

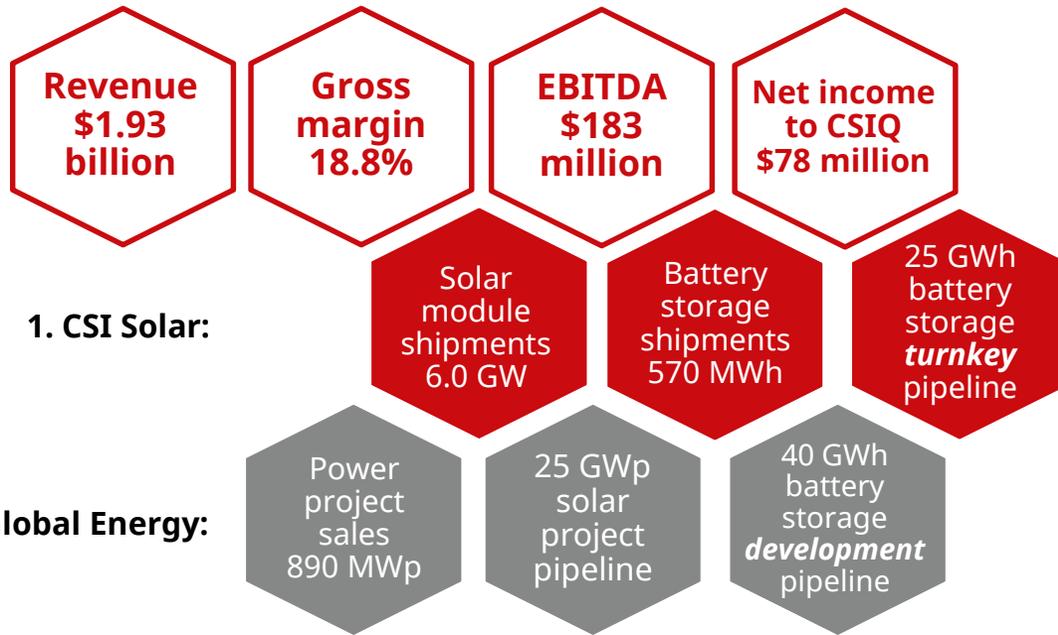
Canadian Solar 3Q22 Earnings Call

November 22, 2022

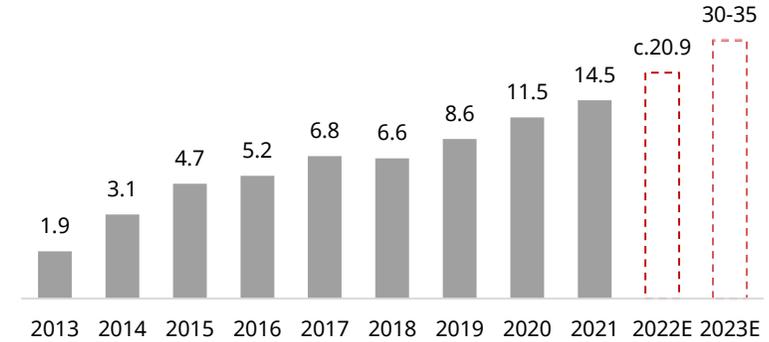
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Q3 2022 Review



