



Investor Presentation

Second Quarter 2016 Update

September 2016

CSIQ NASDAQ Listed

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Renewable Energy Demand Continues to Grow

Investments in renewables continue despite volatile fossil fuel prices.

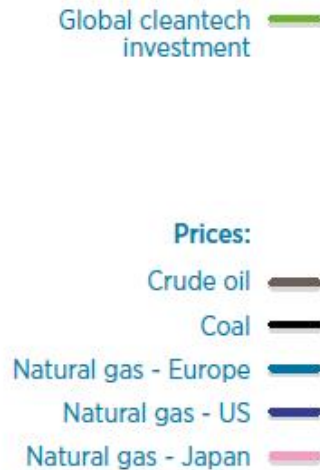
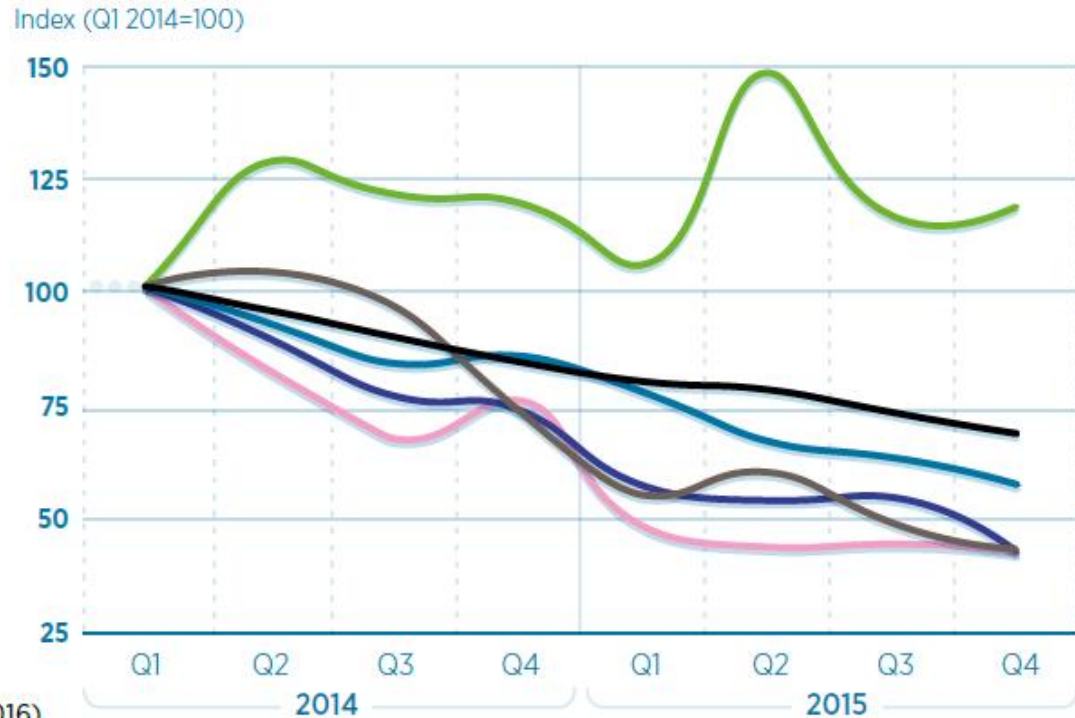


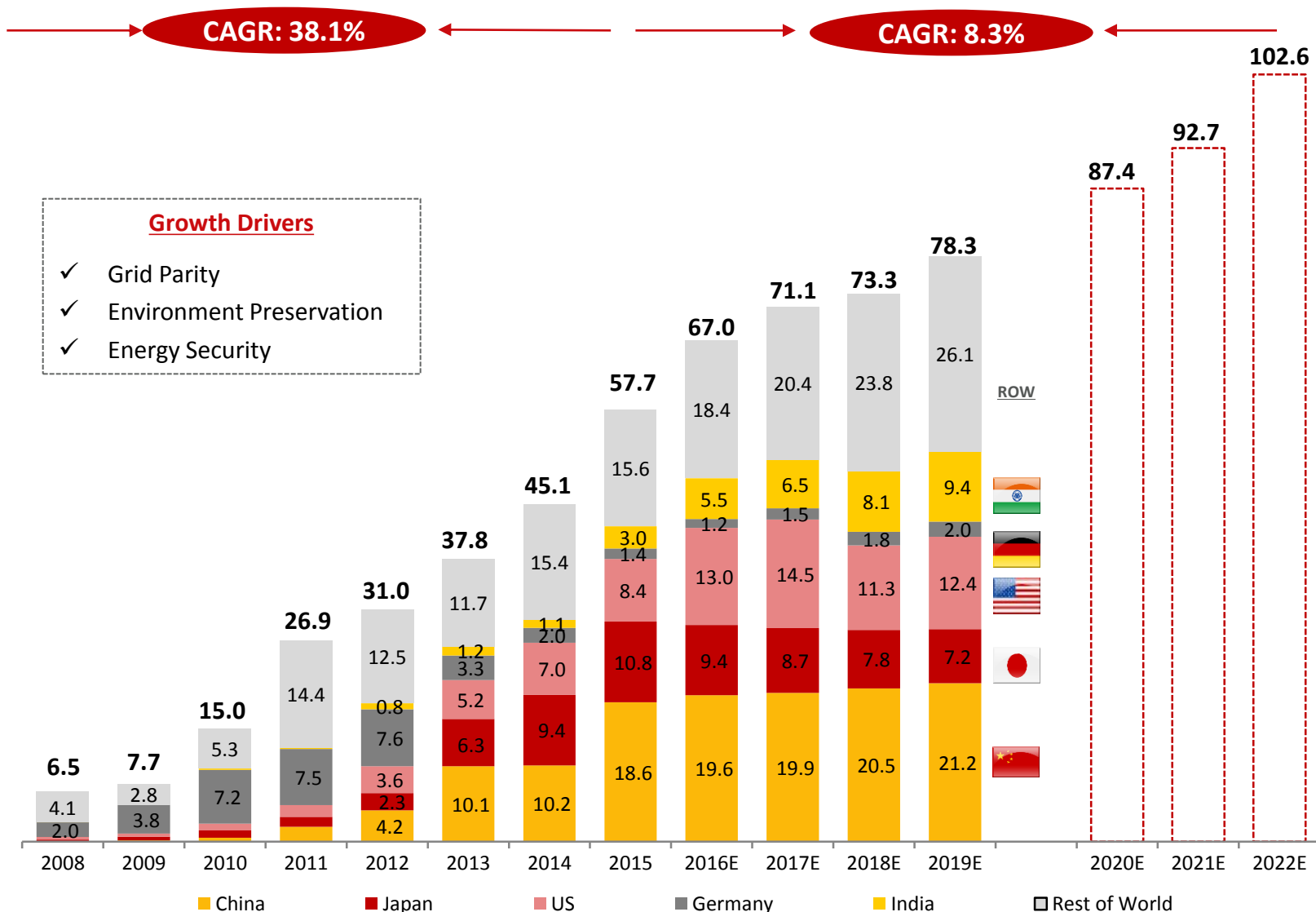
Figure 4: Investments in global cleantech and fossil fuel prices



