



Investor Presentation

November 2020

CSIQ
Nasdaq Listed

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Q3 2020 UPDATES

Canadian Solar Strategy



1

MSS: Expand capacity and increase the level of vertical integration to gain market share, improve pricing power, control costs and improve profitability

2

Energy: Expand market presence through localized large-scale project investment vehicles and retain partial ownership in selected solar and storage projects

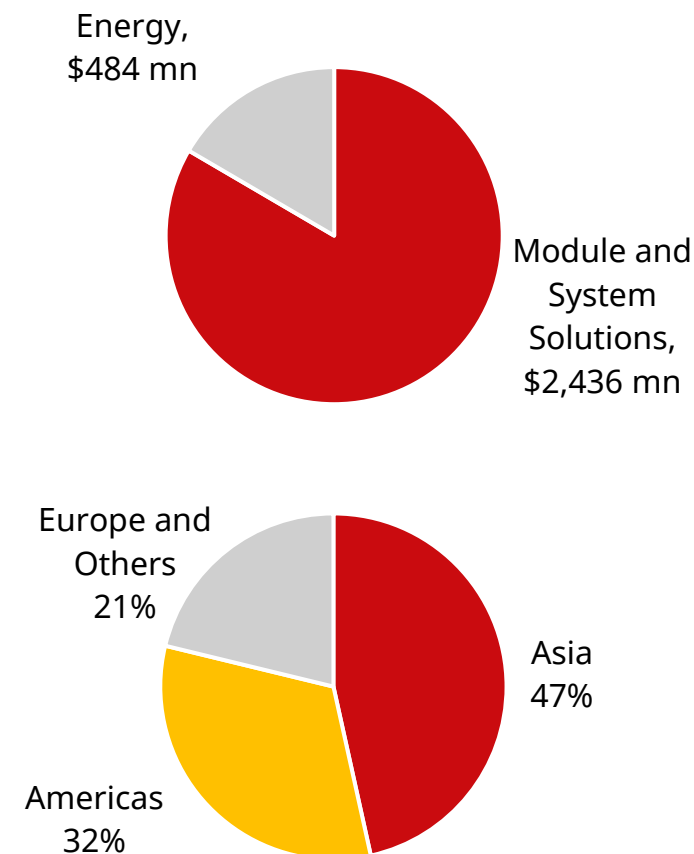
3

Execute on strategic growth areas: Solar PV + energy storage to contribute to revenue and earnings starting 2021

Quarterly income statement highlights

USD millions except per share data	3Q19	2Q20	3Q20	qoq	yoy	9M19	9M20	yoy
Net revenues	760	696	914	31%	20%	2,281	2,436	7%
<i>Gross margin</i>	26.2%	21.2%	19.5%	-164 bp	-666 bp	21.4%	22.5%	109 bp
<i>Gross margin ex. AD/CVD</i>	23.0%	18.2%	19.5%	129 bp	-347 bp	19.4%	21.7%	227 bp
Selling expenses	47	53	54			130	160	-3%
General and admin expenses	61	46	56			179	155	
R&D expenses	12	11	14			37	35	
Operating income	80	45	59	30%	-26%	147	218	48%
Net interest expense	-17	-15	-16			-53	-47	
Net FX gain or (loss)	1	-5	-13			-9	-19	
Income tax	-10	-9	-21			-17	0	
Net income attributable to Canadian Solar Inc.	58.3	20.6	8.8	-57%	-85%	104	140	35%
Diluted EPS	0.96	0.34	0.15	-56%	-85%	1.71	2.31	35%

9M20 Revenue Split



*The 3Q30 net income was impacted by a \$12.6 million withholding tax expense in China related to a special dividend distribution from CSI Solar to the parent company CSIQ. Excluding the one-off tax impact, non-GAAP net income in Q3 would have been \$21.4 million.

Guidance as of November 19, 2020

	Q3 2020	Q4 2020E
Module Shipments	3,169 MW	2.9 GW to 3.0 GW
Revenue	\$914 mn	\$980 mn to \$1,015 mn
Gross Margin	19.5%	8.0% to 10.0%

	FY2019	FY2020E	yoy Δ%
Module Shipments	8,579 MW	11.2 GW to 11.3 GW	c. +30%
Revenue	\$3.2 bn	\$3.4 bn to \$3.5 bn	c. +8%
Gross Margin	22.4%	18.0% - 18.9%	c. -400 bp

Gross margin improvement and growth roadmap in 2021E

1. Glass capacity increase and glass replacement (e.g. transparent backsheet etc.)
2. Increase market presence and shipments in China – strong demand, not affected by shipping cost increases and FX fluctuations
3. Expect ASP increases to reflect higher material costs from the temporary shortage
4. Investment in new capacity and upstream integration to contribute to gross margin as soon as Q2 2021
5. Earnings contribution from energy storage
6. Growth in the high-margin distributed generation sector

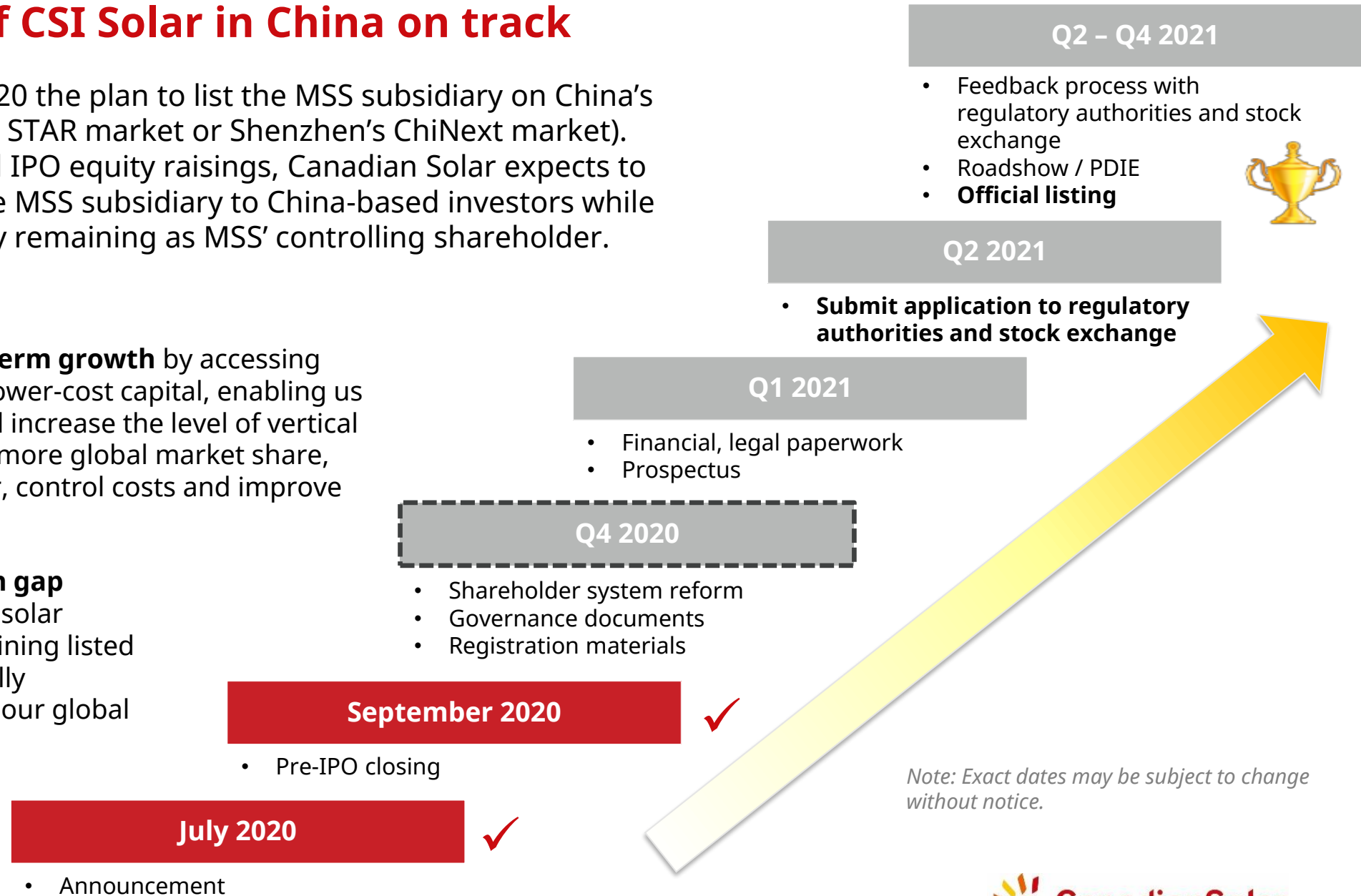
Planned listing of CSI Solar in China on track

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

Main rationale:

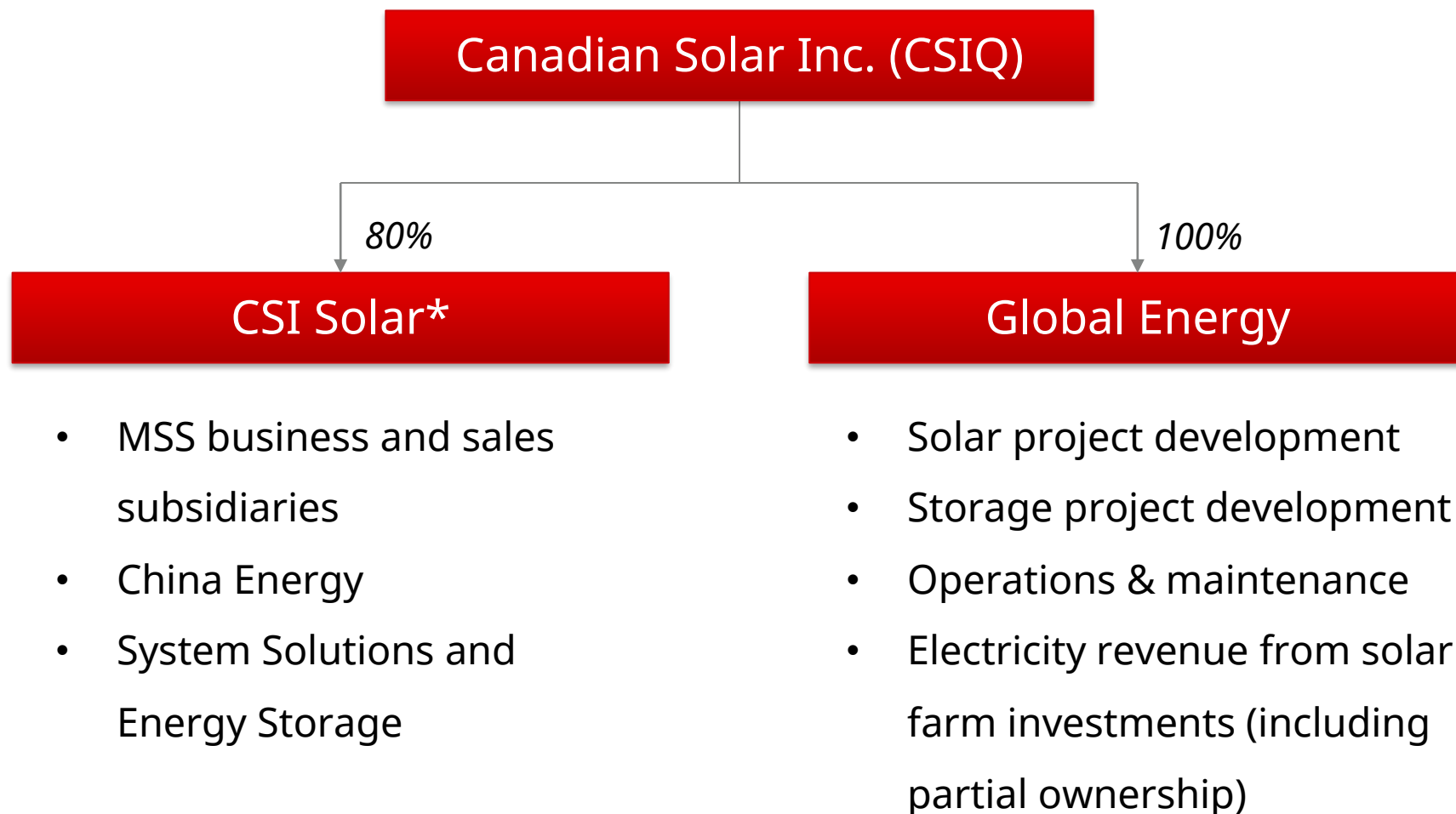
☀️ **Positioning for long-term growth** by accessing additional sources of lower-cost capital, enabling us to expand capacity and increase the level of vertical integration to capture more global market share, enhance pricing power, control costs and improve profitability

☀️ **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



Note: Exact dates may be subject to change without notice.

New corporate structure as of September 30, 2020



*Full name: CSI Solar Co., Ltd.



A UNIQUE 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

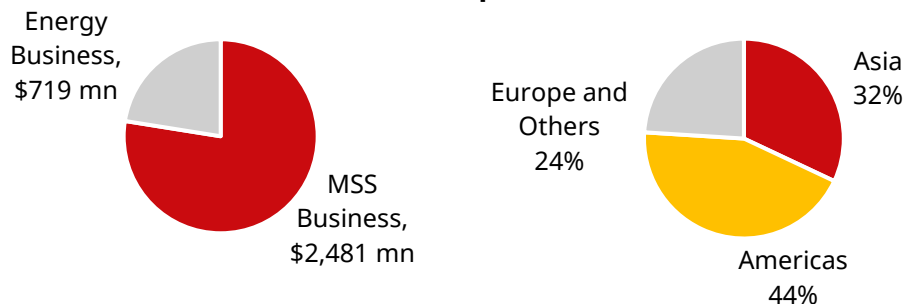
OUR ORIGINS

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

OUR PERFORMANCE

- ☀️ 30% cumulative growth in shipments since 2013
- ☀️ 410 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 with module sales to over 100 countries

Revenue Split FY19



(1) Over the past 3 years. For gross margin comparison, see slide 25.

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 ~11.3 GW in 2020 & 18-20 GW in 2021

Energy Business



- ☀️ We develop, build, operate, sell and own solar and solar + storage power plants across 20+ countries/territories
- ☀️ 16 GW of project pipeline and ~500 MW 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

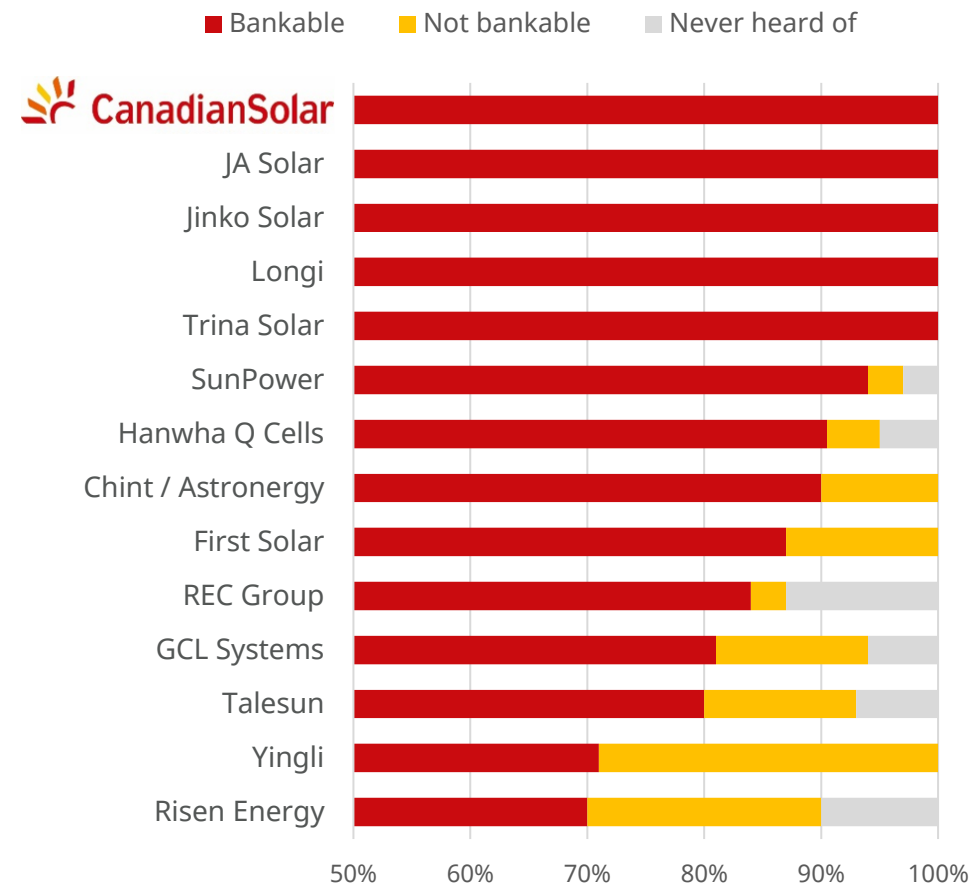


Our success is driven by our global-local teams and our culture of diversity

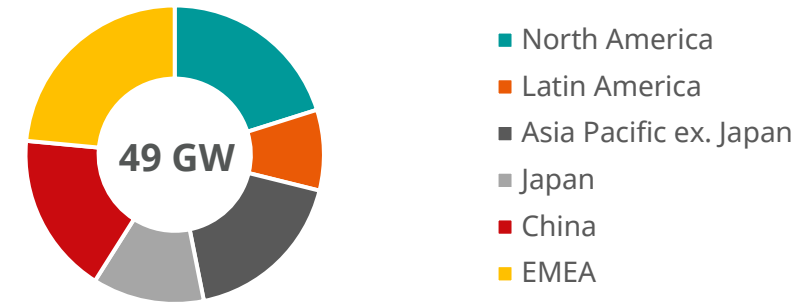
Note: Certain offices are shared between the Energy and MSS businesses.