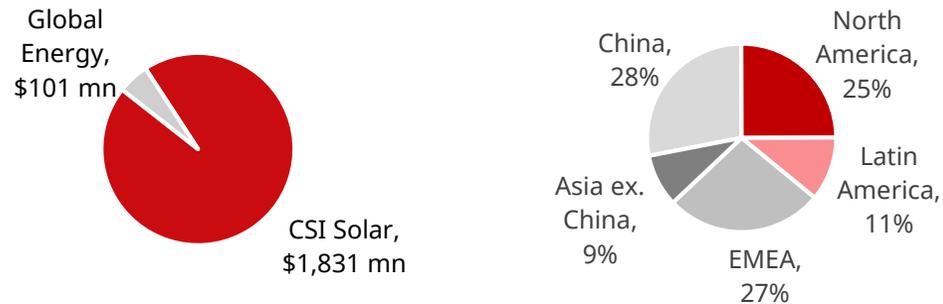
Solar Module Shipments, GW



Battery Storage Shipments, GWh



Revenue Breakdown 3Q22



Significant progress on battery storage businesses

CSI Solar

SolBank
Utility-Scale
Storage

2.8 MWh

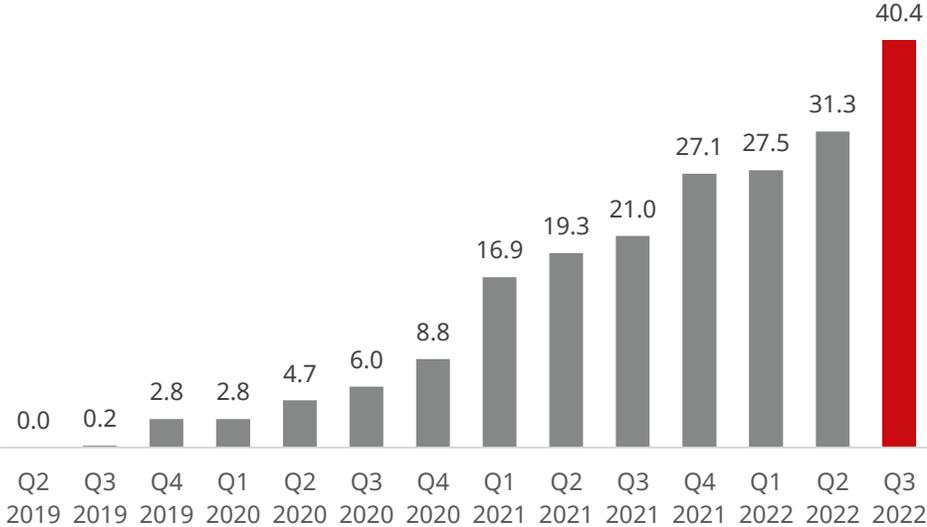


EP Cube
Residential Storage

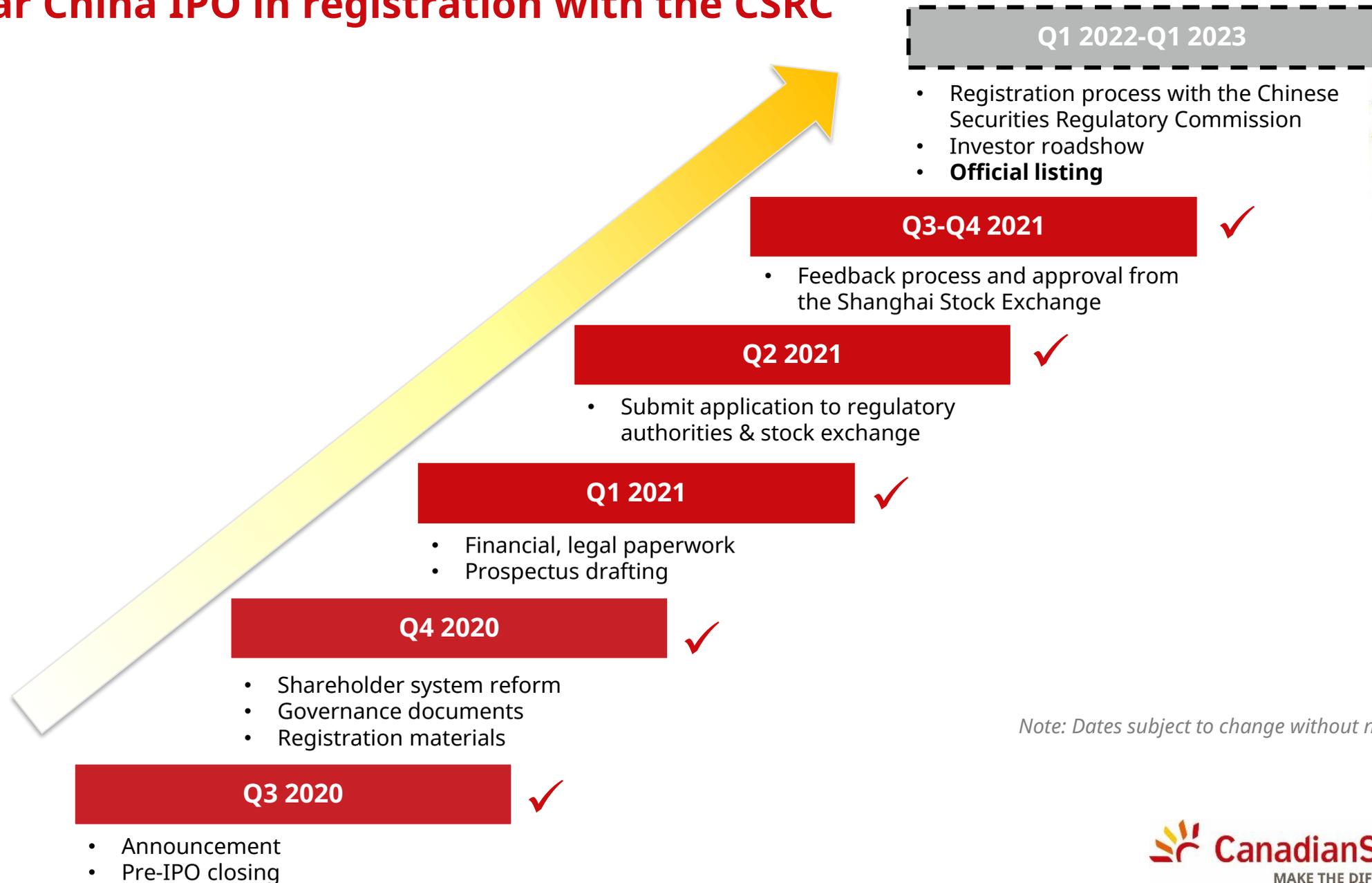


Global Energy

Global Energy Total Battery Storage Pipeline, GWh



