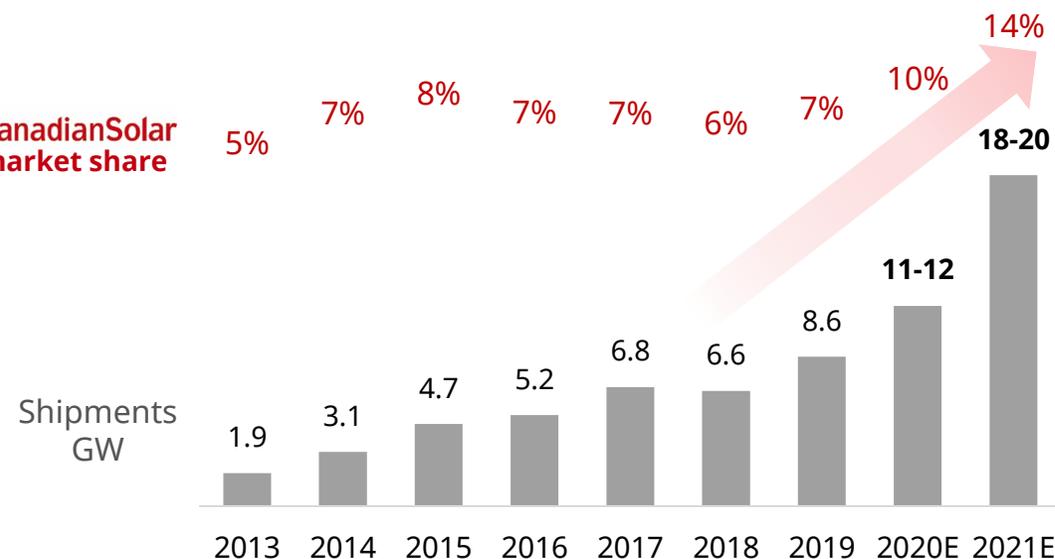


...to gain global market share and pricing power

Top 5 module manufacturers' market share



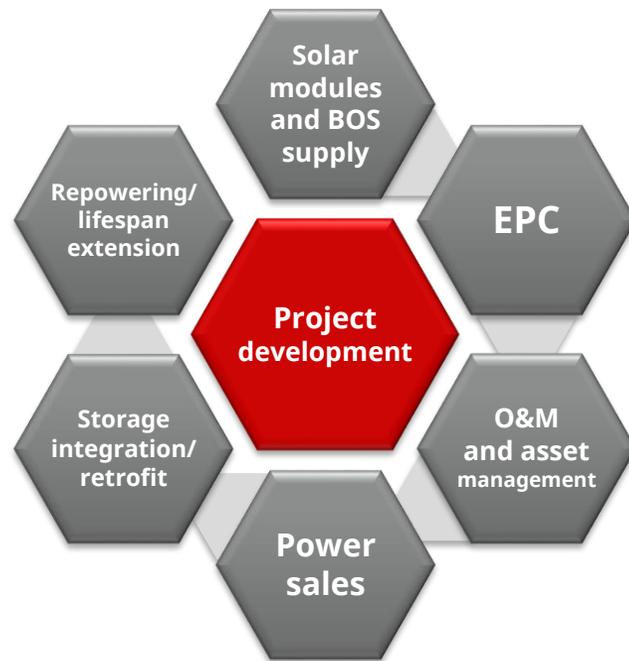
Canadian Solar market share



Project sales to grow by 25% pa while accumulating 1 GW in minority stakes by 2024

Energy Business Targets ⁽¹⁾	2020	2021	2022	2023	2024
Annual project sales, GWp	1.1-1.3	1.8-2.3	2.4-2.9	3.2-3.7	3.6-4.1
Cumulative projects retained, MWp	30	130	410	760	960

Canadian Solar Ecosystem



Retain minority ownership in certain markets to:

- ☀️ Capture higher margin income and additional operational value throughout partial ownership holding period, while recycling a large portion of the capital deployed
- ☀️ Over time, improve predictability and reduce volatility of future cash flows, smoothing the typical lumpiness associated with the development and sale of solar projects

Funded via capital partnerships with long-term investors through public or private vehicles

(1) Approximate and moving targets to be updated periodically based on market and business conditions. These targets are subject to risks; investors are encouraged to review the Risks section of the Company's annual report on Form 20-F.

Growth advantage in solar + energy storage from our integrated business model

THE FUTURE OF SOLAR ENERGY GENERATION & CONSUMPTION

- **FIT to PPA to merchant solar** increasingly requires storage and power trading capabilities
- **Higher solar penetration** requires better systems integration and digitalization to optimize grid's load management, ensure safety and improve economic returns

ENABLING TECHNOLOGIES

- Power electronics
- Energy storage
- Internet of Things, virtual power plants, big data, artificial intelligence, cloud computing

Module and System Solutions

Energy Business

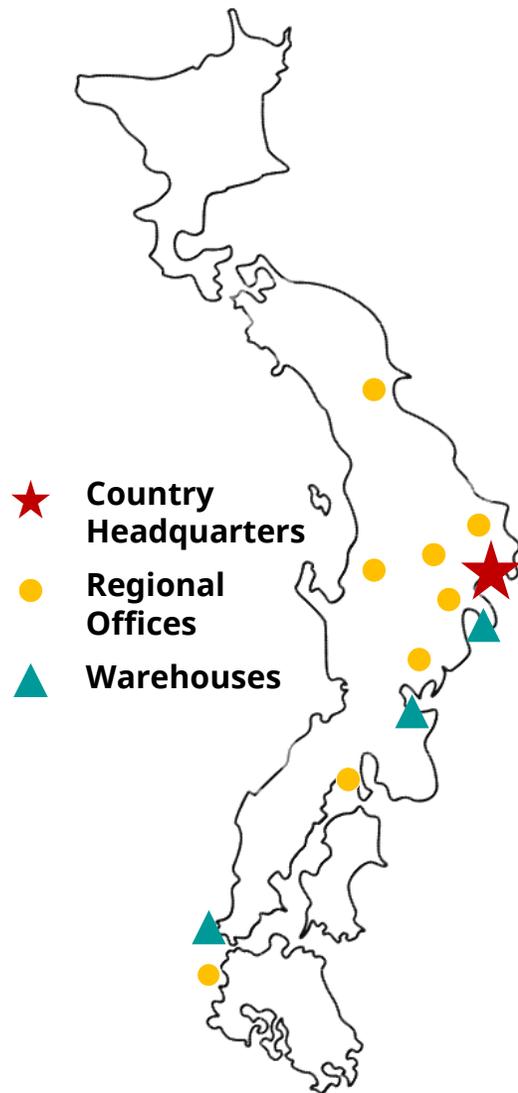


ENERGY STORAGE OPPORTUNITIES

- 🌟 **Technological advantage:** visibility on technological and cost roadmap from upstream R&D driving early adoption of cutting-edge technologies in our own projects
- 🌟 **Integrator of solar PV + storage:** deep understanding of the power grid, solar PV technology and development ecosystem to provide optimized solutions
- 🌟 **Captive market:** to incubate, commercialize and scale energy storage solutions for solar projects
- 🌟 **Bankable full-wrap solutions:** financial modelling and risk management delivering end-to-end performance guarantees

Unique business model to develop cost effective, end-to-end, integrated solar energy solutions

