CanadianSolar

Investor Presentation

Fourth Quarter 2017 Update

March 2018

CSIQ NASDAQ Listed

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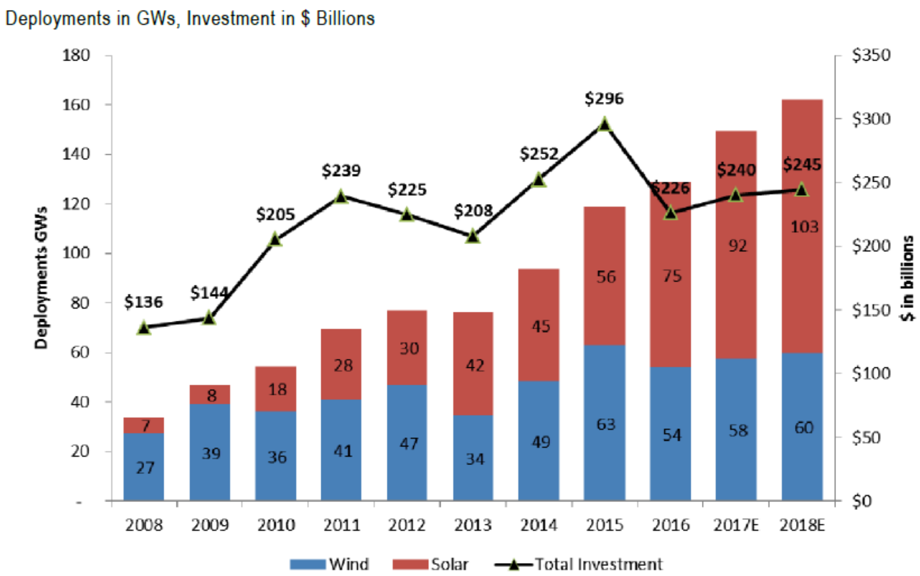
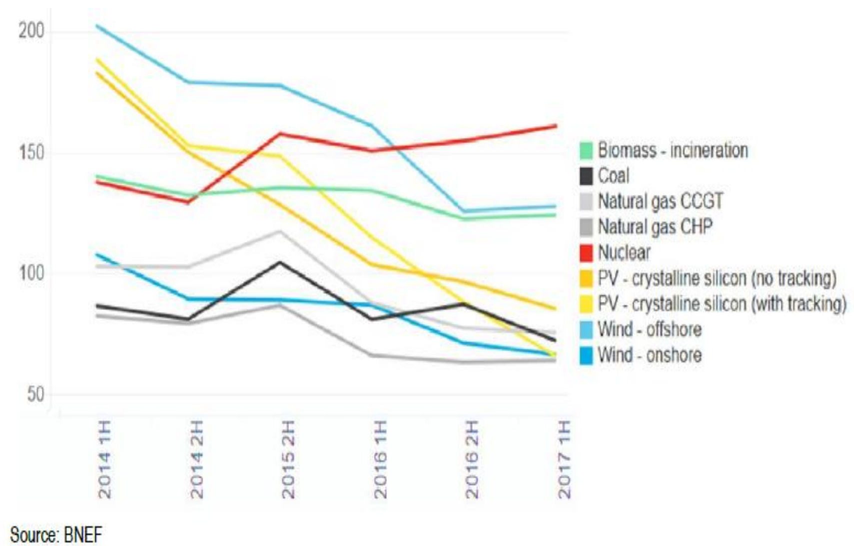
Declining Cost Drives Adoption

Investment Forecast for Wind and Solar Capacity Through 2018



Source: Bloomberg New Energy Finance, J.P. Morgan estimates.

LCOE Benchmark Value ($/MWh)