Sources: BNEF (2015), EIA (2016)

Investment in renewable energy reached a new record despite falling fossil fuel prices

Global Annual PV Installation to Break through 60GW in 2016

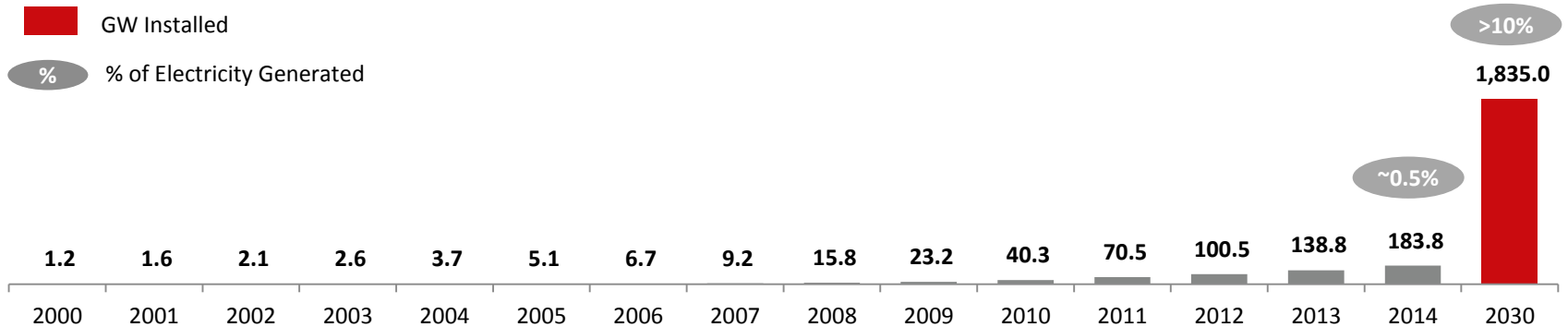


Source: Global PV module demand assumptions from Solarbuzz, IHS, Bloomberg New Energy Finance.

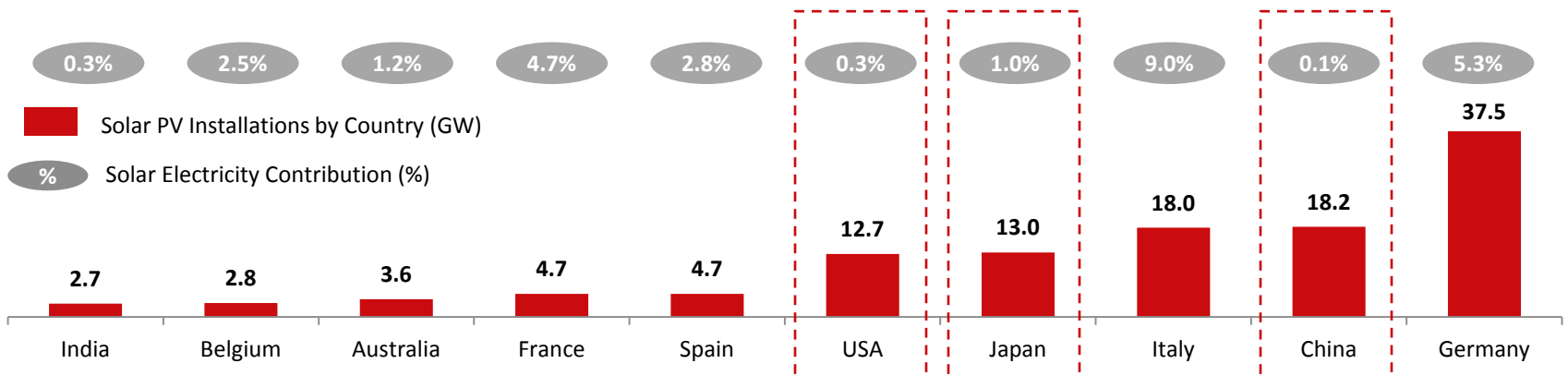
We Are at the Very Early Stages of Solar Adoption

Solar energy will grow from ~0.5% of global electricity generation today to >10% by 2030

Global Cumulative Solar PV Installations (GW)



Canadian Solar's key markets such as US, Japan and China are significantly under-penetrated



Source: EPIA, Bloomberg New Energy Finance, Canadian Solar Analysis

Solar PV Installed Capacity is Forecast to Grow sevenfold to over 1,835 GW in 2030.

Company Overview

- 🌿 Founded in Ontario, 2001
- 🌿 Listed on NASDAQ (CSIQ) in 2006
- 🌿 Over 8,000 employees globally
- 🌿 Presence in 18 countries / territories
- 🌿 > 16 GW of solar modules shipped cumulatively
- 🌿 > 1.8 GWp solar power plants developed, built and connected (incl. Recurrent)
- 🌿 **Top 2 solar company by MW shipped, revenue and profits in 2015**

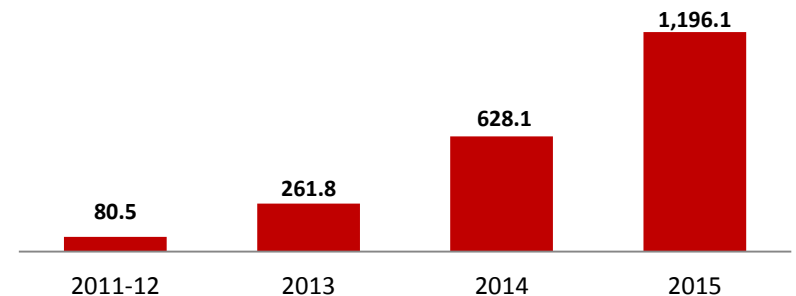
Highlights

- 🌿 2015 Revenue: **\$3.5 Billion**
- 🌿 2015 Shipments: **4.7 GW**
- 🌿 2015 Net Income: **\$172 Million**
- 🌿 2016 Shipment Guidance: **5.4 – 5.5 GW**