Canadian Solar's Japan strategy and market position is an example of our culture of innovation and entrepreneurialism



Strong brand name and presence across the solar value chain in a premium market with 2-3x profitability:

- ☀️ **No. 1** module supplier with 10%+ market share in one of the most highly-priced solar module markets globally
- ☀️ **No. 2** residential solution supplier behind Panasonic but ahead of Toshiba, Sharp and Kyocera. Among the few foreign household brands in Japan
- ☀️ **Top utility project developer**, approx. 500 MWp grid-connected and projects in backlog, supported by financing facilities such as the largest solar infrastructure fund listed in the Tokyo Stock Exchange – Canadian Solar Infrastructure Fund or CSIF (9284.T). *See next slide*
- ☀️ **Strong local presence:** 9 offices, 230+ employees, nationwide warehouses, service, logistics centers

Launched Japan's largest publicly listed solar infrastructure fund

Canadian Solar Infrastructure Fund TSE: 9284.T

Valuation ⁽¹⁾	¥ 51 bn (~\$470 mn)
Market capitalization ⁽²⁾	¥ 27 bn (~\$250 mn)
No. of power plants	21
Total power output	120 MWp

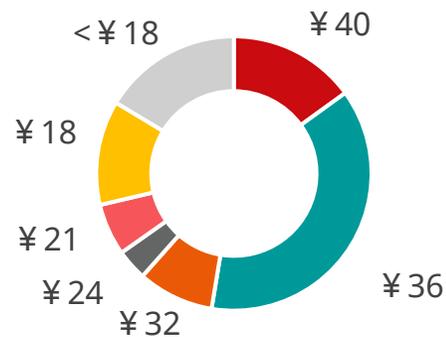
Canadian Solar Inc. owns 15% of CSIF

Total sponsor portfolio
27 projects, 358 MWp

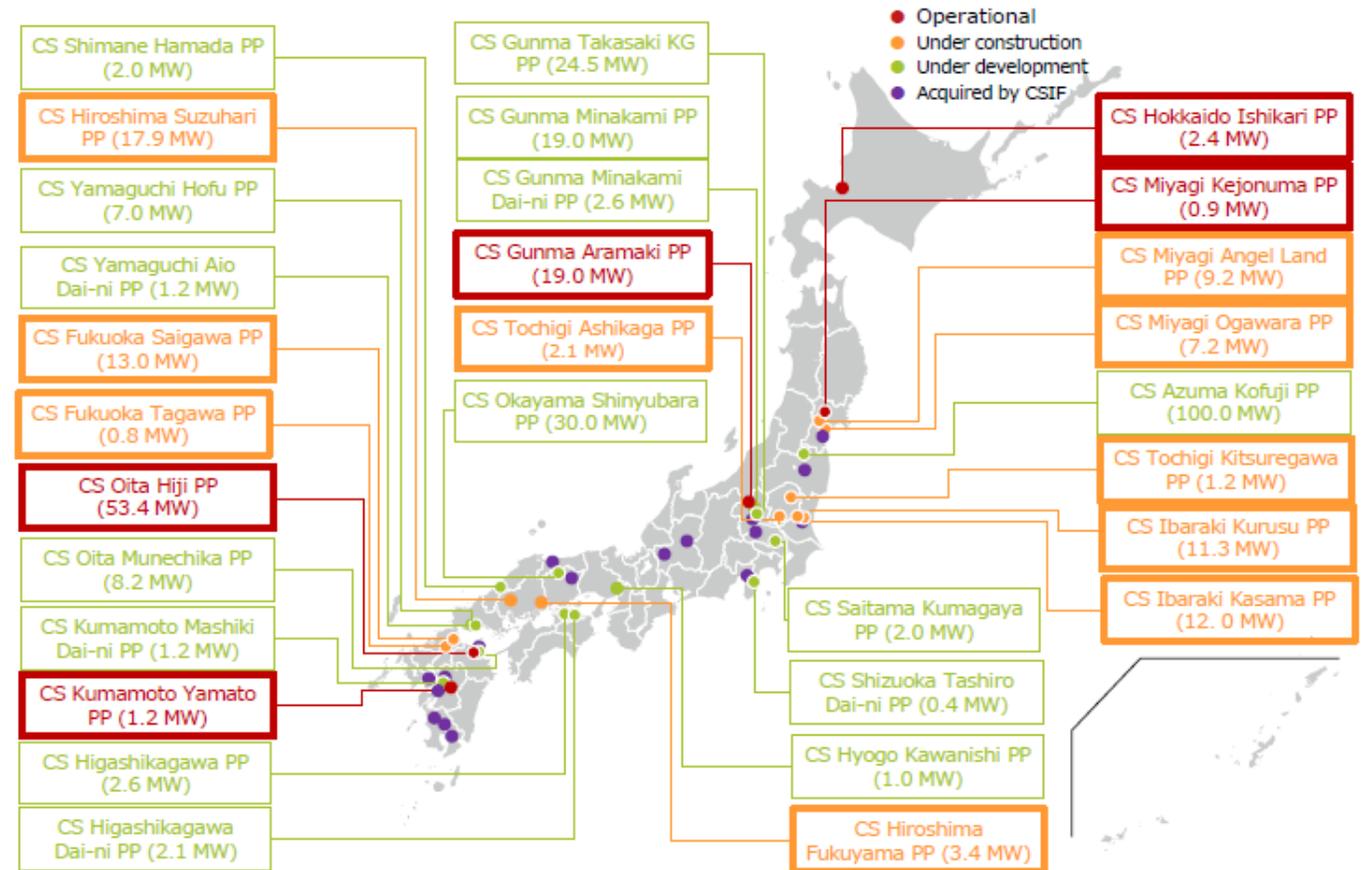
Operational and
under construction
13 projects, 155 MWp