Top-tier bankable solar module brand

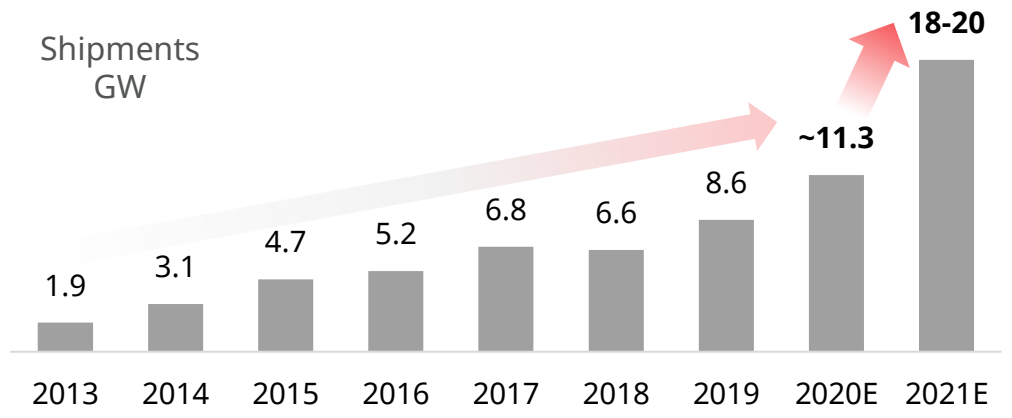
Most Bankable Module Supplier by BNEF with 100% bankability for 4 consecutive years



We have cumulatively delivered over 49 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, 2020. 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

537 MWp

Plants in Construction

1.3 GWp

Backlog

3.8 GWp

Pipeline

11.2 GWp

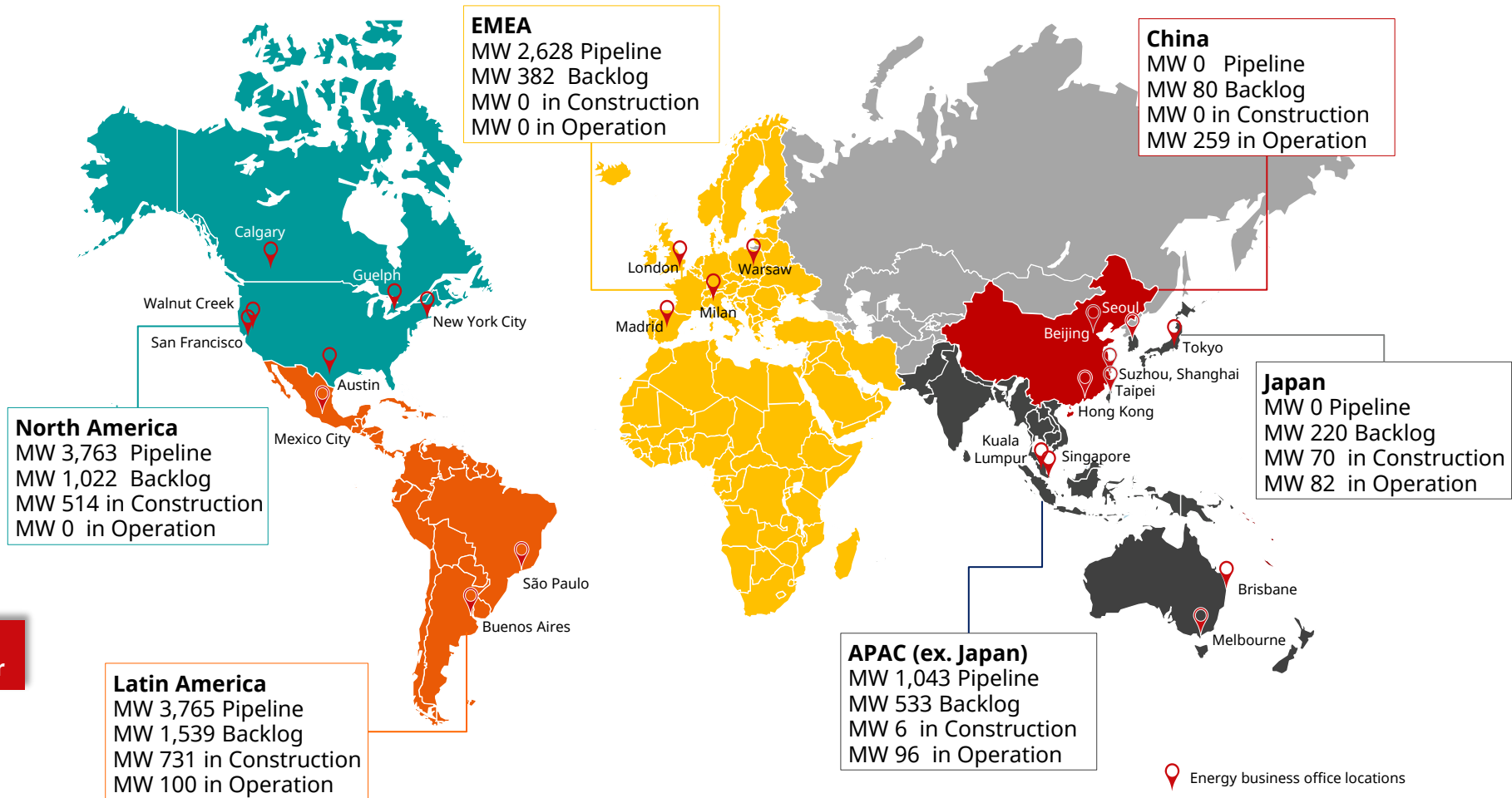
Storage Backlog

1,201 MWh

Storage Pipeline

4,482 MWh

**Early
mover**



Opportunity to unlock value in 5.6 GWp⁽¹⁾ of executed or contracted projects

As of September 30, 2020. After Q3, the Company has been awarded an additional 862 MWp in Brazil and 22 MWp in Japan.

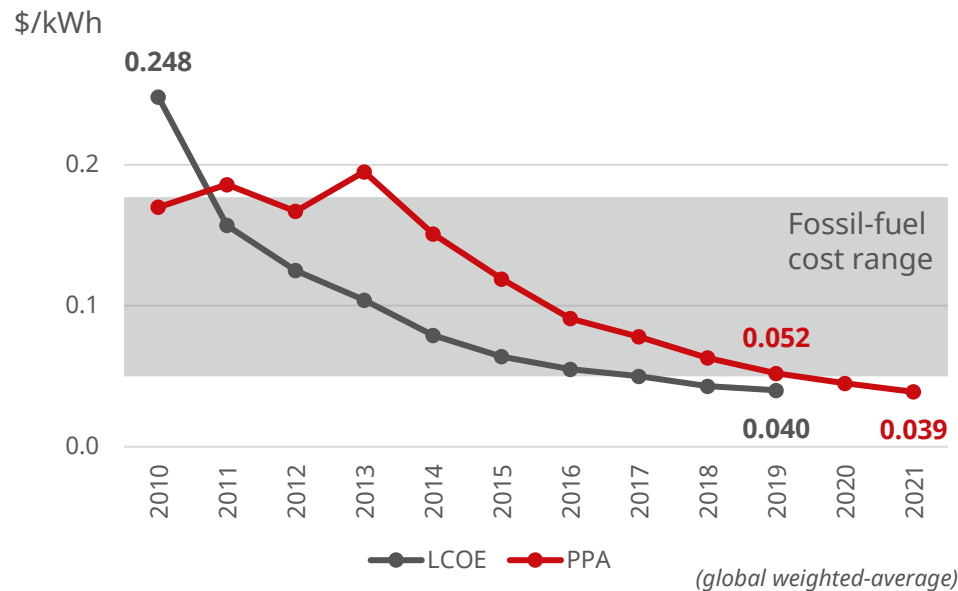
(1) Gross GWp of projects in backlog, construction and operation, including combined project stakes of c.700 MWp already sold to third parties.

Note: Definitions of backlog and pipeline are consistent with industry practice. For more details, see form 6-K for Q3 2020 results on November 19, 2020.