Global Footprint and Brand



Solar Power Plants Built and Connected



Energy Business: Industry Leading Globally Diversified Project Pipeline

Priority Markets for Utility-Scale Project Development

20.4 GWp

total project development pipeline

2.4 GWp

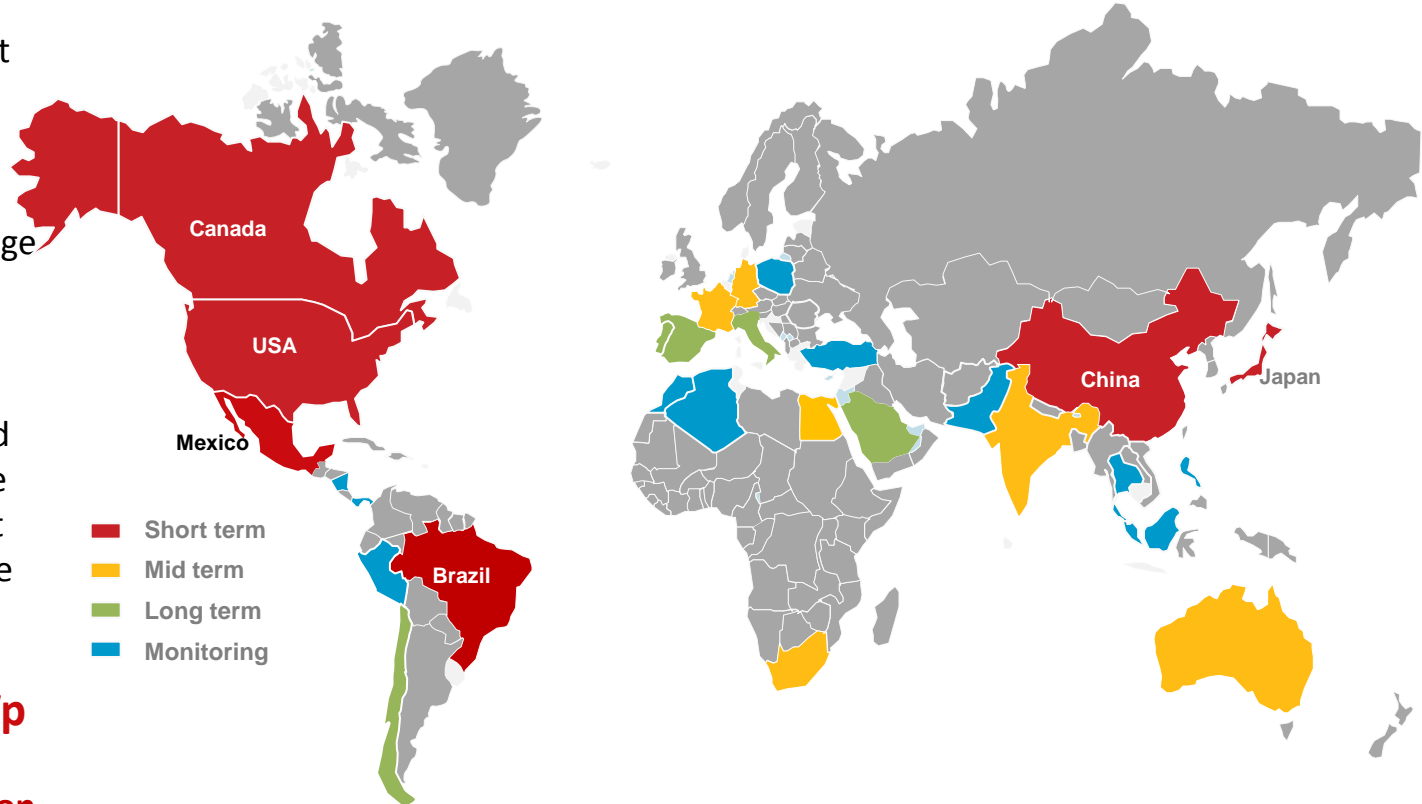
total contracted / late-stage project pipeline⁽¹⁾

~472 MWp

Solar power plants owned and operated resale value of **\$850 million** and profit margin contribution in the mid-teens.

Additional 900 MWp

To be connected in 2016, resale value of **\$1.25 Billion**



- Short term
- Mid term
- Long term
- Monitoring

1,129 MWp
U.S. ⁽¹⁾

576MWp
Japan ⁽¹⁾

384 MWp
Brazil ⁽¹⁾

121MWp
China ⁽¹⁾

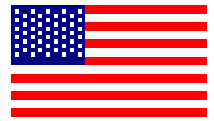
63 MWp
Mexico ⁽¹⁾

Source: Company information as of September 2, 2016

Note: (1) Late-stage project and EPC contract pipeline, nearly all projects have an energy off-take agreement and are expected to be built within the next 2-4 years. Some projects may not reach completion due to failure to secure permits or grid connection, among other risk factors.

(2) Early to mid-stage of development: includes projects under assessment for co-development and acquisition, as well as projects being self-developed where the land has been identified or secured, and an energy off-take agreement is in place or there is a reasonable probability that it can be secured.

Market Leader in the U.S. with 1,129 MWp Project Backlog



Includes Recurrent Energy Across North America

3.4 GWp

Early-stage pipeline

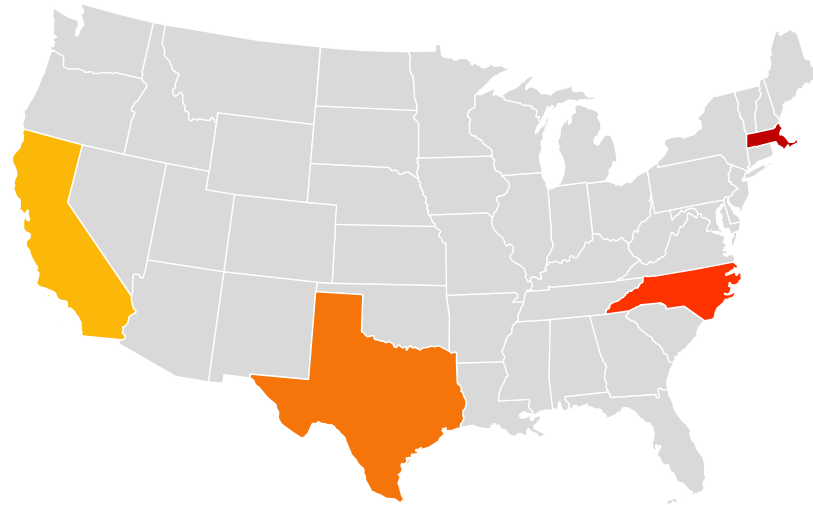
1,129 MWp

Late-stage pipeline²

>842 MWp¹

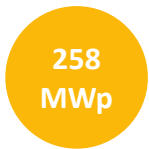
Track record of projects developed and sold in U.S.

U.S. Project Development Business Footprint

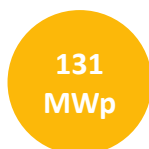


Late-stage Pipeline²

Tranquility



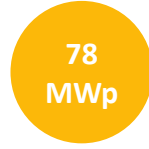
Astoria 1



Astoria 2



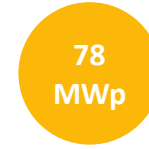
Barren Ridge



Garland



Other



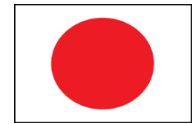
Roserock



Commercial Operation by the end of 2016

1. Includes all of Recurrent Energy's and Canadian Solar (US only) projects developed and delivered; 2. Gross MWp owned by Canadian Solar

Japan Utility-Scale Solar Project Pipeline



Total Solutions business – Japan

576 MW_p ⁽¹⁾
pipeline of projects in development

21 MW_p
Owned and operated

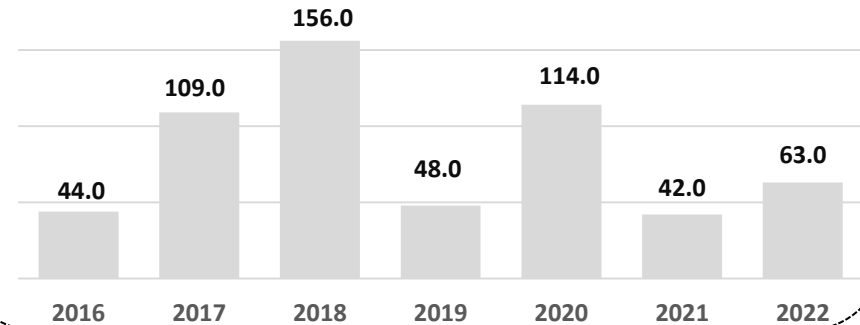


(1) Some of these projects may not progress to completion






Shibushichocho: 1.2MWp

Utility-Scale COD Schedule² - MWp



(2) Expected COD are tentative estimates subject to change, due to delays in securing all the necessary permits among other risk factors.