Under development
14 projects, 203 MWp

**Sponsor portfolio FIT
distribution (by MW)**



Map of CSIF and sponsor assets

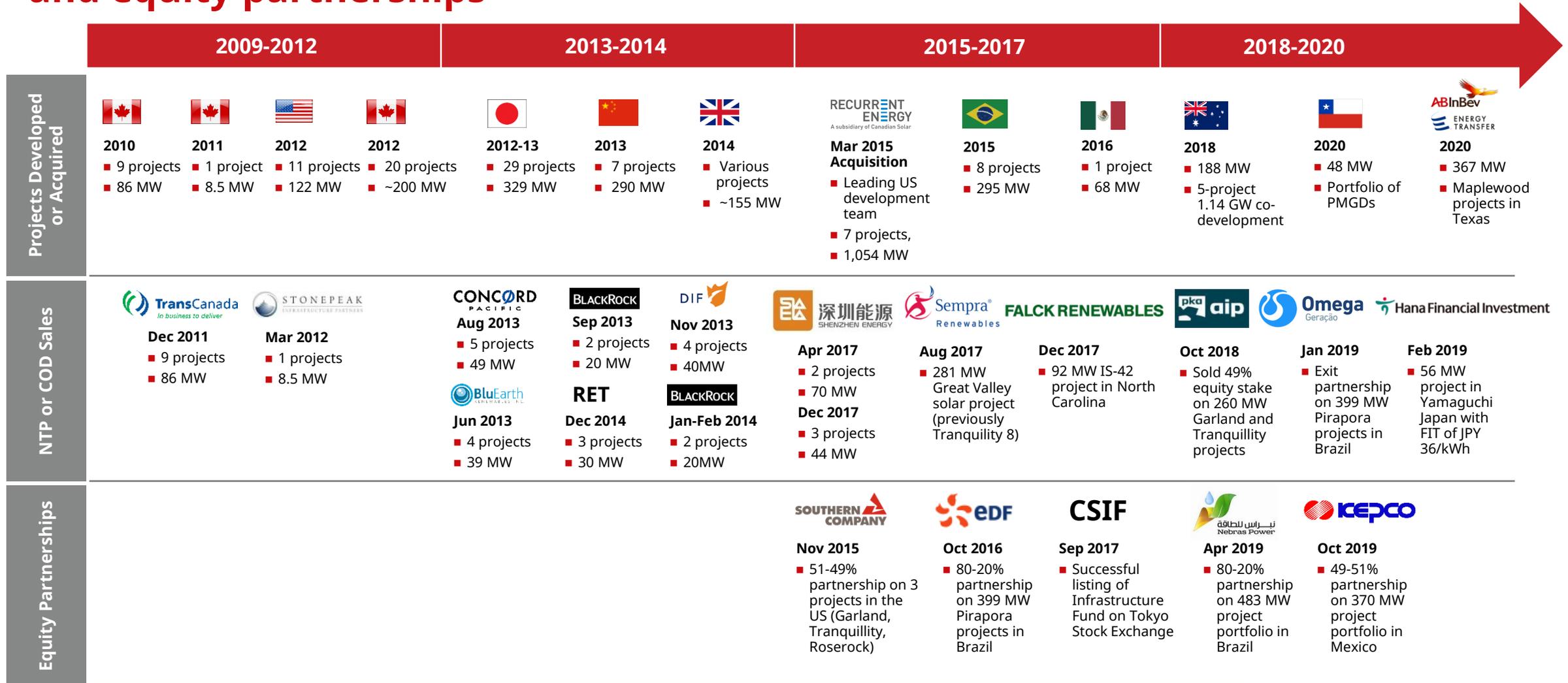


60% of Japan portfolio contracted at FIT prices of USD >0.30/kWh!

(1) Median project valuation amounts estimated by Pricewaterhouse Coopers Sustainability LLC and Ernst & Young Transaction Advisory Services Co., Ltd. in their project valuation reports as at each financial period end (half year) or acquisition. Valuation as at December 31, 2019.

(2) As at August 14, 2020.

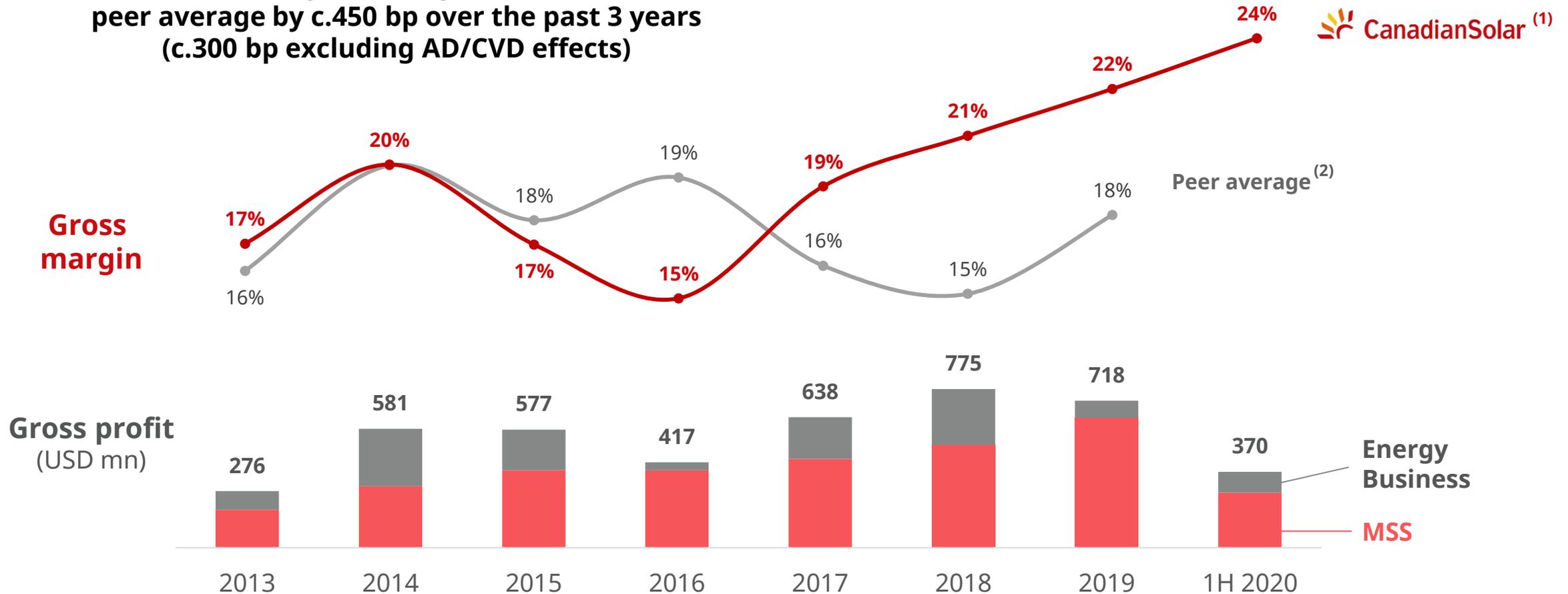
Global track record of success monetizing solar projects through NTP, COD sales and equity partnerships



A leading global solar development platform since 2009

Canadian Solar has delivered industry-leading margins over the past few years...

Canadian Solar gross margins have exceeded peer average by c.450 bp over the past 3 years (c.300 bp excluding AD/CVD effects)



(1) Includes the effects of anti-dumping and countervailing duties in the U.S. Excluding this, margins would be c.150 bp lower for 2017-1H20, 150 bp higher for 2016 and unchanged for 2013-15.