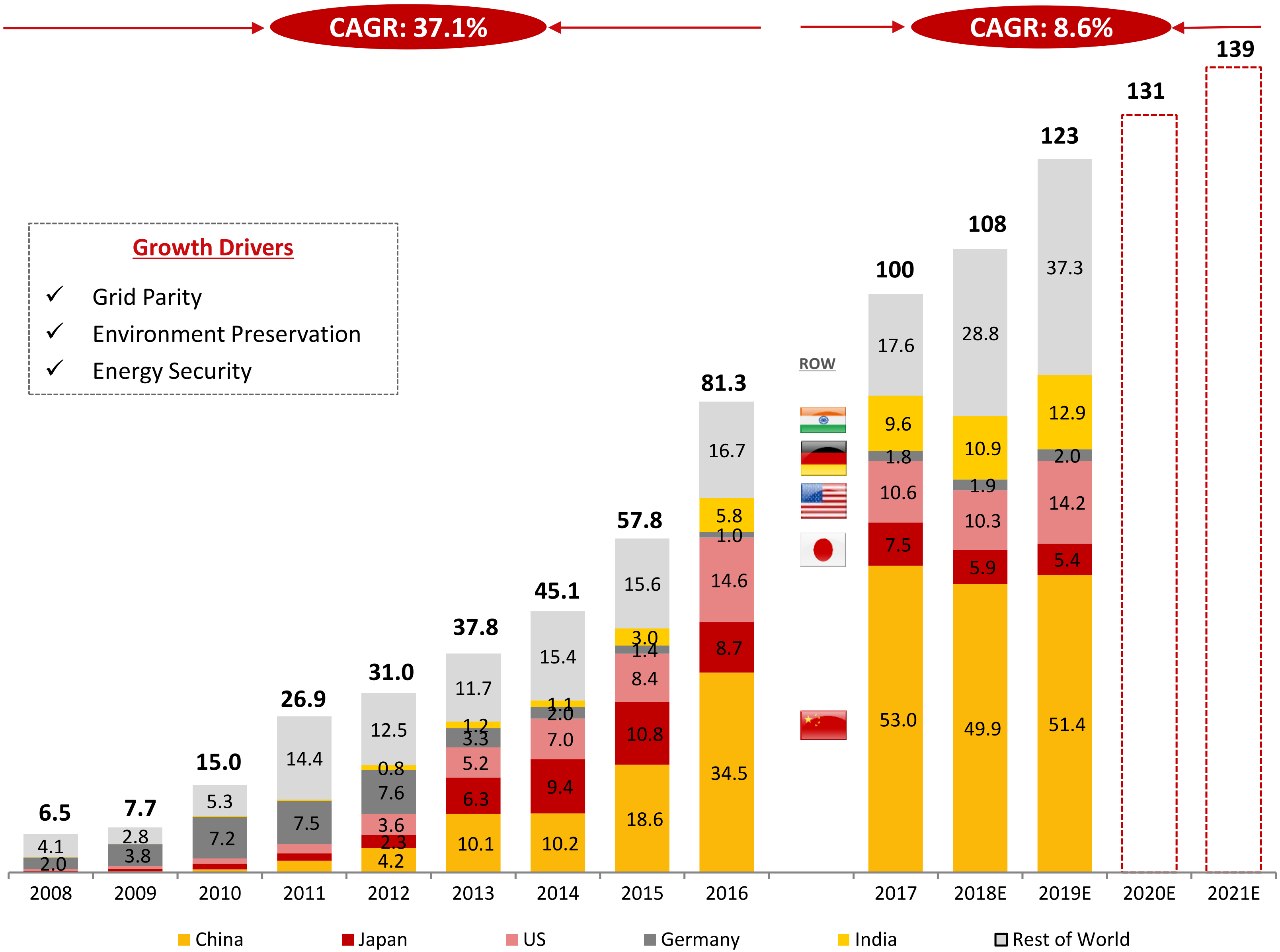


Source: BNEF

Investment and GW deployment of renewables will continue to grow owing to declining cost/watt, particularly for solar.