-  Projects in construction **112 MWp**
-  Projects ready-to-build **134.7 MWp**
-  Projects with signed interconnection agreements **376.2 MWp**

China Utility-scale Solar Project Pipeline



Energy Business – China



■ Group I: 0.8 RMB/kWh
 ■ Group II: 0.88 RMB/kWh
 ■ Group III: 0.98 RMB/kWh

Note: * FIT of RMB 1.0/kWh was assigned to the project that was filed with the provincial government before 2016.

Source: Company information as of August 18, 2016

2016 Grid Connection Target

	Province	2016 Late Stage Project Opportunity (MWp)	Feed In Tariff
1	Jiangsu	31 MW	RMB 0.98 to 1.0/kWh*
2	Shanxi	50 MW	RMB 0.88/kWh
3	Hebei	20 MW	RMB 0.88/kWh
4	Shandong	20 MW	RMB 0.95 to 0.98/kWh
	Total	121 MWp	

Module Business: Global Footprint With Diversified Customer Base

> 15.0 GW

cumulative modules
sold to date

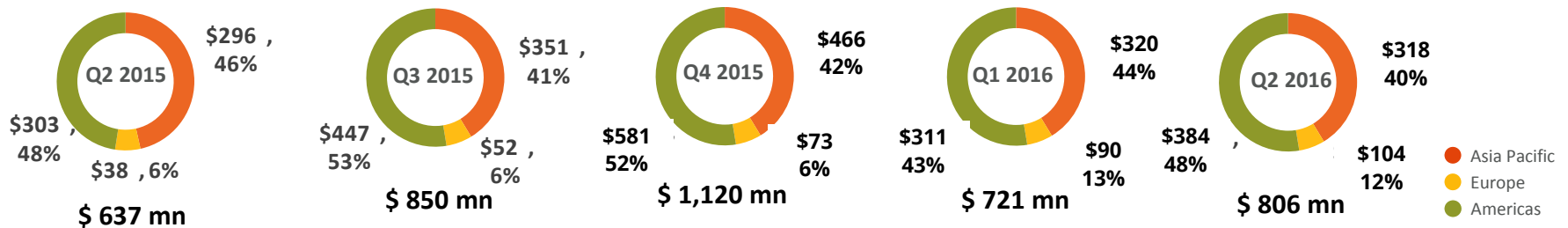
Customers in over 90
countries

with offices in
18 countries

Operational footprint

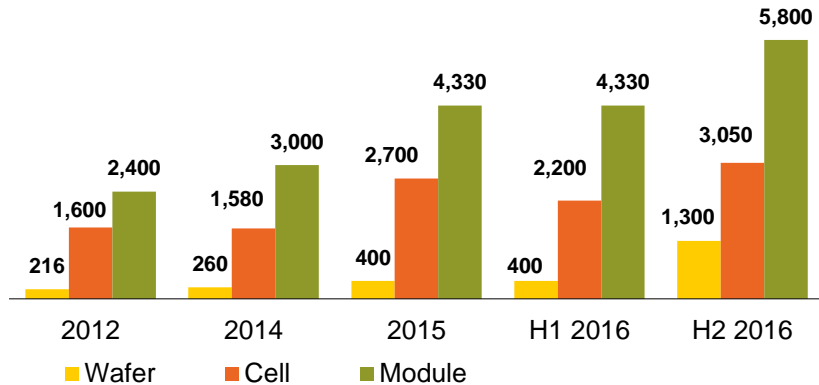


Sales breakdown by region



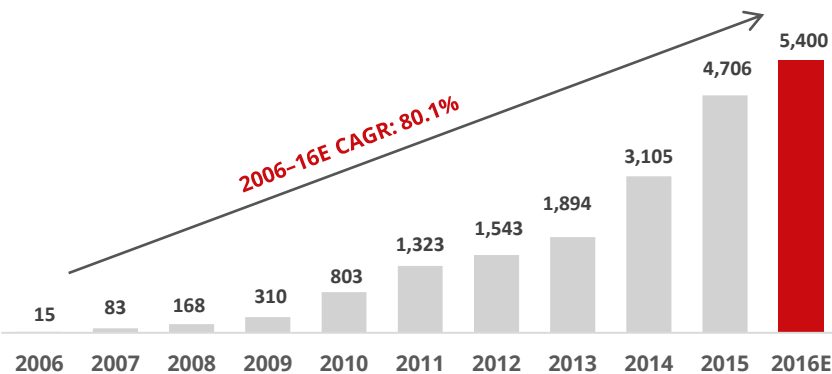
Capacity Expansion to Optimize Technology and Cost

Manufacturing Capacity - MW



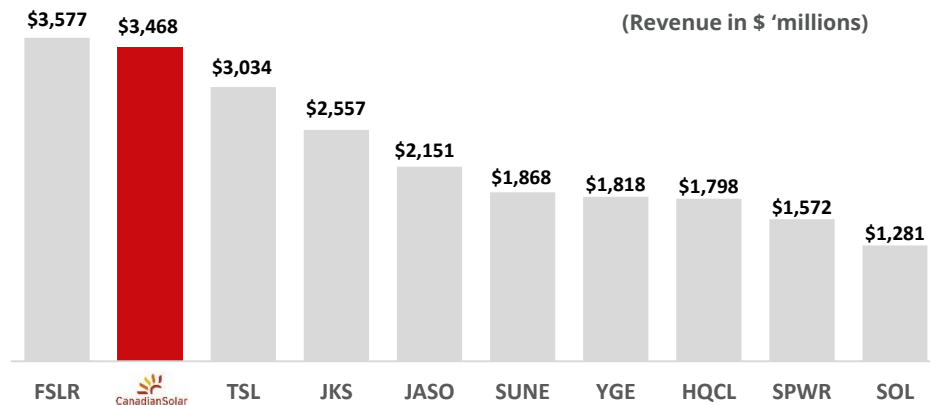
- **Technology upgrade - New products, new process, new design**
 - ✓ Diamond wire saw wafer
 - ✓ Black silicon
 - ✓ Mono PERC
 - ✓ Super 5
- **Global Manufacturing Footprint - China, Canada, Vietnam, Indonesia, Thailand, Brazil**
 - ✓ China
 - ✓ Thailand
 - ✓ Canada
 - ✓ Vietnam
 - ✓ Brazil
- **Operation efficiency improvements: Shorter cycle time and lower inventory**