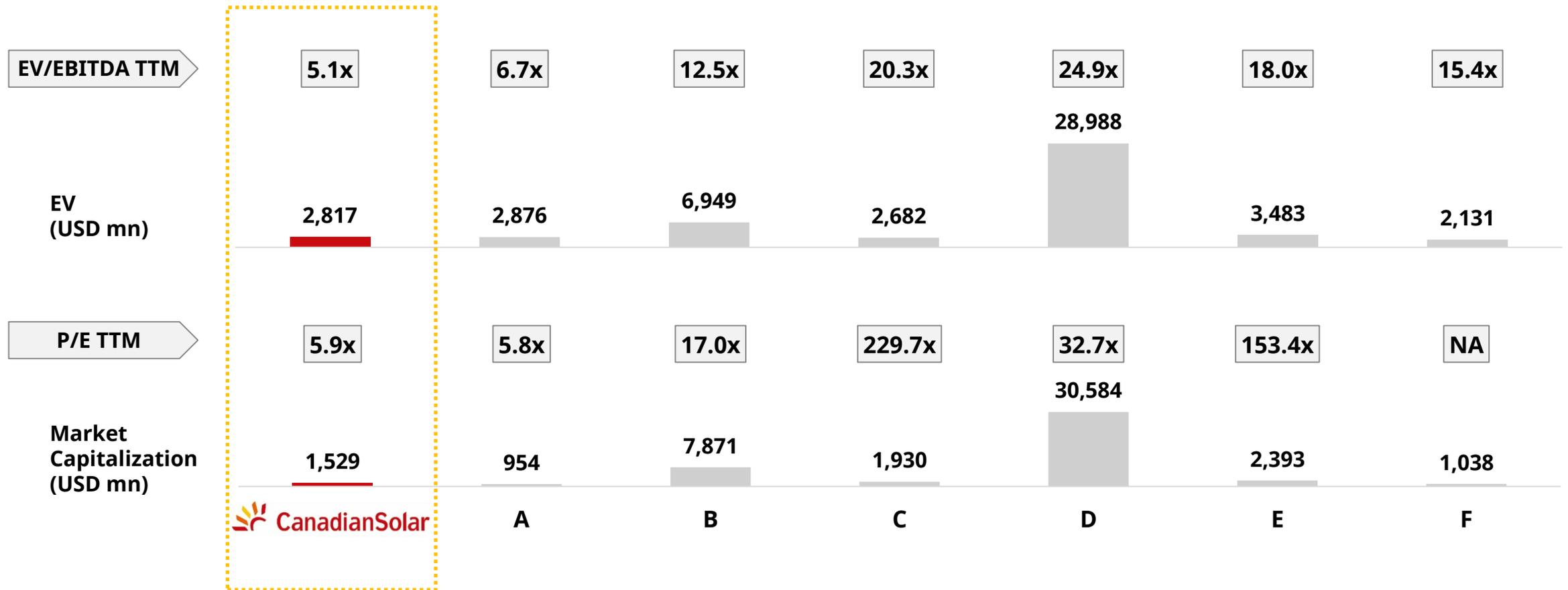
(2) Annual gross margin average of Jinko Solar, LONGi, Trina Solar, JA Solar, First Solar and SunPower. Source: Factset.

...and attractive through-cycle ROIC of 10% and ROE of 16% over the past 6 years

In USD millions, except % data

	2014	2015	2016	2017	2018	2019	1H20 TTM	Cumulative/ Average
Total equity (book value)	730	833	899	1,060	1,273	1,425	1,549	
+ Long-term borrowings	134	607	493	404	394	619	580	
+ Short-term borrowings	726	1,157	1,600	1,958	1,028	933	1,016	
+ Other interest-bearing debt	150	176	577	408	543	402	279	
- Cash and equivalents	550	553	511	562	444	669	579	
- Cash to secure short-term debt	113	107	133	245	134	69	50	
Invested Capital	1,077	2,112	2,926	3,023	2,659	2,642	2,796	2,462
EBIT (non-GAAP)	356	260	143	251	399	278	335	
- 26.5% tax (Canadian statutory rate)	-94	-69	-38	-67	-106	-74	-89	
Net Operating Profit After Tax (NOPAT)	262	191	105	185	293	204	246	1,345
ROIC = NOPAT / Invested Capital	24.3%	9.1%	3.6%	6.1%	11.0%	7.7%	8.8%	10.1%
Net Income	240	172	65	100	237	172	257	1,243
ROE = Net income / Total equity	33.4%	21.0%	7.4%	9.6%	19.3%	12.3%	17.1%	16.0%

Canadian Solar trades at an attractive valuation relative to peers...



1. The above relative valuation analysis is intended for illustration purposes only. Investors are encouraged to do their own due diligence based on own analysis of publicly available financial information.
2. NA: Not applicable due to negative earnings.
3. TTM Trailing Twelve Month data to the latest quarter available. Company B's earnings were adjusted to remove the costs of a litigation loss.
4. Canadian Solar's EV/EBITDA calculation can be viewed on slide 20. Source for peer multiples: Factset data, company filings.
5. Prices as at August 14, 2020 market close.

....supported by strong earnings performance...

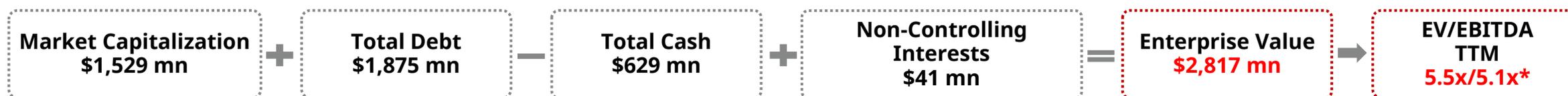
Total Debt and Cash Breakdown

	3Q19	4Q19	1Q20	2Q20
Short-term borrowings	1,056	933	910	1,016
Long-term borrowings on project assets - current	262	286	183	180
Capital leases - current	31	25	20	15
Long-term borrowings	526	619	666	580
Financing liabilities - non-current	76	77	75	75
Capital leases - non-current	18	14	12	9
Total debt	1,968	1,955	1,867	1,875
Cash and equivalents	526	669	619	579
Restricted cash - current:	515	527	494	399
Of which to secure debt:	82	69	61	50
Total cash (for EV calculation)	608	738	679	629
Net debt	1,360	1,217	1,187	1,246

EBITDA Calculation

	3Q19	4Q19	1Q20	2Q20	TTM
Total revenue	760	920	826	696	3,202
- COGS	-561	-690	-602	-549	-2,402
Gross profit	199	230	223	147	799
- Operating expenses	-119	-118	-110	-102	-449
Operating profit	80	111	113	45	351
-/+ Other expenses/income	2	-2	-15	-1	-16
+ Depreciation & amortization	37	45	45	48	175
EBITDA (non-GAAP)	119	155	143	92	510
Impairments	14	14	14	1	43
Adjusted EBITDA (non-GAAP)*	133	169	158	93	553

*EBITDA including impairments

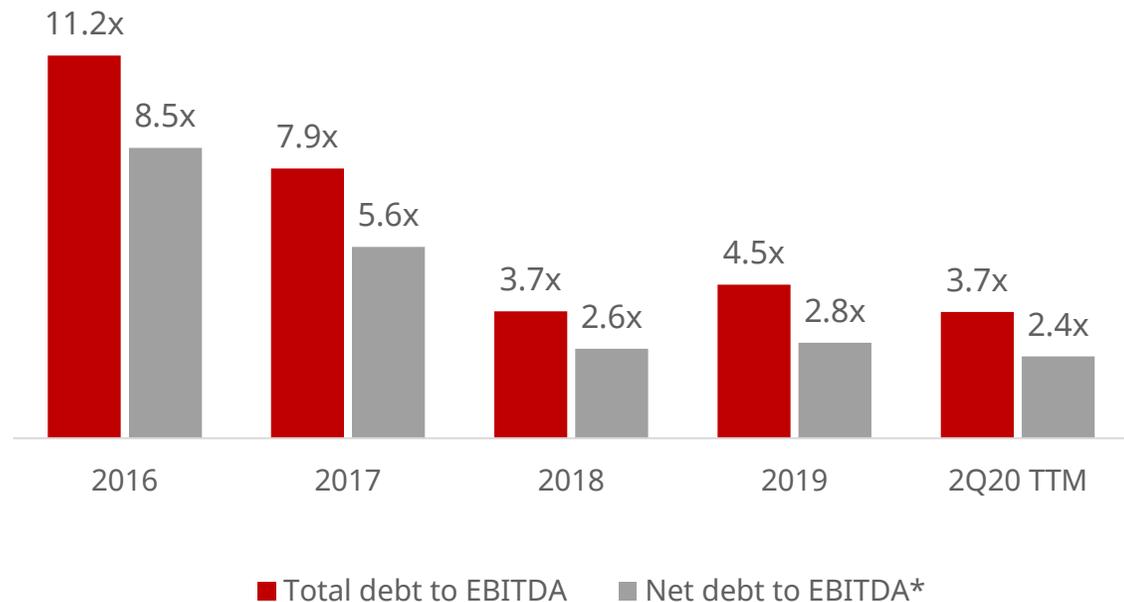


1. Source: Factset data, company filings.
2. Prices as at market close of August 14, 2020.
3. All Canadian Solar financials are actual reported values. For a reconciliation of GAAP to non-GAAP results, see accompanying table "GAAP to Non-GAAP Reconciliation" on slide 33.