Source: J.P. Morgan Analyst Research Report

2017 Global PV Installation Reached 100 GW



Growth Drivers

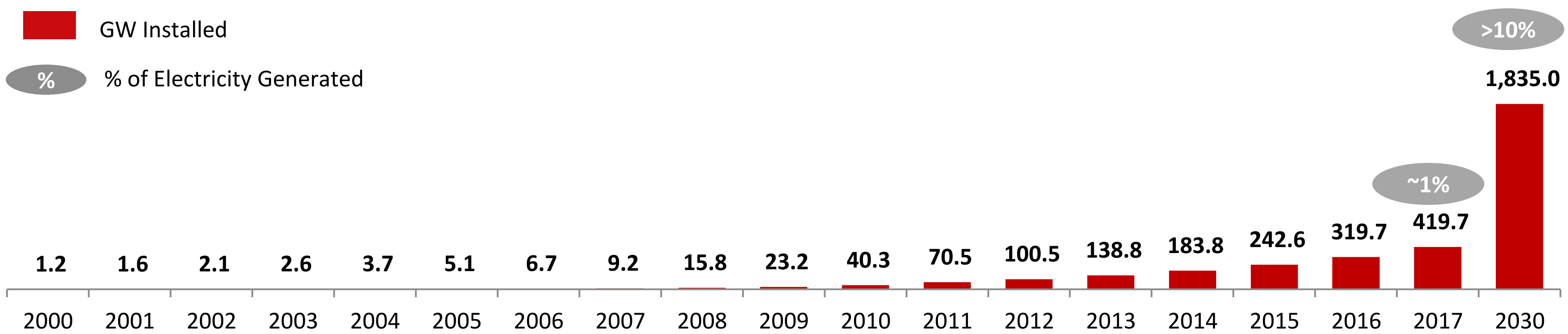
- ✓ Grid Parity
- ✓ Environment Preservation
- ✓ Energy Security

Source: Global PV module demand assumptions from IHS, Bloomberg and analyst research reports

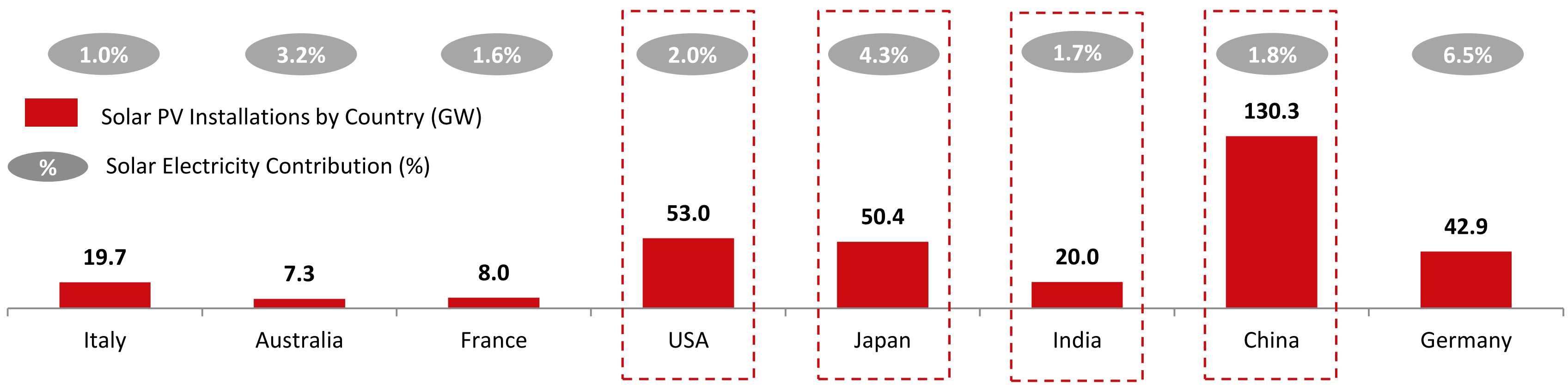
We Are at the Very Early Stages of Solar Adoption

Solar energy will grow from ~1% of global electricity generation today to >10% by 2030

Global Cumulative Solar PV Installations (GW)



Canadian Solar's key markets such as China, U.S. India and Japan are significantly under-penetrated



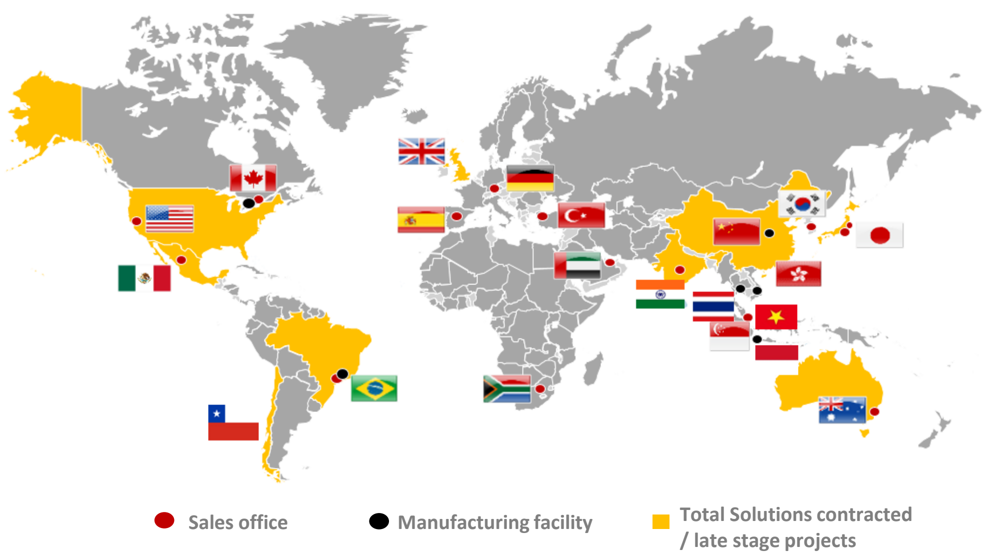
Source: EPIA, IHS, EIA, Canadian Solar Analysis; Cumulative Installations as of the year 2017.