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

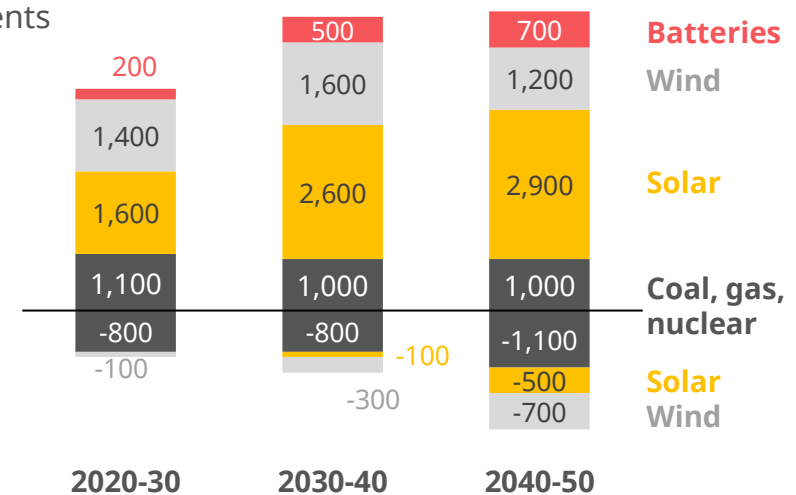
- ☀️ The **global weighted-average solar PPA** for commissioning in 2021 is **USD 0.039/kWh**, which is **over 20% cheaper than the cheapest fossil-fuel competitor** i.e. coal-fired plants (estimated cost in the range of USD 0.05-0.177/kWh)
- ☀️ This is also cheaper than the **marginal operating cost 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)



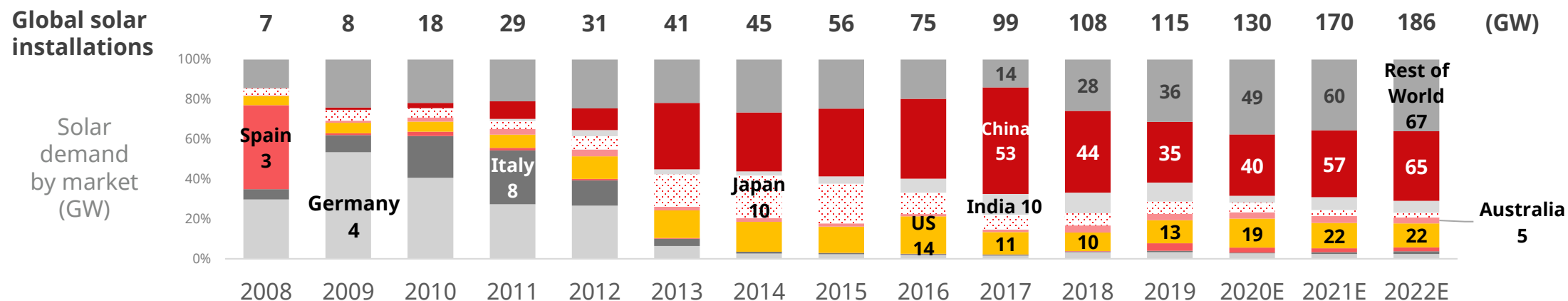
High market growth visibility both in the short and long term

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 160 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 to grow 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 **700 GW** to **2,500 GW by 2030** and **8,000 GW by 2050**



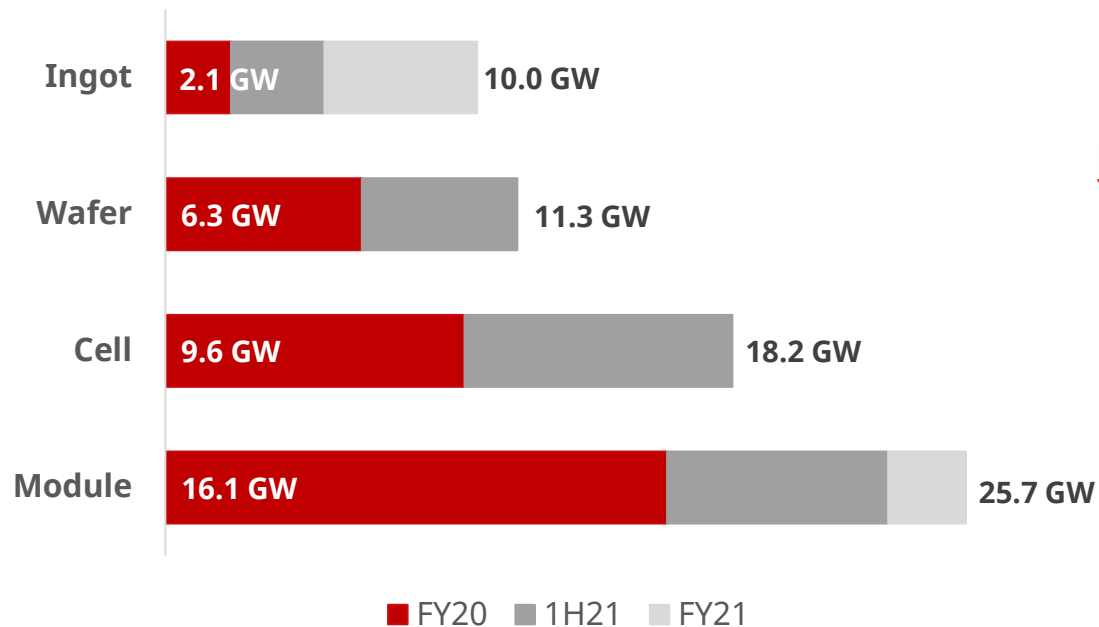
Being a globally diversified solar company with strong sales channels is crucial for sustainable growth

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

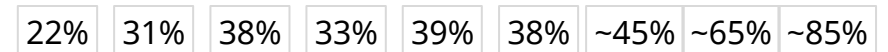
Expand capacity and increase vertical integration...

Canadian Solar Manufacturing Capacity, year-end (GW)

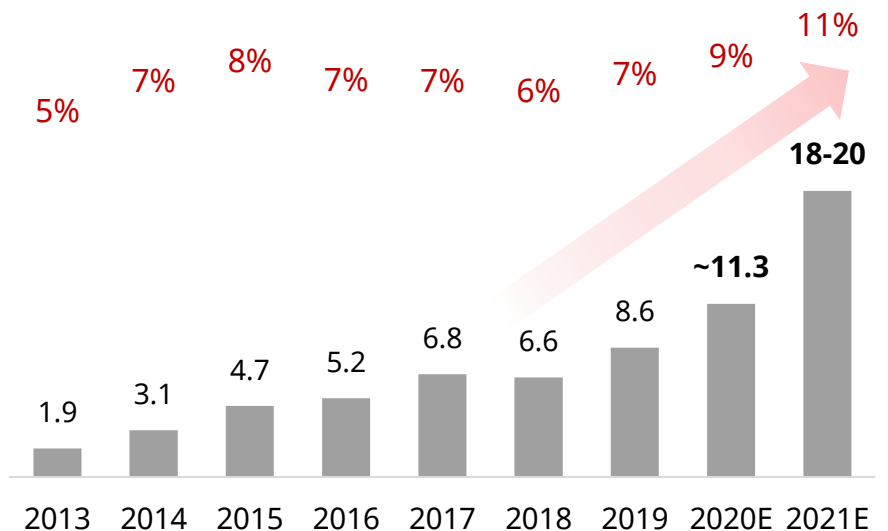


...to gain global market share and pricing power

Top 5 module manufacturers' market share



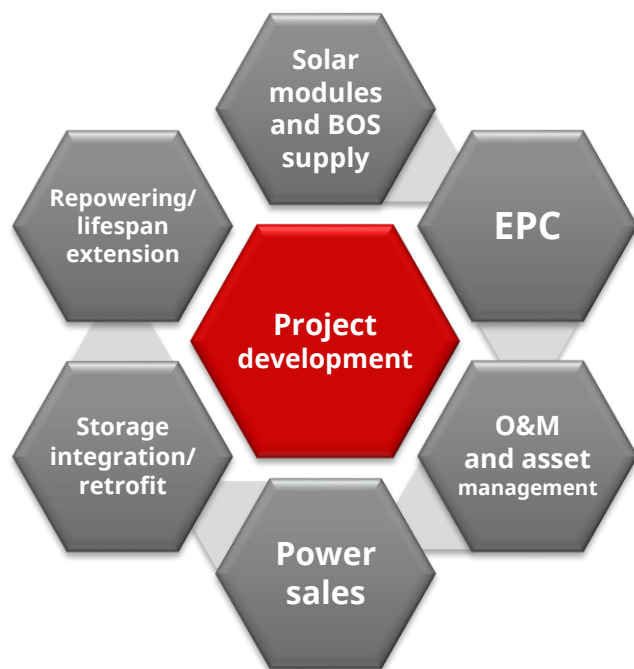
Canadian Solar market share



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	40	200	400	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

Capital partnerships with long-term investors through public or private vehicles – next milestones in Latin America and Europe

(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

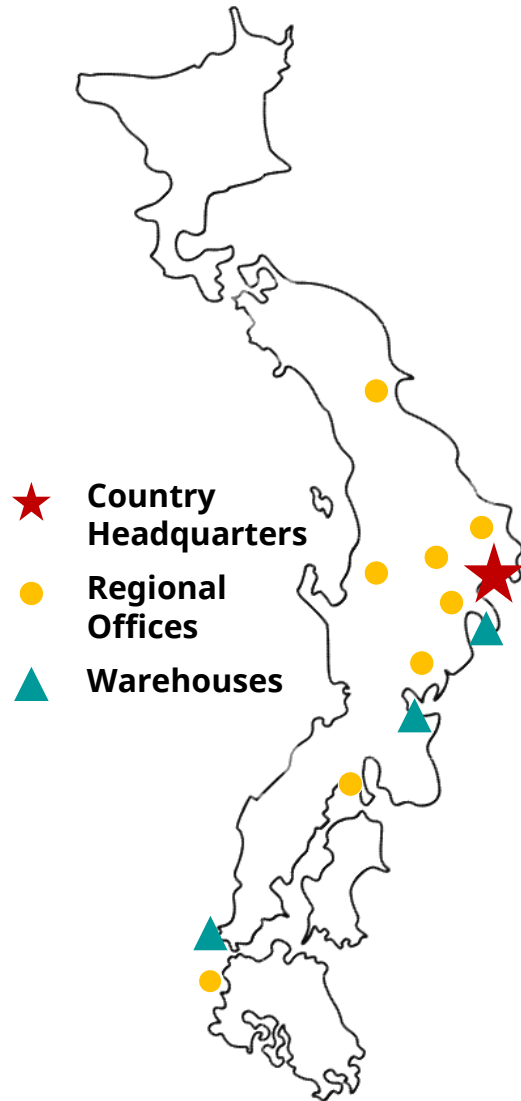


ENERGY STORAGE OPPORTUNITIES

- 🌟 **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⁾	¥ 50 bn (~\$475 mn)
Market capitalization ⁽²⁾	¥ 32 bn (~\$300 mn)
No. of power plants	23
Total power output	123 MWp