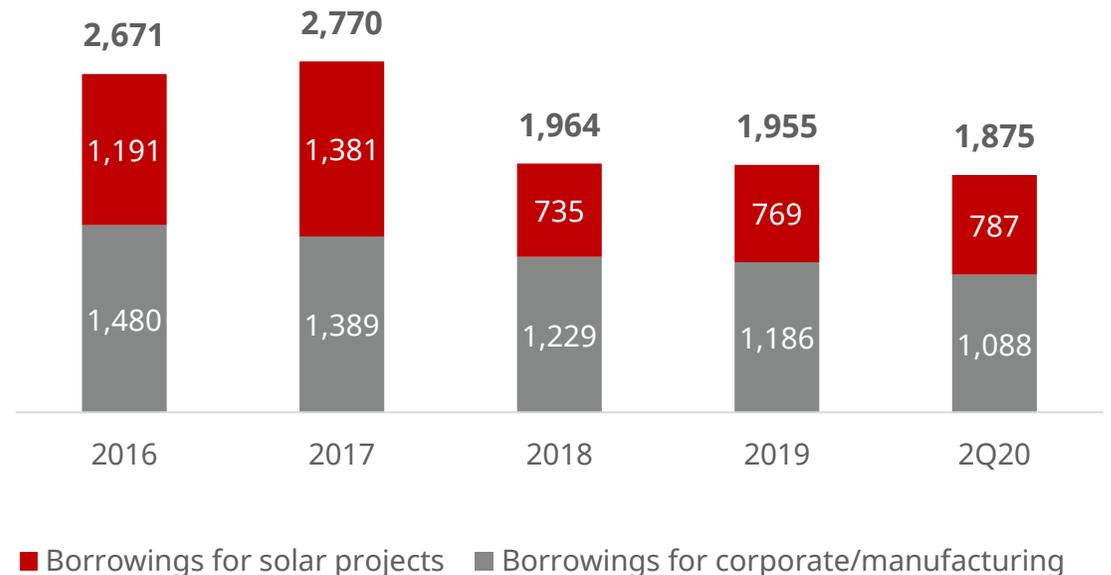
....and a strong balance sheet that has been deleveraged over the past few years...

- ☀️ Total and net debt to EBITDA are now at 3.7x and 2.4x respectively
- ☀️ The ratios would be approximately 0.5x lower excluding project level non-recourse debt
- ☀️ Deleverage driven by both growth in EBITDA and reduction in total debt

Total and Net Debt to EBITDA



Total Debt, USD mn



Note: Net debt calculation nets out unrestricted cash and restricted cash securing debt only.

....and strong liquidity and working capital management

Industry-leading operations management and efficiency

-  Fast payment cycle
-  Low inventory
-  Negative cash conversion cycle
-  Close to zero bad debt

					
	2017-2019 <i>Average</i>	CSIQ⁽¹⁾	Jinko Solar	LONGi	First Solar
Inventory Days	49	83	90	56	70
Receivable Days	51	82	136	74	38
Payable Days	121	148	200	32	81
Cash Conversion Cycle	(21)	17	26	98	27

Source: Company filings, Factset data.

CSIQ inventory and receivables are gross amounts i.e. adding back provisions and bad debt allowances, respectively. Using net amounts would reduce average inventory and receivable days.

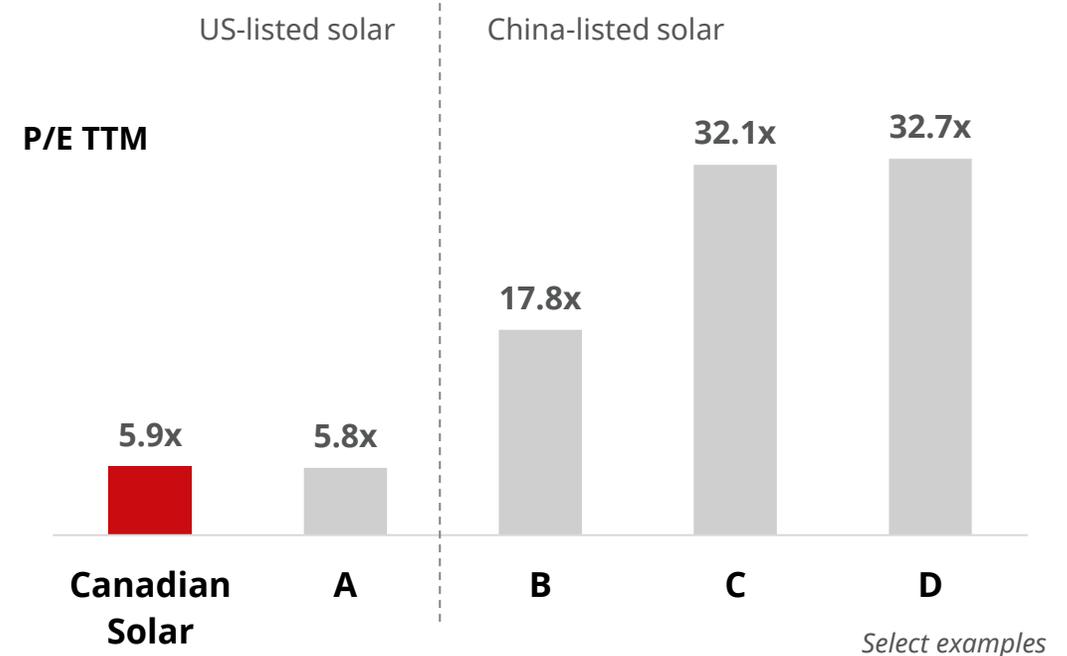
Planned listing of Module and System Solutions on China's stock market

We announced on July 27, 2020 the plan to list the MSS subsidiary on China's stock market (Shanghai's STAR market or Shenzhen's ChiNext market). Through the IPO and pre-IPO equity raisings, Canadian Solar expects to sell minority stakes in the MSS subsidiary to China-based investors while positioned for growth by remaining as MSS' controlling shareholder.