Solar PV installed capacity is forecast to grow to over 1,835 GW in 2030.

Company Overview

- Founded in Ontario, 2001
- Listed on NASDAQ (CSIQ) in 2006
- Over 12,000 employees globally
- Presence in 18 countries / territories
- > 26 GW of solar modules shipped cumulatively
- > 3.8 GWp [1] solar power plants built and connected (incl. Recurrent)

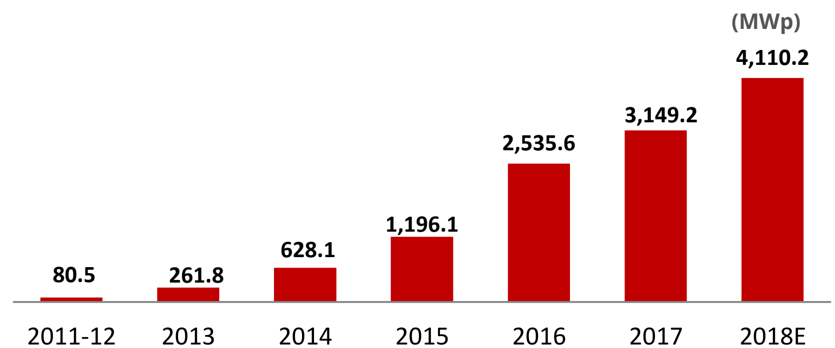
Global Footprint and Brand



Highlights

- 2017 Revenue: **$3.39 billion**
- 2017 Shipment: **6.828 GW**
- 2018 Shipment Guidance: **6.6 GW to 7.1 GW**
- 2018 Revenue Guidance: **$4.4 billion to $4.6 billion**