CSI Solar China IPO in registration with the CSRC



Note: Dates subject to change without notice.

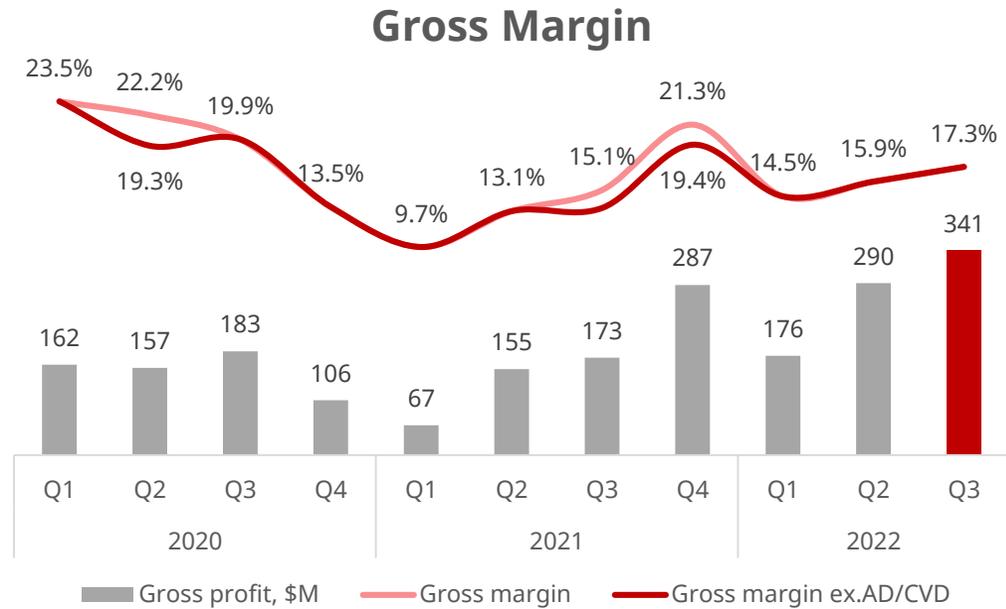
Significant improvement in profitability in Q3

Q3 2022 CSI Solar Key Figures

- ☀️ Module Shipments: 6.0 GW
- ☀️ Storage Shipments: 570 MWh
- ☀️ Revenue: \$1.97 billion
- ☀️ Gross margin: 17.3%
- ☀️ Gross profit: \$341 million
- ☀️ Operating profit: \$97 million