Main rationale:

- 🌟 **Positioning for long-term growth** by accessing additional sources of lower-cost capital, enabling us to expand capacity and increase the level of vertical integration to capture more global market share, enhance pricing power, control costs and improve profitability.
- 🌟 **Address the valuation gap** relative to China-listed solar companies while remaining listed on the NASDAQ and fully committed to growing our global Energy business
- ❑ Expected timeline: 18-24 months
- ❑ Next milestone: Complete pre-IPO equity raising and convert the MSS subsidiary into a Sino-foreign joint-stock company

US-listed solar companies with manufacturing in China trade at a significant discount relative to China-listed peers



Strategically-minded and prudent management team with excellent track record



Dr. Shawn Qu
Chairman
Chief Executive Officer

- ❖ Founded Canadian Solar in 2001, firmly establishing the company as a global leader of the solar industry
- ❖ Director & VP at Photowatt International S.A.
- ❖ Research scientist at Ontario Hydro (Ontario Power Generation)



Yan Zhuang
President
Chief Operating Officer

- ❖ 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



Guangchun Zhang
Senior VP
Chief Manufacturing Officer

- ❖ 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



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



Jianyi Zhang
Senior VP
Chief Compliance Officer

- ❖ Senior advisor to several Chinese law firms
- ❖ Senior assistant general counsel at Walmart Stores, Inc.
- ❖ Managing Partner at Troutman Sanders LLP

Near term uncertainty from COVID-19 but long term fundamental drivers intact

Risks and Impacts

- ❖ **Project financing:** potentially lower availability of tax equity in the U.S. due to macroeconomic weakness
- ❖ **Project sales:** higher cost of capital for project buyers due to volatility in the capital markets
- ❖ **Project construction/permitting:** delays but limited impact
- ❖ **Module sales:** weakness in global residential markets and certain project delays, but seeing a recovery under way
- ❖ **FX impact:** Depreciation in certain currencies impacting demand
- ❖ **Module input costs:** rapid cost declines across the supply chain

Mitigation Strategies

- ❖ **Support** customers, suppliers and partners through the tough times
- ❖ **Renegotiate** PPA execution dates
- ❖ **Assess** and **balance** valuation vs. cash flow impacts, self-funding construction on certain projects to sell at a later date to achieve higher project valuation
- ❖ **Adjust** production plans focusing more on “build-to-order” and less on “build-to-stock”
- ❖ **Strengthen** credit control measures
- ❖ **Accelerate** R&D and product development to boost competitiveness
- ❖ **Adopt** extra-prudent approach at capital and liquidity management

Opportunities

- ❖ Improved **attractiveness of stable yielding solar assets** in a lower-for-longer interest rate environment
- ❖ Lower solar module and BOS ⁽¹⁾ prices **improving the economics** of contracted solar pipeline, **growing the number of solar markets at/reaching grid parity**
- ❖ Financial stress at lower-tier solar manufacturers to **accelerate industry consolidation**
- ❖ Unprecedented global fiscal and monetary stimulus to **accelerate investments in clean energy markets**
- ❖ Potential extension of the Investment Tax Credit (ITC) in the U.S.

(1) Balance of systems.

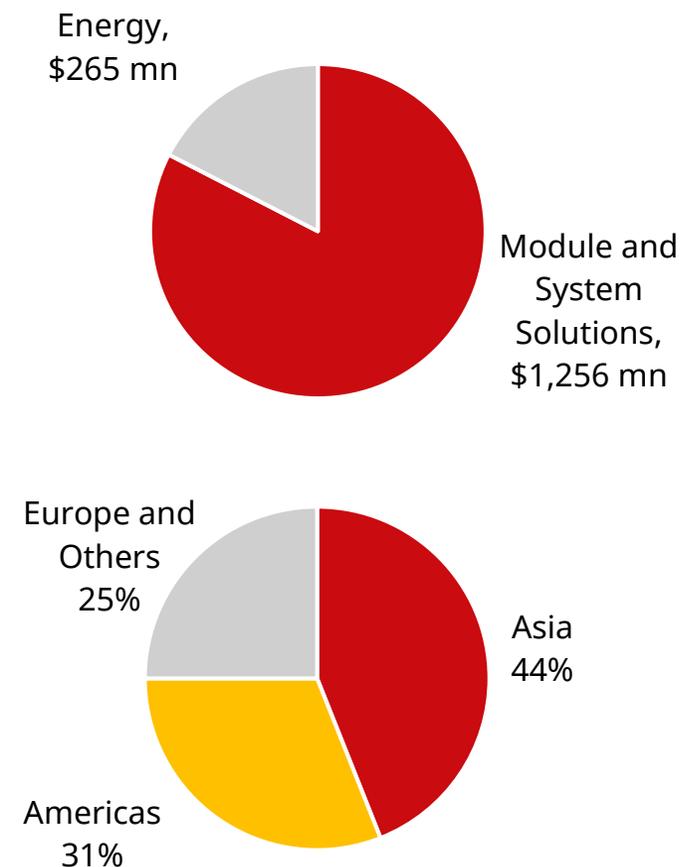


FINANCIAL HIGHLIGHTS

Q2 and H1 2020 Results Summary

<i>USD millions except per share data</i>	2Q20	vs. 1Q20	vs. 2Q19	1H20	vs. 1H19
Net revenues	696	-16%	-33%	1,521	0%
Cost of revenues	549	-9%	-36%	1,151	-6%
Gross profit	147	-34%	-19%	370	28%
Operating expenses	102	-7%	-17%	211	-5%
Operating income	45	-60%	-25%	159	136%
Other (expenses)/income	-1	<i>NM</i>	<i>NM</i>	-16	<i>NM</i>
Depreciation and amortization	48	7%	21%	93	20%
EBITDA (non-GAAP)⁽¹⁾	92	-36%	-29%	236	45%
Net income attributable to Canadian Solar Inc.	21	-81%	-67%	131	188%
Diluted EPS	0.34	-82%	-67%	2.18	191%
<i>Gross margin</i>	<i>21.2%</i>	<i>-59 bp</i>	<i>35 bp</i>	<i>24.3%</i>	<i>53 bp</i>
<i>EBITDA* margin</i>	<i>13.2%</i>	<i>-41 bp</i>	<i>7 bp</i>	<i>15.5%</i>	<i>48 bp</i>
<i>Net margin</i>	<i>3.0%</i>	<i>-104 bp</i>	<i>-31 bp</i>	<i>8.6%</i>	<i>56 bp</i>
<i>Return on equity (TTM)</i>	<i>17.1%</i>	<i>-36 bp</i>	<i>-4 bp</i>	<i>17.1%</i>	<i>-4 bp</i>

1H20 Revenue Split

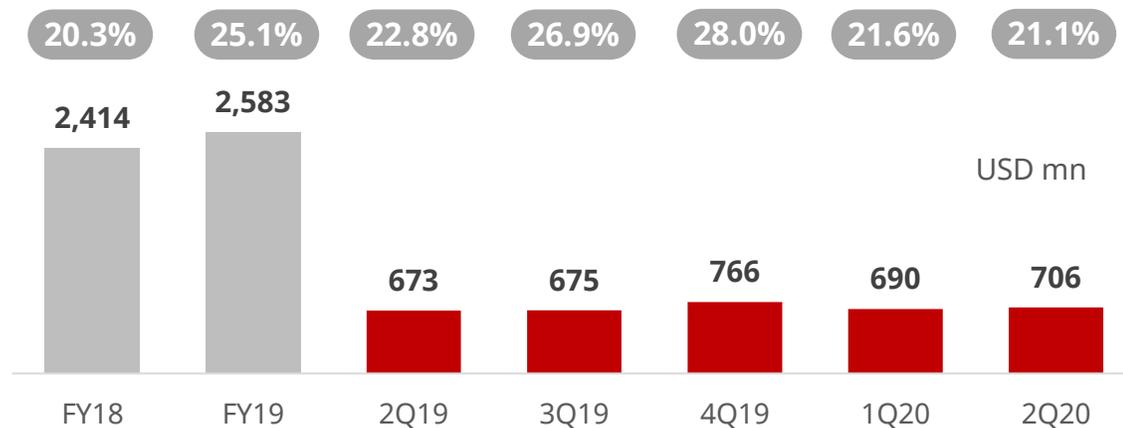


(1) EBITDA calculated as operating income after loss/gain on change in fair value of derivatives, FX gain/loss, investment income/loss, and income from minority shareholdings; then adding back depreciation and amortization. For a reconciliation of GAAP to non-GAAP results, see accompanying table "GAAP to Non-GAAP Reconciliation" on slide 33.