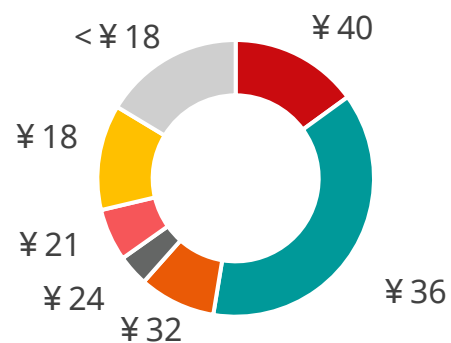
Canadian Solar Inc. owns 15% of CSIF

Total sponsor portfolio
27 projects, 358 MWp

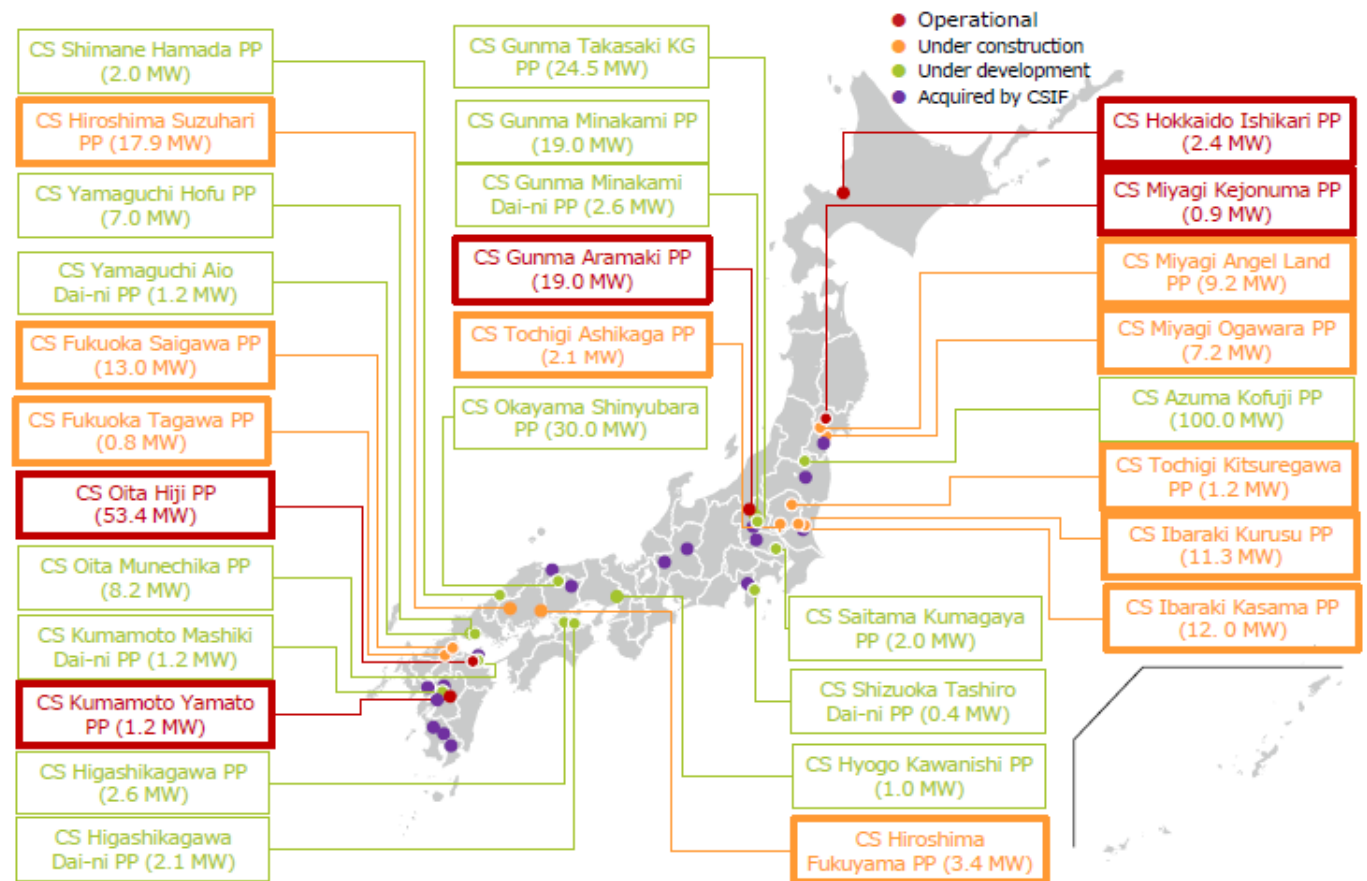
Operational and
under construction
11 projects, 152 MWp

Under development
12 projects, 220 MWp

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



Map of CSIF and sponsor assets

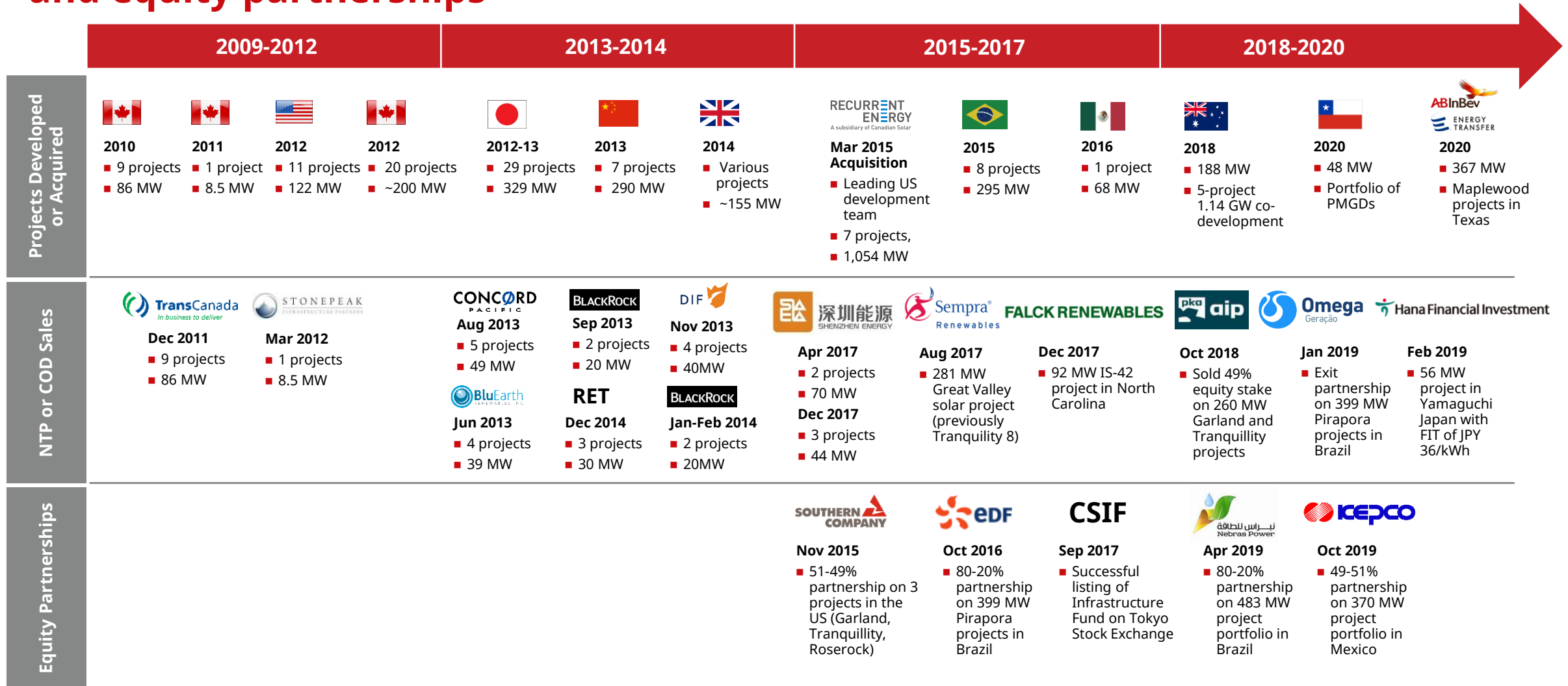


60% of Japan portfolio contracted at FIT prices of USD >0.30/kWh!

(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 June 30, 2020.

(2) As at November 23, 2020.