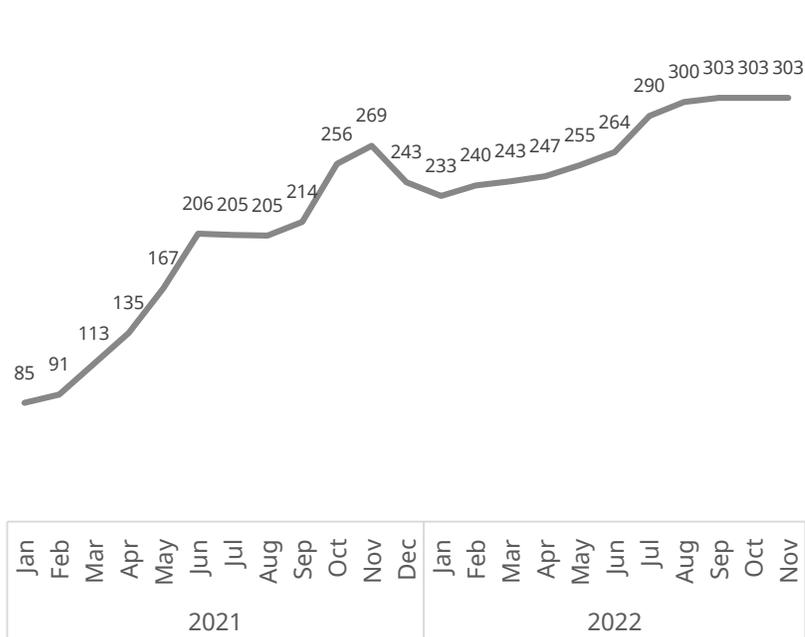
Q3 improvement driven by:

- ☀️ Higher volumes
- ☀️ Lower manufacturing cost
- ☀️ FX benefit
- ☀️ Lower unit shipping costs



Raw material costs remain elevated, but FX and logistics costs have improved

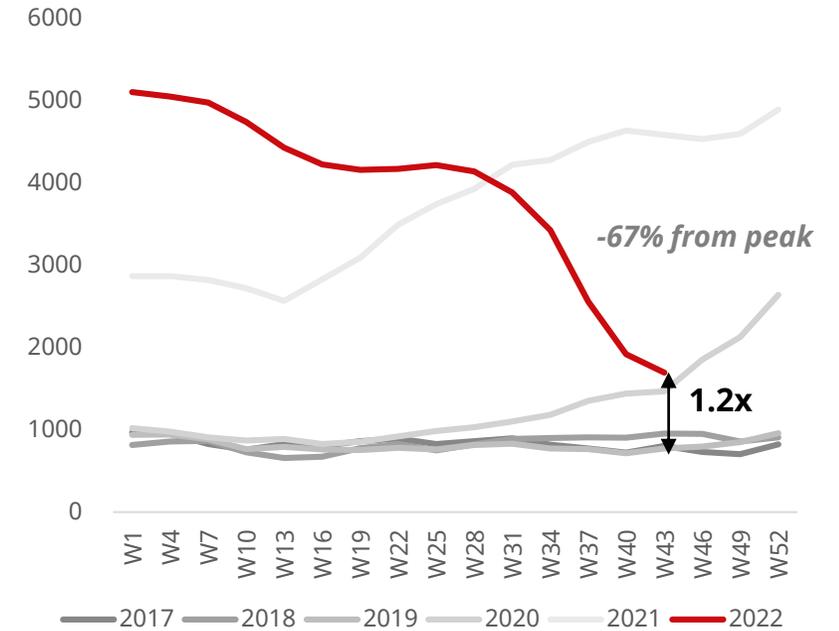
Polysilicon price (RMB/kg)