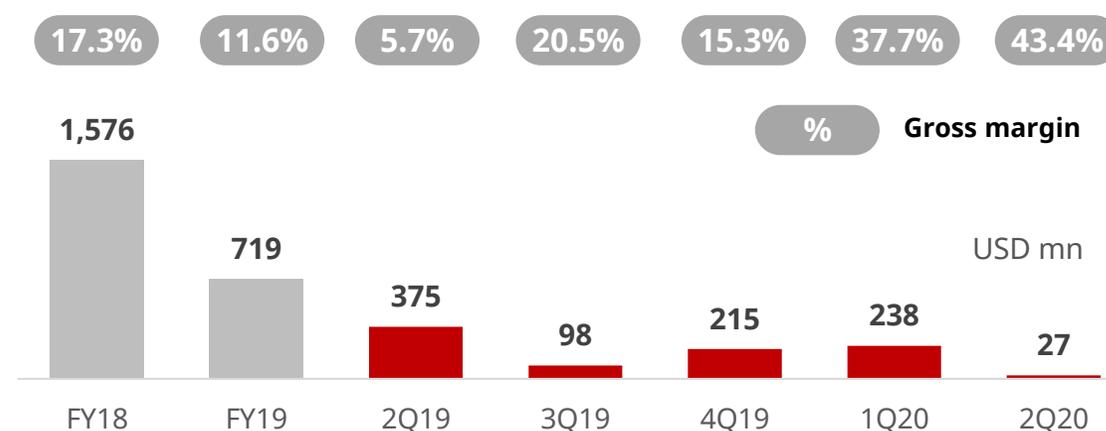
Results Summary by Divisions

<i>USD millions except shipment data⁽¹⁾</i>		2Q20	vs. 1Q20	vs. 2Q19	1H20	vs. 1H19
MSS	Total shipments (MW)	2,905	31%	36%	5,119	38%
	Revenues	706	2%	5%	1,396	22%
	Gross profit	149	0%	-3%	298	18%
	Income from operations	63	3%	8%	125	58%
Energy	Revenues	27	-89%	-93%	265	-35%
	Gross profit	12	-87%	-46%	101	229%
	Income from operations	-4	NM	NM	63	NM

Module and System Solutions Revenue ⁽¹⁾



Energy Business Revenue



HIGHLIGHTS

- Total module shipments grew 36% yoy and 31% qoq in Q2, despite COVID-related demand disruptions.
- ASPs continued to decline due to market expectations of weak demand. However, costs also declined, allowing the MSS business to maintain relatively healthy margins. The trend has reversed and prices have started to increase throughout the supply chain due to stronger demand and supply disruptions.
- Energy business revenues and profits were both down in Q2 due to limited project sales during the quarter. However, gross margin remained high.

(1) Includes effects of both sales to third party customers and to the Company's 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.

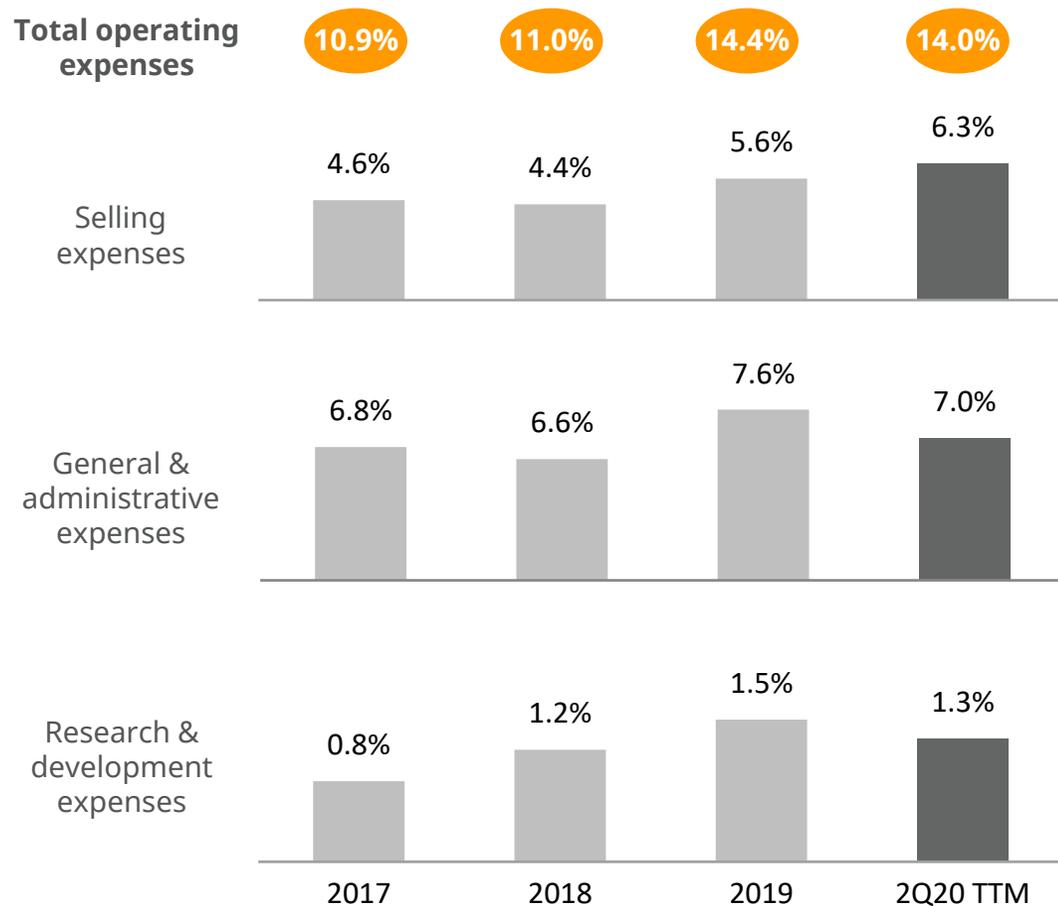
Guidance as of August 7, 2020

	Q2 2020	Q3 2020E	FY2019	FY2020E	yoy Δ%
Module Shipments	2,905 MW	2.9 GW to 3.1 GW	8,579 MW	11 GW to 12 GW	28% to 40%
Revenue	\$696 mn	\$840 mn to \$890 mn	\$3.2 bn	NA ⁽¹⁾	NA
Gross Margin	21.2%	14% to 16%	22.4%	NA	NA

(1) The Company withdrew its 2020 annual financial guidance in May due to uncertainty in business conditions in the second half of 2020 caused by COVID-19.