Solar Power Plants Built and Connected



Source: Company information as of March 19, 2018

1. Includes solar power projects built and connected by Recurrent Energy before acquisition by Canadian Solar in 2015

Energy Business: Globally Diversified Project Pipeline

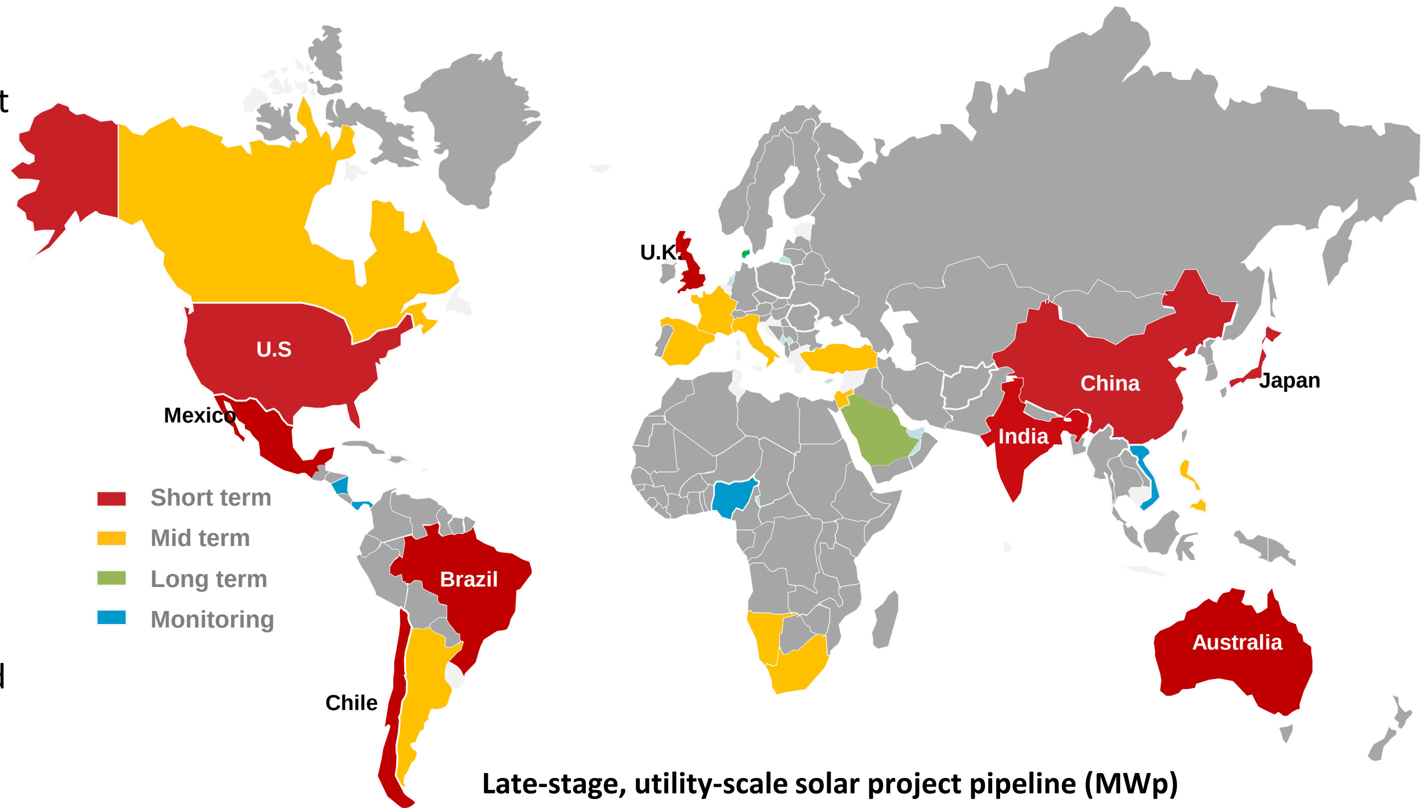
11.1 GWp
Total project development pipeline

9.1 GWp
Early to mid-stage development pipeline (2)

~2 GWp
Total late-stage project pipeline (1)

~1.2 GWp
Solar power plants owned and operated

Priority Markets for Utility-scale Project Development



Late-stage, utility-scale solar project pipeline (MWp)

US	Mexico	China	Japan	Brazil	India	Australia	Chile	U.K.
459	435.7	410	362.2	215.6	59	24.2	18.4	8.2

Source: Company information as of February 28, 2018
Note: (1) Late-stage project 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 only those projects that have been approved by our internal Investment Committee or projects that are expected to be brought to the Investment Committee in the near term.

U.S. Utility-scale Solar Project Pipeline

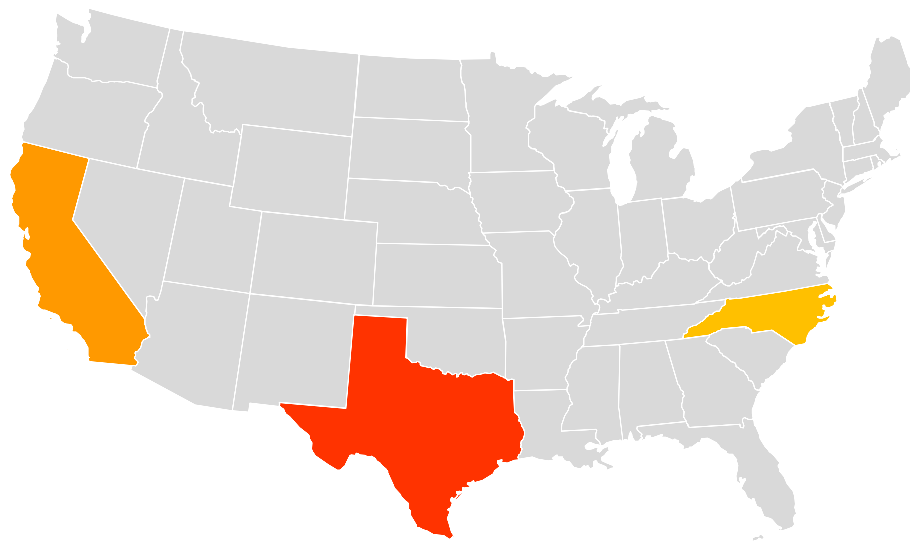
Market Leader in the U.S.