Total Module Shipments - MW



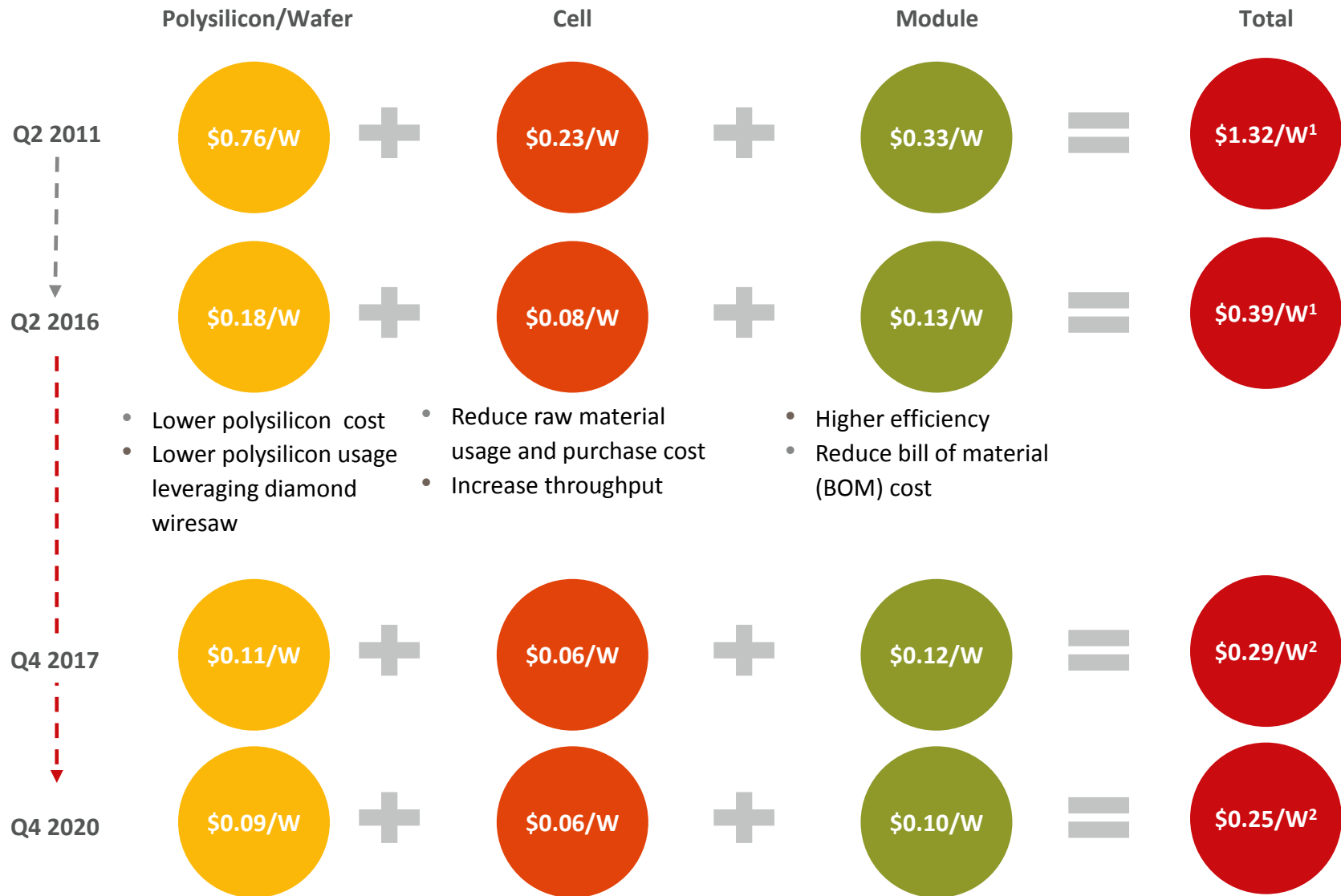
Source: Company information

#2 Solar Energy Solutions Company by Revenue in 2015



Source: FactSet Data;

Industry Leading Manufacturing Cost Structure

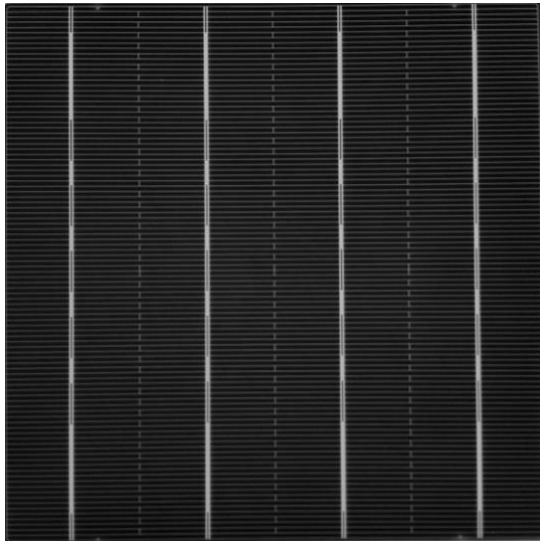


Source: Company information

1. Blended manufacturing cost in China
2. Based on internal ingot, wafer, cell and module manufacturing in China

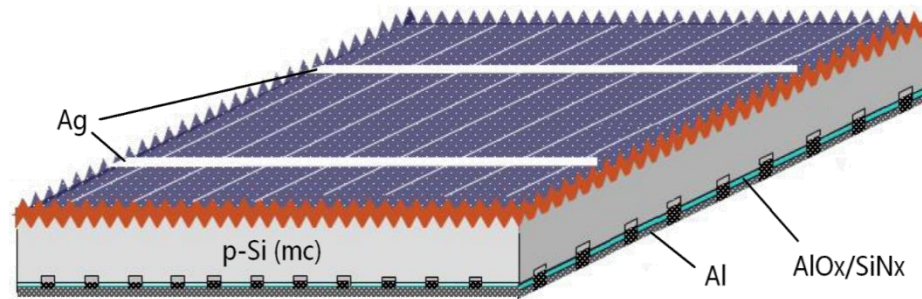
Competitive Pipeline of Homegrown Technologies