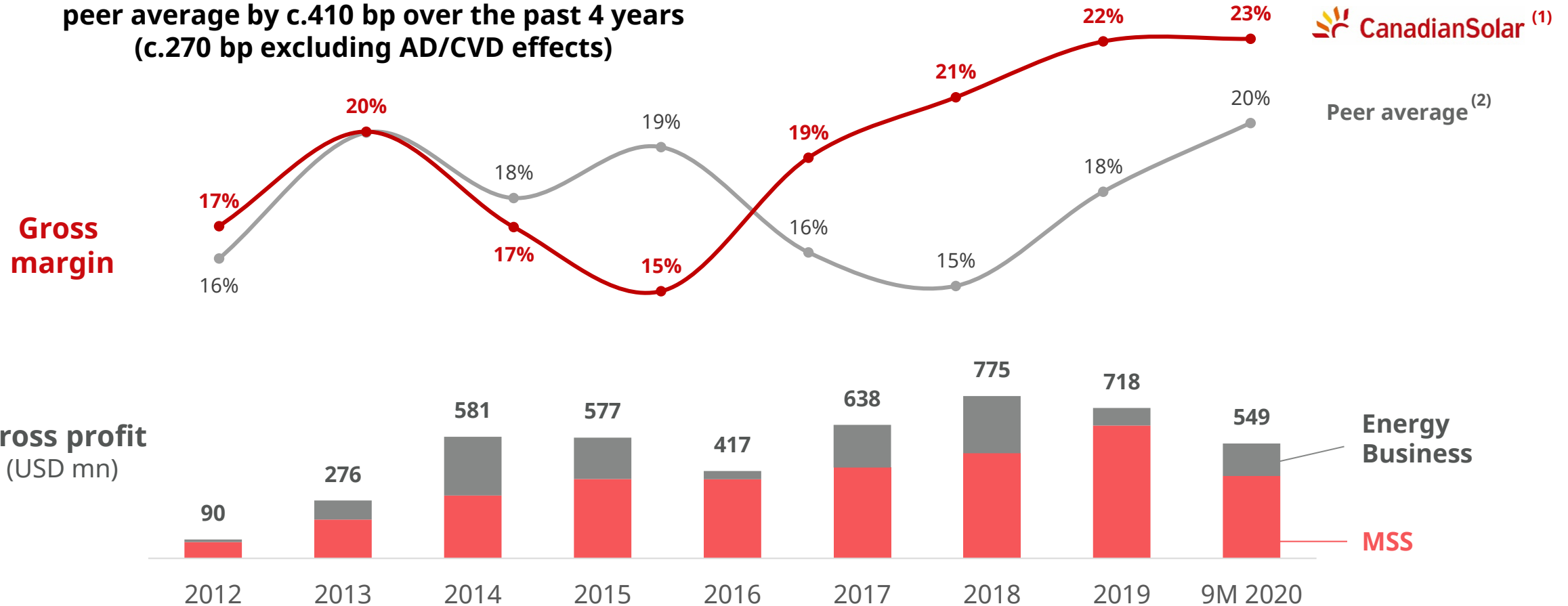
Global track record of success monetizing solar projects through NTP, COD sales and equity partnerships



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.410 bp over the past 4 years (c.270 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.140 bp lower for 2017-9M20, 150 bp higher for 2016 and unchanged for 2013-15.

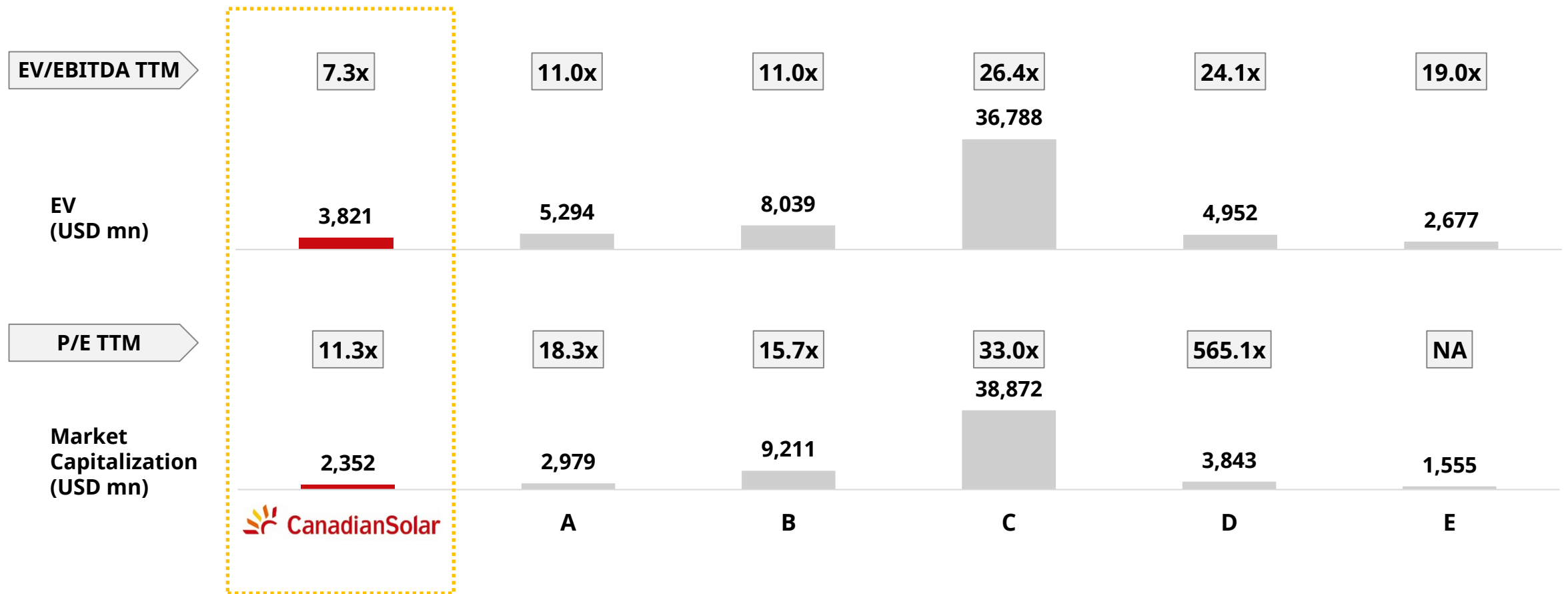
(2) Annual gross margin average of Jinko Solar, LONGi, Trina Solar, JA Solar, First Solar and SunPower (where available). Source: Factset.

...and attractive through-cycle ROIC of 10% and ROE of 16% over the past 7 years

In USD millions, except % data

	2014	2015	2016	2017	2018	2019	9M20 TTM	Cumulative/ Average
Total equity (book value)	730	833	899	1,060	1,273	1,425	1,816	
+ Long-term borrowings	134	607	493	404	394	619	624	
+ Short-term borrowings	726	1,157	1,600	1,958	1,028	933	1,065	
+ Other interest-bearing debt	150	176	577	408	543	402	568	
- Cash and equivalents	550	553	511	562	444	669	1,103	
- Cash to secure short-term debt	113	107	133	245	134	69	87	
Invested Capital	1,077	2,112	2,926	3,023	2,659	2,642	2,883	2,4675
EBIT (non-GAAP)	356	260	143	251	399	278	298	
- 26.5% tax (Canadian statutory rate)	-94	-69	-38	-67	-106	-74	-79	
Net Operating Profit After Tax (NOPAT)	262	191	105	185	293	204	219	1,459
ROIC = NOPAT / Invested Capital	24.3%	9.1%	3.6%	6.1%	11.0%	7.7%	7.6%	9.9%
Net Income	240	172	65	100	237	172	208	1,125
ROE = Net income / Total equity	33.4%	21.0%	7.4%	9.6%	19.3%	12.3%	13.8%	15.9%

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 28. Source for peer multiples: Factset data, company filings.
5. Prices as at November 23, 2020 market close.

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

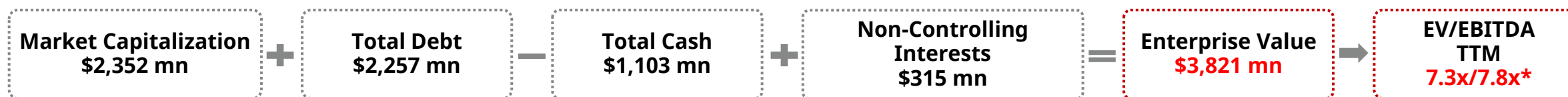
Total Debt and Cash Breakdown

	4Q19	1Q20	2Q20	3Q20
Short-term borrowings	933	910	1,016	1,065
Long-term borrowings on project assets - current	286	183	180	238
Capital leases - current	25	20	15	24
Long-term borrowings	619	666	580	624
Financing liabilities - non-current	77	75	75	78
Capital leases - non-current	14	12	9	4
Total debt	1,955	1,867	1,875	2,257
Cash and equivalents	669	619	579	1,103
Restricted cash - current:	527	494	399	445
Total cash (for EV calculation)	669	619	579	1,103
Net debt	1,286	1,248	1,297	1,154