USD to RMB

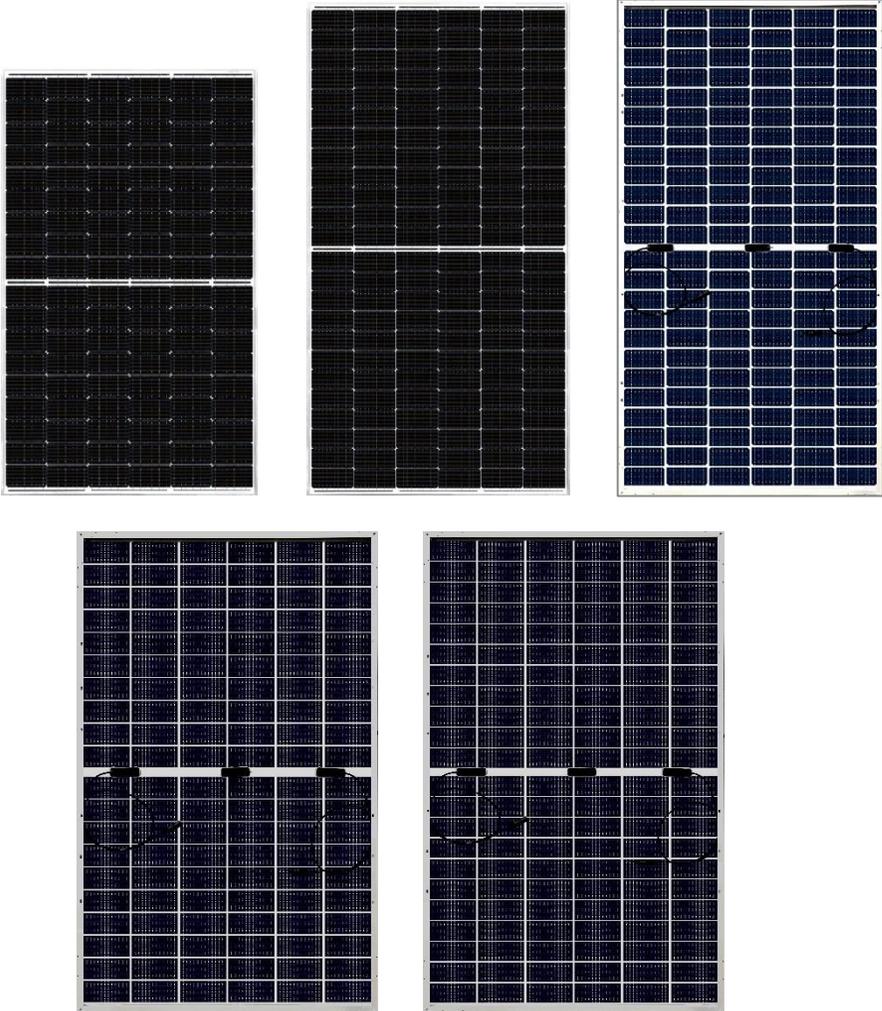


Shanghai Containerized Freight Index (TEU)

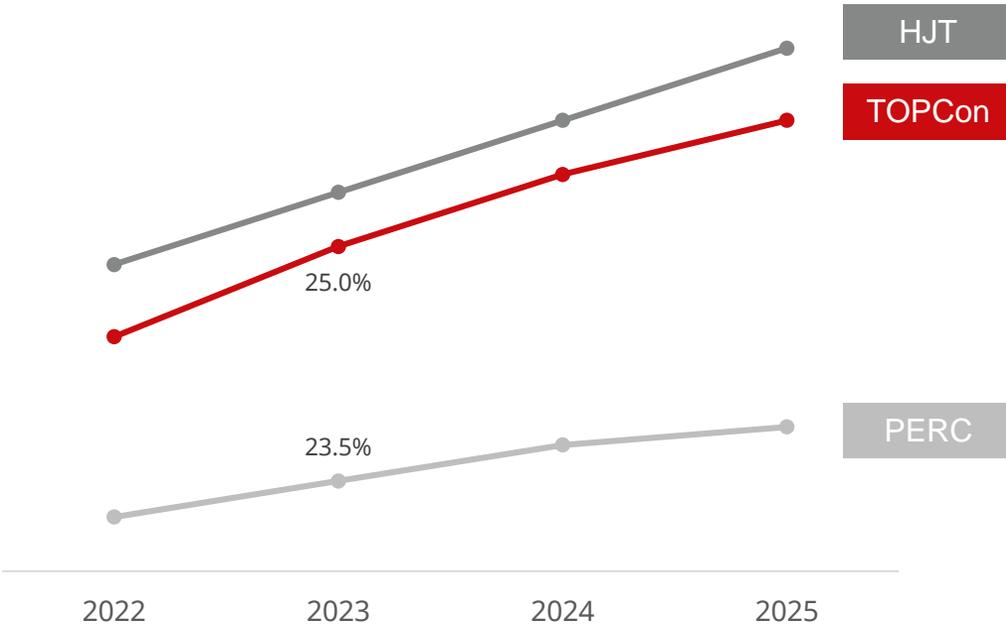


Source: PV Infolink, Shanghai Shipping Exchange, Wind.