ONYX I – Black Silicon



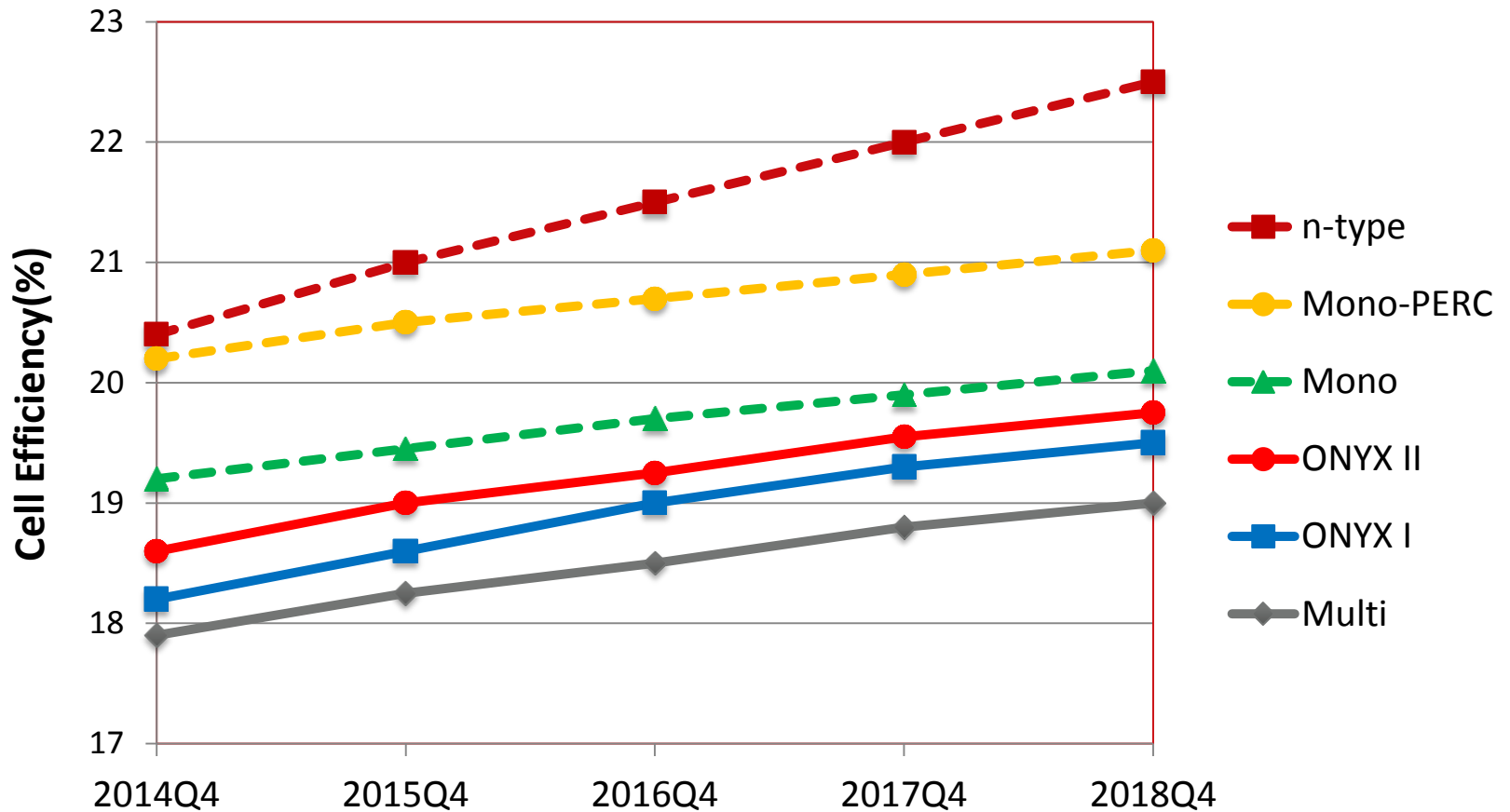
- ☀️ 0.4% cell efficiency and 4 watts module power gain over baseline to over 19% by end of 2016
- ☀️ Over 3 years in-house R&D, **self-owned IPs**
- ☀️ Production roll out begun in 2015 Q1
- ☀️ Ramp up as future multi baseline
- ☀️ Pleasing aesthetics

Mono PERC



- ☀️ Mono PERC enhances back side passivation and increases cell efficiency to near 21%
- ☀️ Low Light Induced Degradation (LID), and Potential Induced Degradation (PID) resistant
- ☀️ Premium product: 60-cell module power to reach 290 Watt
- ☀️ Production roll out begun in 2016 Q1, will gradually ramp up within the year

Cell Efficiency Roadmap



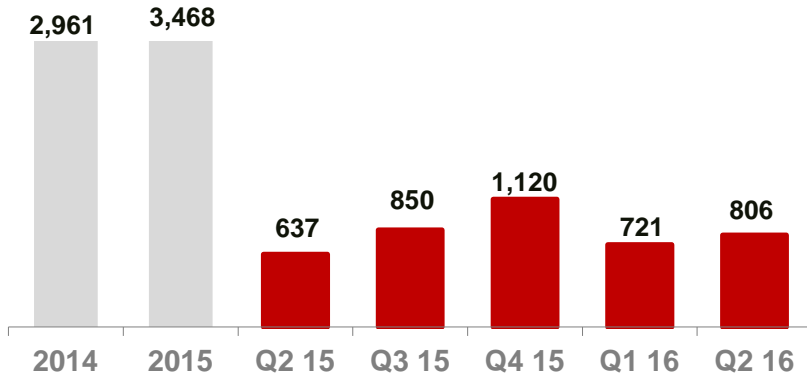
Experienced Board & Senior Management

Name / Title	Work Experience	
	<p>Dr. Shawn Qu <i>Chairman, President & CEO (Director)</i></p>	<ul style="list-style-type: none"> ■ Founded Canadian Solar in 2001, and has since then, firmly established 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 Corp.)
	<p>Dr. Huifeng Chang <i>SVP, Chief Financial Officer</i></p>	<ul style="list-style-type: none"> ■ 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
	<p>Yan Zhuang <i>SVP and Chief Commercial Officer</i></p>	<ul style="list-style-type: none"> ■ Head of Asia of Hands-on Mobile, Inc. ■ Asia Pacific regional director of marketing planning and consumer insight at Motorola Inc.
	<p>Guangchun Zhang <i>SVP and Chief Operating Officer</i></p>	<ul style="list-style-type: none"> ■ 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.
	<p>Arthur Chien <i>SVP and Chief Strategic Officer</i></p>	<ul style="list-style-type: none"> ■ CEO at Talesun Solar Co., CFO at Canadian Solar Inc. ■ Managing director of Beijing Yinke Investment Consulting Co. Ltd. ■ Chief financial officer of China Grand Enterprises Inc.
Experienced Independent Directors	<p>Robert McDermott <i>Chairperson of the Corporate Governance, Nominating and Compensation Committees</i></p>	<ul style="list-style-type: none"> ■ Partner with McMillan LLP, a business and commercial law firm ■ Director and senior officer of Boliden Ltd.
	<p>Lars-Eric Johansson <i>Chair of the Audit and member of Governance, and Compensation Committees</i></p>	<ul style="list-style-type: none"> ■ CEO of Ivanhoe Nickel & Platinum Ltd. ■ Chairperson of the Audit Committee of Harry Winston Diamond
	<p>Dr. Harry E. Ruda <i>Chair of Technology and member of the Audit, Governance, Compensation Committees</i></p>	<ul style="list-style-type: none"> ■ Director of the Centre for Advanced Nanotechnology, Stanley Meek Chair in Nanotechnology and Prof. of Applied Science and Engineering at the University of Toronto, Canada
	<p>Andrew Wong <i>Member of the Audit, Corporate Governance, Compensation Committees</i></p>	<ul style="list-style-type: none"> ■ Senior Advisor to Board of Directors of Henderson Land Development Co. ■ Director of Ace Life Insurance Co. Ltd., China CITIC Bank Corp., Intime Retail (Group) Co. Ltd. And Shenzhen Yantian Port (Group) Co. Ltd.