EBITDA Calculation

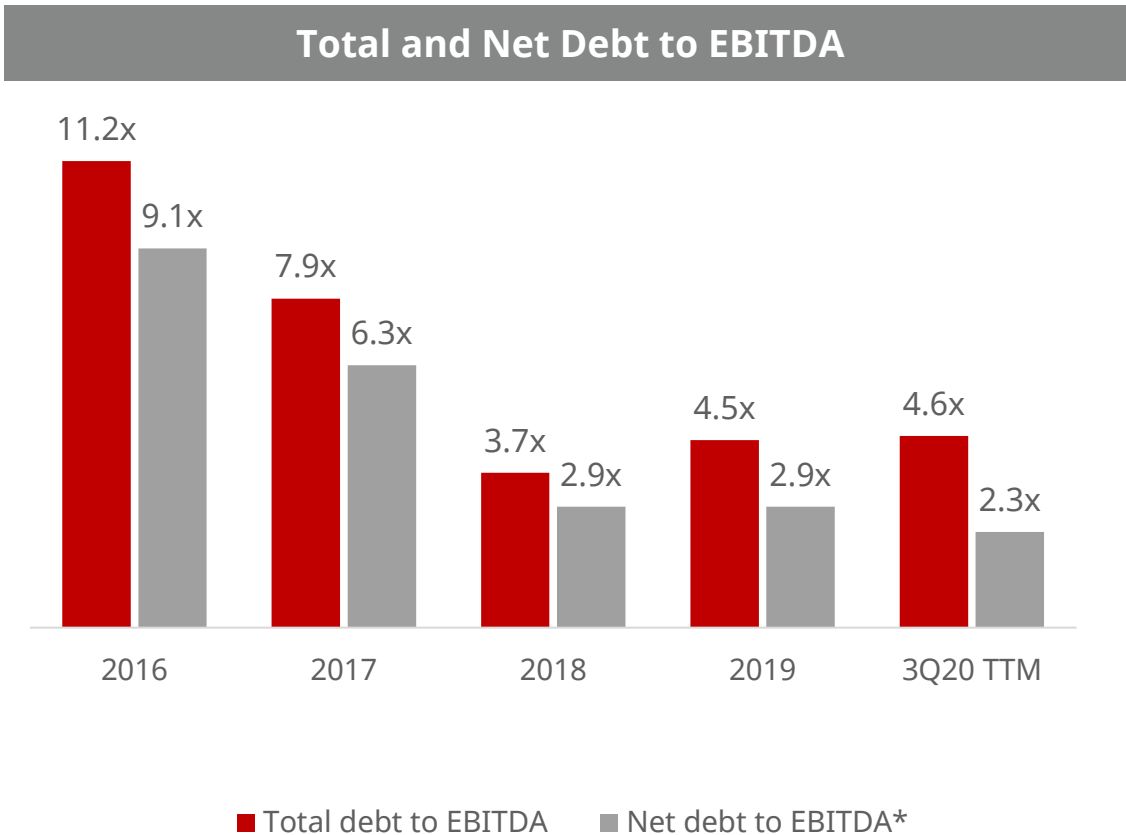
	4Q19	1Q20	2Q20	3Q20	TTM
Total revenue	920	826	696	914	3,356
- COGS	-690	-602	-549	-736	-2,577
Gross profit	230	223	147	178	778
- Operating expenses	-118	-110	-102	-119	-449
Operating profit	111	113	45	59	329
-/+ Other expenses/income	-2	-15	-1	-14	-31
+ Depreciation & amortization	45	45	48	56	194
EBITDA (non-GAAP)	155	143	92	101	492
Impairments	14	14	1	0	29
Adjusted EBITDA (non-GAAP)*	169	158	93	101	521

*EBITDA including impairments



1. Source: Factset data, company filings.
2. Prices as at market close of November 23, 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.
4. 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.

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








- ☀ Total and net debt to EBITDA are now at 4.6x and 2.3x respectively
- ☀ The ratios would be approximately 0.6x lower excluding project level non-recourse debt
- ☀ Deleverage driven by both growth in EBITDA and reduction in total debt

Note: Net debt calculation nets out unrestricted cash 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.

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)



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



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



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.



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



FINANCIAL HIGHLIGHTS

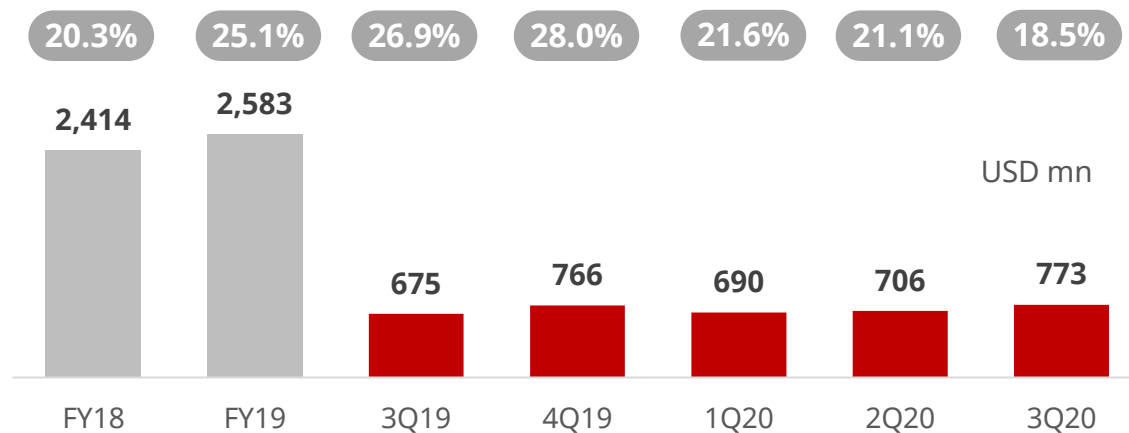
Results summary by divisions

<i>USD millions except shipment data⁽¹⁾</i>		3Q20	yoy	qoq	9M20	yoy
	Total shipments (MW)	3,137	33%	9%	8,288	36%
MSS	Revenues	773	14%	9%	2,169	19%
	Gross profit	143	-21%	-4%	441	2%
	Income from operations	41	-52%	-35%	166	0%
Energy	Revenues	219	125%	721%	484	-4%
	Gross profit	55	174%	372%	156	207%
	Income from operations	37	NM	NM	100	NM

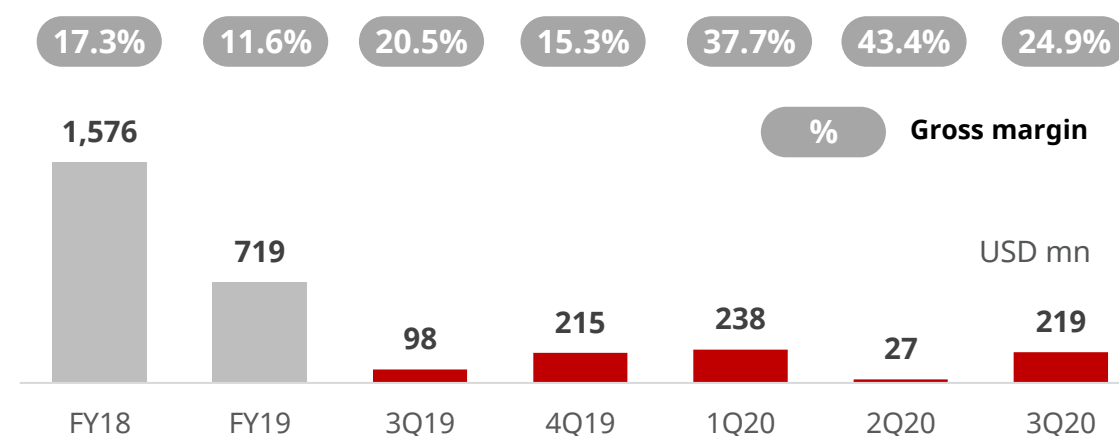
HIGHLIGHTS

- Total module shipments grew 33% yoy and 9% qoq in Q3, despite COVID-related demand disruptions.
- ASPs continued to decline but at a slower rate than previously expected. Blended costs were also lower than the previous quarter but have started to increase in the second half of the quarter due to the increase in raw material costs, higher shipping costs and FX.
- Energy business revenues and profits were both up significantly in Q3 due to >200 MW of project sales in China, Japan, Canada and the U.S.