Commercial sales of N-type TOPCon products starting in early 2023



Top bin of cell efficiency in mass production



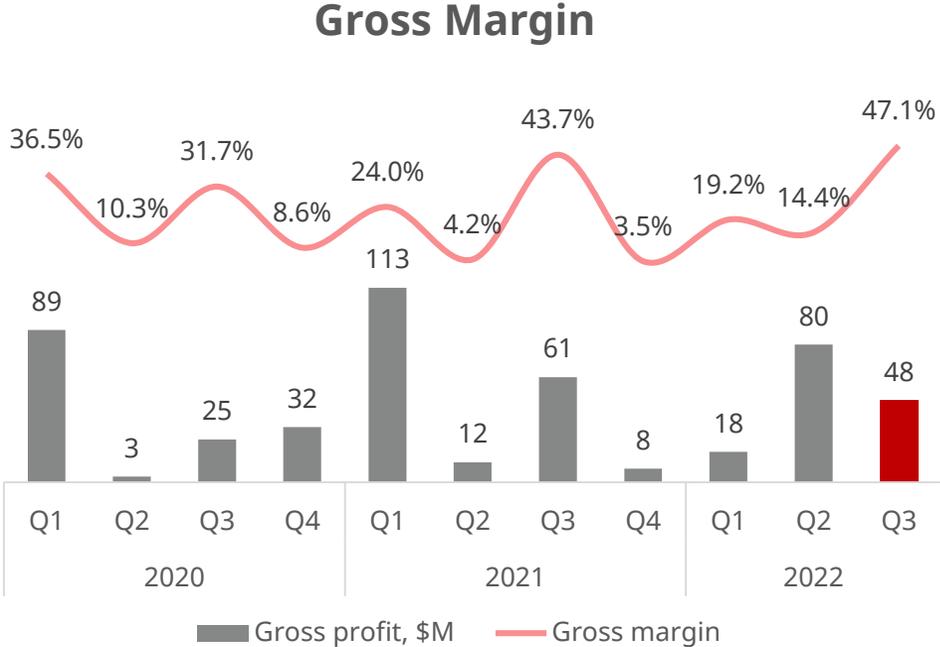
Strong market reception from new battery storage products



Small but very profitable quarter for Global Energy

Q3 2022 Global Energy Key Figures

-  Project sales: 890 MW, mostly pre-construction
-  Revenue: \$101 million
-  Gross margin: 47.1%
-  Gross profit: \$48 million
-  Operating profit: \$27 million



U.S. California Crimson 1.4 GWh battery storage project



Japan Azuma Kofuji 100 MW solar project



Large global solar and battery storage project pipeline

Solar Project Pipeline (September 30, 2022) – MWp*

Region	Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North America	-	603	2,125	3,818	6,546
Latin America	730**	3,211**	2,072	608	6,621
EMEA	21	379	4,067	1,880	6,347
Japan	46	156	-	105	307
Asia Pac ex. Japan & China	-	3	135	1,842	1,980
China	250	800**	-	2,150	3,200
Total	1,047	5,152	8,399	10,403	<u>25,001</u>

100%
contracted

90%
contracted,
~100%
success rate

With
interconnection

Securing
interconnection

Battery Storage Project Pipeline (September 30, 2022) – MWh

Region	Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North America	1,400***	-	4,776	8,600	14,776
Latin America	-	2,300	1,806	970	5,076
EMEA	-	82	2,608	6,000	8,690
Japan	-	-	-	19	19
Asia Pac ex. Japan & China	20	462	-	2,320	2,802
China	-	300	-	8,700	9,000
Total	1,420	3,144	9,190	26,609	<u>40,363</u>

100%
contracted

90%
contracted,
~100%
success rate

With
interconnection

Securing
interconnection

*All numbers are gross MWp

** Including 189 MWp in construction and 670 MWp in backlog that are owned by or already sold to third parties

***Including 1,120 MWh that have already been sold to a third party

Multiple levers of growth, focusing on recurring income

		2021 Actual	2022E	2023E	2024E	2025E	2026E	
1	Development: Project sales	Annual project sales GWp	2.1	2.2 – 2.3	2.8 – 3.3	3.5 – 4.0	4.0 – 4.5	4.3 – 4.8
2	Services: O&M ⁽¹⁾ + Asset Mgmt	Operational O&M projects, GWp	2.1	4.2	7.5	11	15	20
3	Investment Vehicles: Partial ownership of solar projects	Cumulative projects retained (net & gross ⁽²⁾), MWp	292	360	630	1,000	1,100	1,300
			748	1,400	2,580	3,500	4,000	5,000

(1) O&M = Operations and Maintenance.