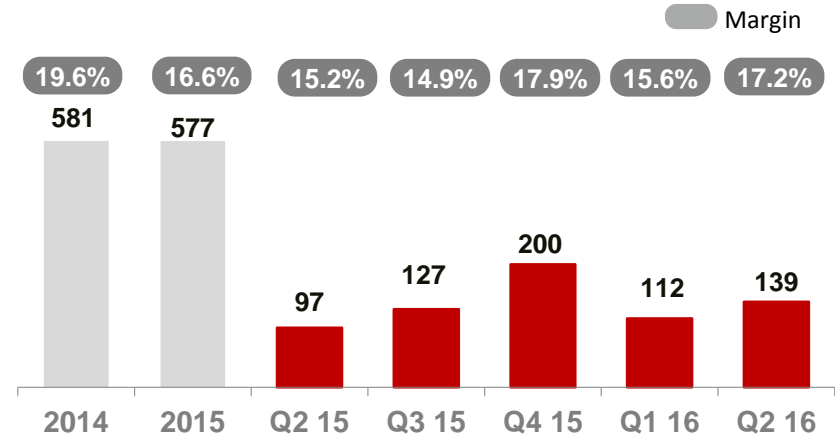
Source: Company information

Income Statement Summary

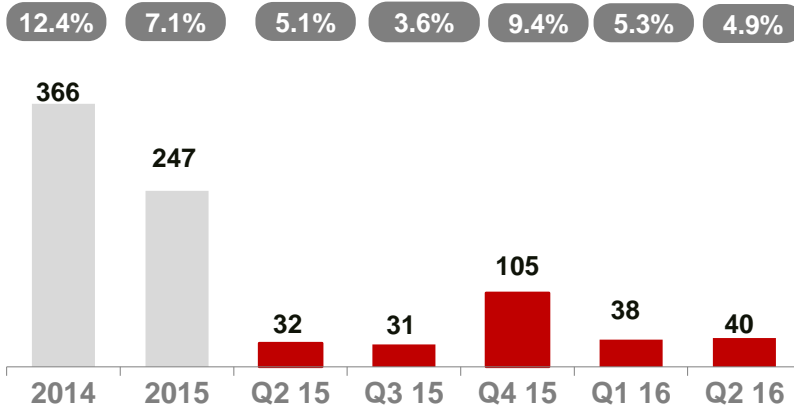
Revenue – US\$ million



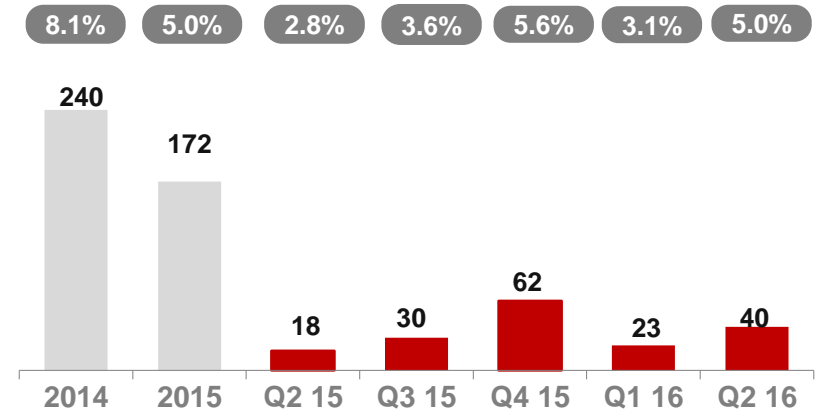
Gross Profit – US\$ million



Operating Income – US\$ million

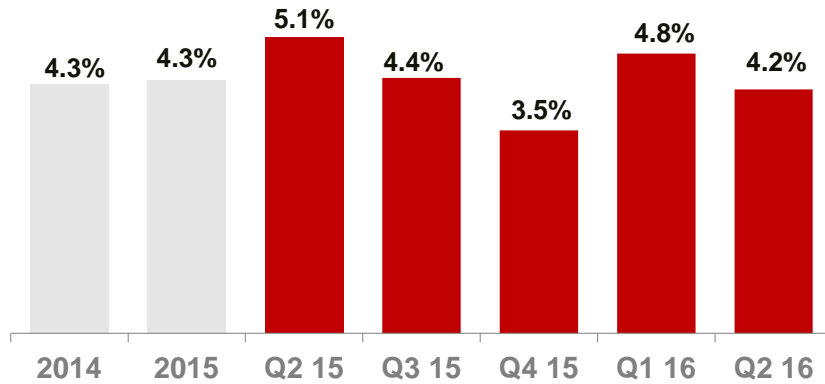


Net Income – US\$ million

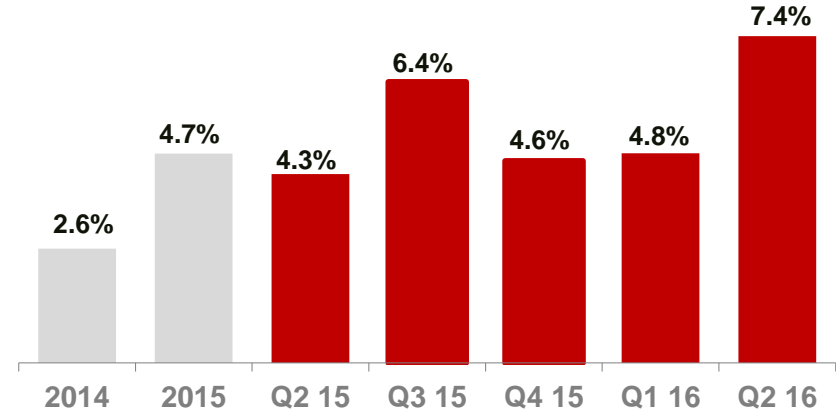


Operating Expenses as % of Net Revenue

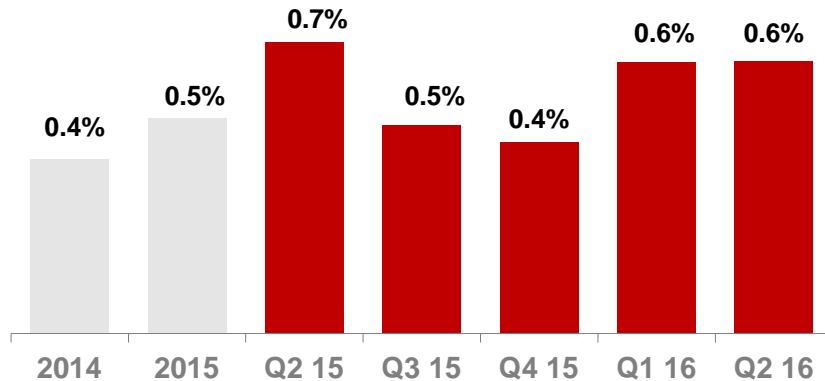
Selling expenses



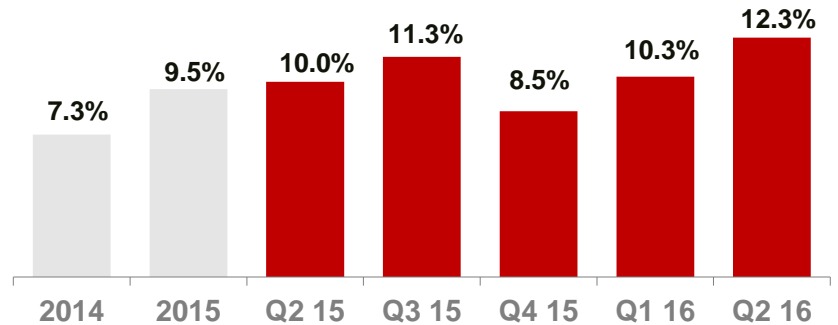
General & administrative expenses



Research & development expenses



Total operating expenses

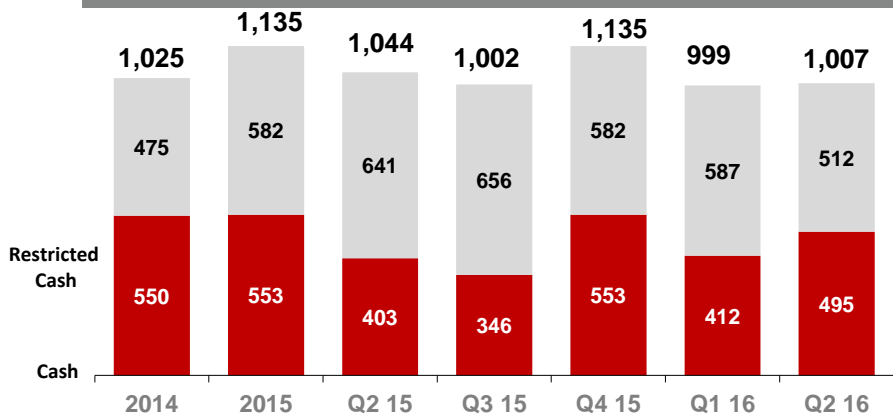


Source: Company filings

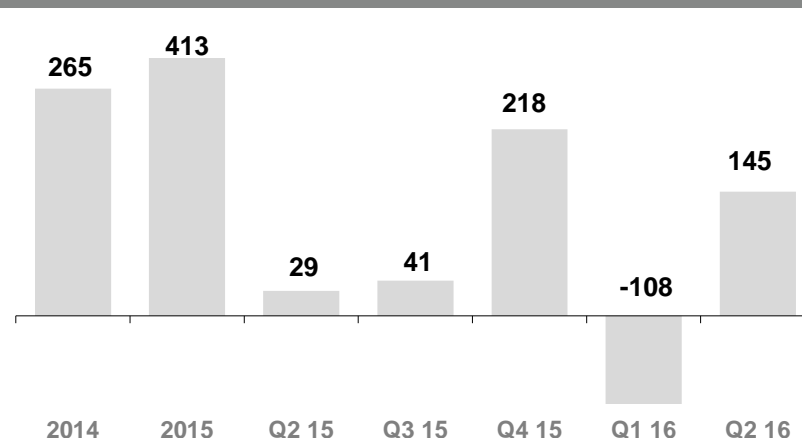
Note: Percentages are of the total net revenue in the corresponding period.

Selected Balance Sheet & Cash Flow Items

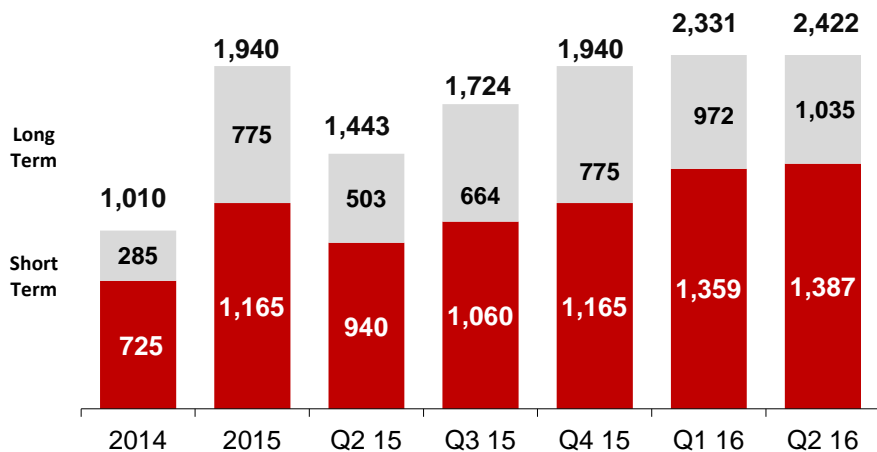
Cash & cash equivalents – US\$ million



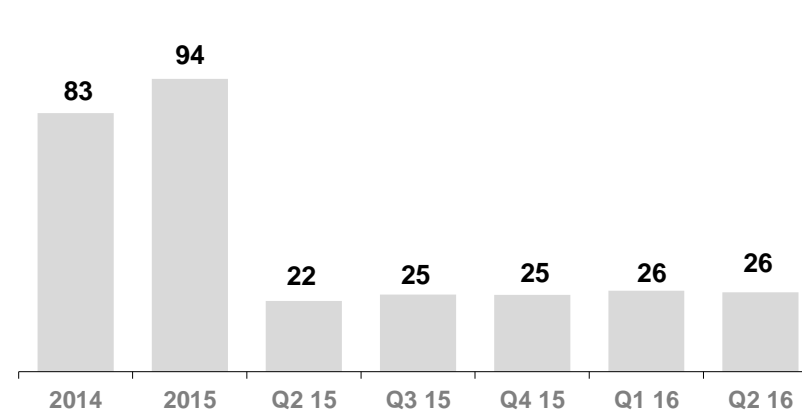
Cash flow from operations – US\$ million(1)



Total debt – US\$ million (2)



Depreciation & amortization – US\$ million



Source: Company filings

Note: (1) Working capital calculated as total current assets less total current liabilities

(2) Including US\$150 million in aggregate principal amount of 4.25% convertible senior notes due 2019. The amount of the convertible senior notes as of Q2 2016 is US\$128 million.

Guidance as of August 18, 2016

	Q2 2016	Q3 2016
Module shipments	1,290 MW	1,200 MW – 1,300 MW
Revenue	\$ 806 m	\$ 660 m to \$ 710 m
Gross margin	17.2%	14% – 16% ⁽¹⁾

	FY2015	FY2016	YoY Δ%
	4.7GW	5.4 GW – 5.5 GW	+14.9%
	\$3.47 bn	\$3.0 bn to \$3.2 bn	-10.7%
	NA	NA	NA

1-Includes module business and project business

Canadian Solar may consider selling some of its OECD projects, in which case revenue for the full year 2016 could exceed the range of \$3.0 billion to \$3.2 billion.

**THANK
YOU!**

September 2016