Module and System Solutions Revenue ⁽¹⁾



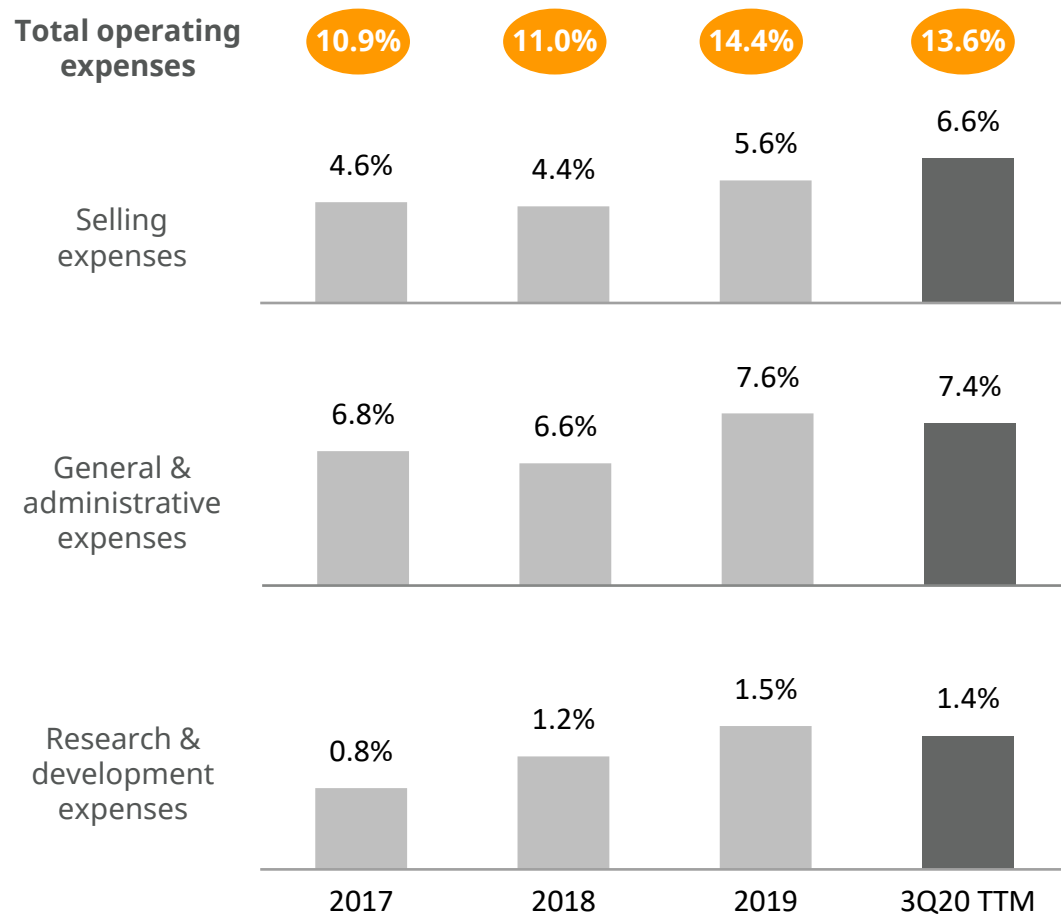
Energy Business Revenue



(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.

Disciplined management of opex, working capital and capex

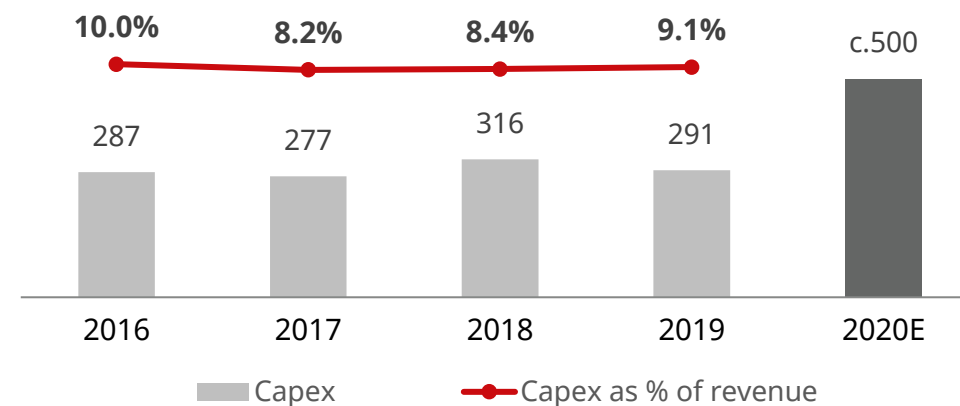
Operating Expenses as % of Revenue



Working Capital Days ⁽¹⁾

Days	2017	2018	2019	9M20
Inventory turnover	46	39	63	88
Accounts receivable turnover	47	47	58	60
Accounts payable turnover	115	107	140	161
Cash conversion cycle	-22	-21	-19	-13

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	9M19	9M20	yoy	3Q19	4Q19	1Q20	2Q20	3Q20	qoq	yoy
Net Revenue	3,745	3,201	2,281	2,436	7%	760	920	826	696	914	31%	20%
Cost of revenues	-2,970	-2,482	-1,792	-1,887	5%	-561	-690	-602	-549	-736	34%	31%
Gross profit	775	718	489	549	12%	199	230	223	147	178	21%	-10%
Selling expenses	-165	-180	-130	-160	23%	-47	-50	-53	-53	-54	1%	15%
General and administrative expenses	-245	-243	-179	-155	-13%	-61	-64	-53	-46	-56	21%	-9%
Research and development expenses	-44	-47	-37	-35	-5%	-12	-10	-10	-11	-14	30%	22%
Other operating income, net	45	11	4	20		1	6	6	9	5		
Total operating expenses, net	-410	-460	-342	-331	-3%	-119	-118	-110	-102	-119	17%	0%
Income from operations	365	259	147	218	48%	80	111	113	45	59	30%	-26%
Net interest expense	-95	-69	-53	-47		-17	-17	-16	-15	-16		
Gain (loss) on change in fair value of derivatives	-19	-22	-16	44		-2	-6	33	-2	13		
Foreign exchange gain (loss)	7	10	7	-63		3	4	-34	-2	-27		
Investment income (loss)	41	2	2	-19		-1	0	-14	2	-6		
Income tax benefit (expense)	-62	-42	-17	0		-10	-25	29	-9	-21		
Equity in earnings (loss) of unconsolidated investees	6	29	28	8		2	1	0	2	6		
Net income	242	167	99	141		55	68	111	20	9		
Less: net income attributable to non-controlling interests	5	-5	-5	0		-3	0	1	0	0		
Net income attributable to Canadian Solar Inc.	237	172	104	140	35%	58	68	111	21	9	-57%	-85%
Earnings per share - basic	4.02	2.88	1.73	2.36		0.97	1.13	1.86	0.35	0.15		
Earnings per share - diluted	3.88	2.83	1.71	2.33	36%	0.96	1.12	1.84	0.34	0.15	-59%	-85%

Summary balance sheet

<i>USD millions</i>	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Cash and cash equivalents	444	370	438	526	669	619	579	1,103
Restricted cash - current	481	516	526	515	527	494	399	445
Accounts receivable	498	389	455	449	437	385	422	494
Inventories	262	385	338	413	554	632	547	625
Project assets - current	934	920	690	910	604	583	654	544
Other current assets	455	510	448	532	462	600	595	711
Total current assets	3,074	3,090	2,895	3,345	3,253	3,313	3,196	3,921
Restricted cash - non-current	16	26	17	7	10	10	17	14
Property, plant and equipment	885	933	958	996	1,046	977	970	989
Net intangible assets and goodwill	16	20	19	24	23	22	22	22
Project assets - non-current	352	393	404	238	483	442	493	589
Solar power systems	55	60	57	53	53	51	50	87
Investments in affiliates	126	128	153	150	153	68	79	78
Other non-current assets	369	423	536	495	446	433	432	491
Total non-current assets	1,819	1,983	2,144	1,963	2,214	2,003	2,063	2,271
TOTAL ASSETS	4,893	5,073	5,039	5,308	5,467	5,316	5,259	6,193
Short-term borrowings	1,028	1,071	1,080	1,056	933	910	1,016	1,065
Long-term borrowings on project assets-current	266	280	177	262	286	183	180	238
Accounts and notes payable	749	934	926	1,006	1,131	1,048	933	1,103
Other payables	408	380	440	453	446	410	449	458
Tax equity liabilities	158	158	50	53	0	0	0	0
Other current liabilities	339	241	258	250	296	282	213	305
Total current liabilities	2,948	3,064	2,931	3,080	3,092	2,833	2,791	3,170
Long-term borrowings	394	434	463	526	619	666	580	624
Convertible notes	0	0	0	0	0	0	0	223
Other non-current liabilities	278	302	323	336	331	324	339	361
Total non-current liabilities	672	736	786	862	950	989	919	1,207
TOTAL LIABILITIES	3,620	3,800	3,717	3,942	4,042	3,823	3,710	4,377
Common shares	703	704	703	704	704	686	686	687
Retained earnings	622	605	668	726	794	904	925	934
Other equity	-100	-79	-91	-103	-105	-138	-103	-119
Total Canadian Solar Inc. shareholders' equity	1,226	1,230	1,280	1,327	1,393	1,452	1,508	1,501
Non-controlling interests	47	43	42	38	32	41	41	315
TOTAL EQUITY	1,273	1,273	1,322	1,366	1,425	1,493	1,549	1,816

GAAP to non-GAAP reconciliation

<i>In USD millions</i>	FY18	FY19	1Q20	2Q20	3Q30
GAAP net income	242	167	111	20	9
<i>Add back:</i>					
Income tax benefit (expense)	62	42	-29	9	21
Net interest expense	95	69	16	15	16
Non-GAAP EBIT	399	278	98	44	45
<i>Add back:</i>					
Depreciation & amortization	129	159	45	48	56
Non-GAAP EBITDA	528	437	143	92	101
<i>Add back:</i>					
Impairments	46	42	14	1	0
Non-GAAP adjusted EBITDA	574	479	157	93	101

-  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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