(2) Net projects retained represents CSIQ's net partial ownership of solar projects, the gross number represents the aggregate size of projects including the share which is not owned by CSIQ.

Note: Final timing and recognition of project sales may be impacted by various external factors. Targets are subject to change without notice; investors are encouraged to review the Risks section of the Company's annual report on Form 20-F, as amended.

Quarterly income statement highlights

<i>USD millions except per share data</i>	3Q21	4Q21	1Q22	2Q22	3Q22	qoq	yoy
Net revenues	1,229	1,529	1,250	2,314	1,932	-16%	+57%
-CSI Solar	1,149	1,343	1,210	1,816	1,973	+9%	+72%
-Global Energy	140	232	93	554	101	-82%	-28%
-Elimination	(60)	(46)	(53)	(56)	(142)		
Gross margin	18.6%	19.7%	14.5%	16.0%	18.8%	+280 bp	+20 bp
-CSI Solar margin	15.1%	21.3%	14.5%	15.9%	17.3%	+140 bp	+220 bp
-Global Energy margin	43.7%	3.5%	19.2%	14.4%	47.1%		
Selling and distribution expenses	102	129	109	158	166	+5%	+63%
General and admin expenses	83	90	63	88	102	+16%	+23%
R&D expenses	13	19	13	18	18	-1%	+33%
Other operating income	(23)	(4)	(20)	(9)	(12)		
Total operating expenses	176	234	165	255	274	+7%	+56%
Operating income	53	67	16	116	89	-24%	+67%
Net interest income or (expense)	(11)	(13)	(11)	(15)	4		
Net FX gain or (loss)	(14)	1	3	6	39		
Income tax benefit or (expense)	3	(27)	5	(28)	(29)		
Net income	38	40	9	89	102	+15%	+168%
Net income attributable to Canadian Solar Inc.	35	26	9	74	78	+5%	+123%
Diluted EPS	0.52	0.39	0.14	1.07	1.12*	+5%	+115%

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. \$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).

Quarterly balance sheet highlights

<i>USD millions</i>	3Q21	4Q21	1Q22	2Q22	3Q22
Cash and equivalents	868	870	845	1,054	1,083
Restricted cash	490	564	849	895	872
Short-term borrowings	1,083	1,271	1,283	1,368	1,228
Long-term borrowings on project assets – current	297	322	324	154	199
Financing liabilities – current	-	30	12	18	54
Finance lease liabilities – current	19	19	17	17	15
Long-term borrowings	579	524	753	780	942
Convertible notes	224	225	225	225	226
Green bond*	-	33	33	32	30
Financing liabilities – non-current	82	54	54	45	5
Finance lease liabilities – non-current	32	31	24	22	14
Total debt	2,316	2,509	2,725	2,661	2,713
Net debt**	1,448	1,639	1,880	1,607	1,630
Non-GAAP EBITDA	127	156	81	195	183
Net debt / EBITDA (trailing 12 months)	3.6x	3.4x	4.1x	2.9x	2.7x
Net interest (income) or expense	11	13	11	15	(4)
EBITDA / net interest coverage (trailing 12 months)	8.0x	10.0x	9.8x	11.2x	17.6x

*The green bond is classified under other non-current liabilities.

**Net debt does not include restricted cash.

Guidance as of November 22, 2022

	Q3 2022 Actual	Q4 2022 Guidance	FY2021 Actual	FY2022 Guidance	2021-22G yoy Δ%	FY2023 Guidance
Solar Module Shipments	6.0 GW	6.0 – 6.3 GW	14.5 GW	20.7 – 21.0 GW	c. +45%	30 – 35 GW
Battery Storage Shipments	570 MWh	n/a	896 MWh	1.8 – 1.9 GWh	c. +100%	n/a
Project Sales	890 MW	n/a	2.1 GW	2.2 – 2.3 GW	c. +10%	n/a
Revenue	\$1.9bn	\$1.8 bn – \$1.9 bn	\$5.3 bn	\$7.3 bn – \$7.4 bn	c. +40%	n/a
Gross Margin	18.8%	16.0% – 18.0%	17.2%	16.5% – 17.0%	n/a	n/a

🌻 Exiting FY22 with lower inputs and logistics costs due to the improvement on supply chain and cost headwinds

🌻 FY23 solar module shipment volume growth represents 56% yoy growth at the mid-point of the range



Thank you

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