Disciplined management of opex, working capital and capex

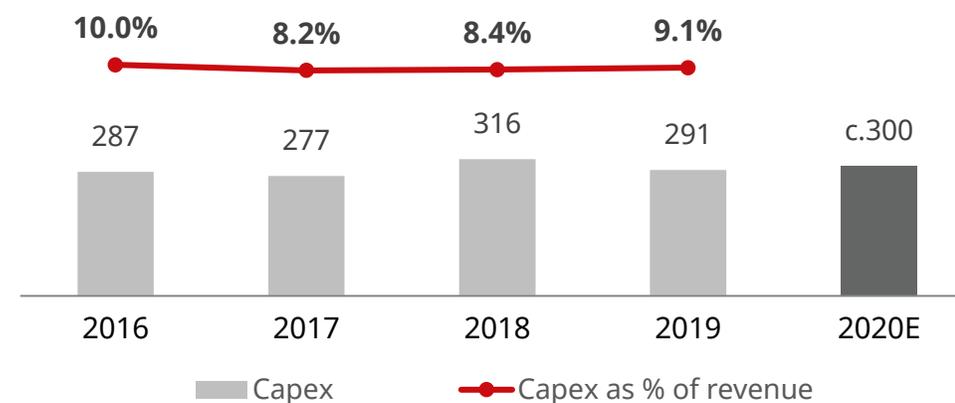
Operating Expenses as % of Revenue



Working Capital Days ⁽¹⁾

Days	2017	2018	2019	1H20
Inventory turnover	46	39	63	90
Accounts receivable turnover	47	47	58	60
Accounts payable turnover	115	107	140	162
Cash conversion cycle	-22	-21	-19	-12

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 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>	2018	2019	1H19	1H20	1H yoy	2Q19	3Q19	4Q19	1Q20	2Q20	2Q qoq	2Q yoy
Net Revenue	3,745	3,201	1,521	1,521	0%	1,036	760	920	826	696	-16%	-33%
Cost of revenues	-2,970	-2,482	-1,231	-1,151	-6%	-854	-561	-690	-602	-549	-9%	-36%
Gross profit	775	718	290	370	28%	183	199	230	223	147	-34%	-19%
Selling expenses	-165	-180	-83	-106	27%	-45	-47	-50	-53	-53	2%	18%
General and administrative expenses	-245	-243	-117	-99	-15%	-66	-61	-64	-53	-46	-12%	-29%
Research and development expenses	-44	-47	-25	-21	-17%	-12	-12	-10	-10	-11	9%	-10%
Other operating income, net	45	11	3	15		1	1	6	6	9		
Total operating expenses, net	-410	-460	-223	-212	-5%	-122	-119	-118	-110	-102	-7%	-17%
Income from operations	365	259	67	159	136%	61	80	111	113	45	-60%	-25%
Net interest expense	-95	-69	-36	-31		-16	-17	-17	-16	-15		
Gain (loss) on change in fair value of derivatives	-19	-22	-14	31		-12	-2	-6	33	-2		
Foreign exchange gain (loss)	7	10	4	-36		16	3	4	-34	-2		
Investment income (loss)	41	2	3	-12		2	-1	0	-14	2		
Income tax benefit (expense)	-62	-42	-6	20		-14	-10	-25	29	-9		
Equity in earnings (loss) of unconsolidated investees	6	29	26	2		24	2	1	0	2		
Net income	242	167	43	132		60	55	68	111	20		
Less: net income attributable to non-controlling interests	5	-5	-2	0		-2	-3	0	1	0		
Net income attributable to Canadian Solar Inc.	237	172	46	131	185%	63	58	68	111	21	-81%	-67%
Earnings per share - basic	4.02	2.88	0.77	2.20		1.05	0.97	1.13	1.86	0.35		
Earnings per share - diluted	3.88	2.83	0.75	2.18	187%	1.04	0.96	1.12	1.84	0.34	-82%	-67%

Summary Balance Sheet

<i>USD millions</i>	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Cash and cash equivalents	567	452	520	444	370	438	526	669	619	579
Restricted cash - current	613	536	460	481	516	526	515	527	494	399
Accounts receivable	354	370	323	498	389	455	449	437	385	422
Inventories	414	336	322	262	385	338	413	554	632	547
Project assets - current	959	1,191	1,187	934	920	690	910	604	583	654
Other current assets	506	511	525	455	510	448	532	462	600	595
Total current assets	3,413	3,396	3,337	3,074	3,090	2,895	3,345	3,253	3,313	3,196
Restricted cash - non-current	11	3	16	16	26	17	7	10	10	17
Property, plant and equipment	791	797	863	885	933	958	996	1,046	977	970
Net intangible assets and goodwill	15	16	16	16	20	19	24	23	22	22
Project assets - non-current	166	92	117	352	393	404	238	483	442	493
Solar power systems	63	59	56	55	60	57	53	53	51	50
Investments in affiliates	415	411	403	126	128	153	150	153	68	79
Other non-current assets	426	419	396	369	423	536	495	446	433	432
Total non-current assets	1,887	1,797	1,867	1,819	1,983	2,144	1,963	2,214	2,003	2,063
TOTAL ASSETS	5,300	5,193	5,204	4,893	5,073	5,039	5,308	5,467	5,316	5,259
Short-term borrowings	1,858	2,000	1,878	1,028	1,071	1,080	1,056	933	910	1,016
Long-term borrowings on project assets-current	0	0	0	266	280	177	262	286	183	180
Accounts and notes payable	914	815	857	749	934	926	1,006	1,131	1,048	933
Other payables	295	303	322	408	380	440	453	446	410	449
Tax equity liabilities	155	154	164	158	158	50	53	0	0	0
Other current liabilities	398	391	424	339	241	258	250	296	282	213
Total current liabilities	3,620	3,663	3,645	2,948	3,064	2,931	3,080	3,092	2,833	2,791
Long-term borrowings	328	221	120	394	434	463	526	619	666	580
Convertible notes	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	208	206	237	278	302	323	336	331	324	339
Total non-current liabilities	536	427	357	672	736	786	862	950	989	919
TOTAL LIABILITIES	4,156	4,090	4,002	3,620	3,800	3,717	3,942	4,042	3,823	3,710
Common shares	702	703	703	703	704	703	704	704	686	686
Retained earnings	428	444	510	622	605	668	726	794	904	925
Other equity	-26	-82	-52	-100	-79	-91	-103	-105	-138	-103
Total Canadian Solar Inc. shareholders' equity	1,104	1,065	1,161	1,226	1,230	1,280	1,327	1,393	1,452	1,508
Non-controlling interests	39	38	41	47	43	42	38	32	41	41
TOTAL EQUITY	1,144	1,103	1,202	1,273	1,273	1,322	1,366	1,425	1,493	1,549

GAAP to Non-GAAP Reconciliation

<i>In USD millions</i>	FY18	FY19	1Q20	2Q20
GAAP net income	242	167	111	20
<i>Add back:</i>				
Income tax benefit (expense)	62	42	-29	9
Net interest expense	95	69	16	15
Non-GAAP EBIT	399	278	98	44
<i>Add back:</i>				
Depreciation & amortization	129	159	45	48
Non-GAAP EBITDA	528	437	143	92
<i>Add back:</i>				
Impairments	46	42	14	1
Non-GAAP adjusted EBITDA	574	479	157	93

-  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.



 **CanadianSolar**

Thank you

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