4.6 GWp
Early to mid-stage pipeline

459 MWp
Late-stage pipeline[1]

808 MWp
Owned and operated[2]

U.S. Late-stage Project Development Footprint



U.S. Late-stage Pipeline[1]

Roserock	NC 102	Gaskell West 2	Mustang Two
104 MWp	102 MWp	147 MWp	210 MWp
Commercial Operation since Q4 2016	*In Construction, Commercial Operation by 2018*	*Under Development, Commercial Operation by 2020*	*Under Development, Commercial Operation by 2020*

Source: Company information as of February 28, 2018

1. Includes all of Canadian Solar and Recurrent Energy's projects developed and in construction
2. It represent the Gross MWp owned by Canadian Solar before the sale of 309 MWp of solar power plants to Korea Electric Power Corporation on March 12, 2018.

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Japan Utility-scale Solar Project Pipeline

Total Solutions Business – Japan

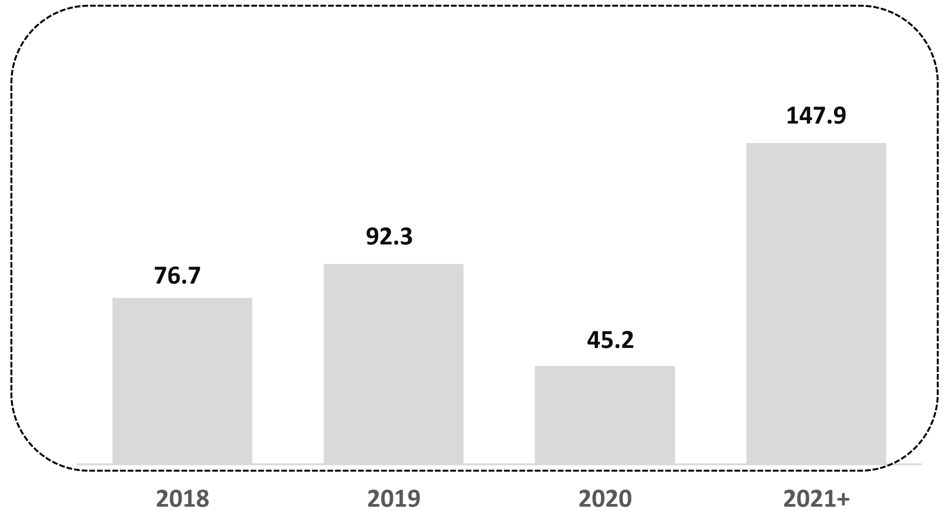
362.2 MW_p
Late-stage pipeline

85.6 MW_p
Owned and operated


Yamaguchi plant: 24 MWp

Source: Company information as of February 28, 2018

Utility-scale COD Schedule[1] - MWp



Note: (1) Expected COD are tentative estimates subject to change, due to delays in securing all the necessary permits among other risk factors.

- **362.2 MWp** late-stage projects have secured interconnection agreements and FIT, including **122.7 MWp** in construction and **239.5 MWp** under development
- Projects in the bidding process **9.4 MWp**

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China Utility-scale Solar Project Pipeline

Energy Business – China

Group I: 0.55 RMB/kWh
Group II: 0.65 RMB/kWh
Group III: 0.75 RMB/kWh

145.5 MW_p
Owned and operated

410 MW_p
Late-stage pipeline

	Province	Late-stage Project Opportunity (MW_p)	Feed-in Tariff (1) (RMB/kWh)
1	**Jiangsu**	38.2	0.81 - 0.85
2	**Anhui**	2.4	0.81
3	**Hebei**	4.7	1.04
4	**Shanxi**	40	0.85
5	**Henan**	100	0.85
6	**Jilin**	15	0.63
7	**Fujian**	3.7	1.06
8	**Inner Mongolia**	206 (2)	0.50 to 0.65
	Total	**410**	

Source: Company information as of February 28, 2018
Note: (1) 2017 Feed-in Tariff
(2) including Two Top Runner Projects, 100 MWp each in size.

Market Leader in Brazil and Mexico

56.8 MW_p* Owned and operated In Brazil

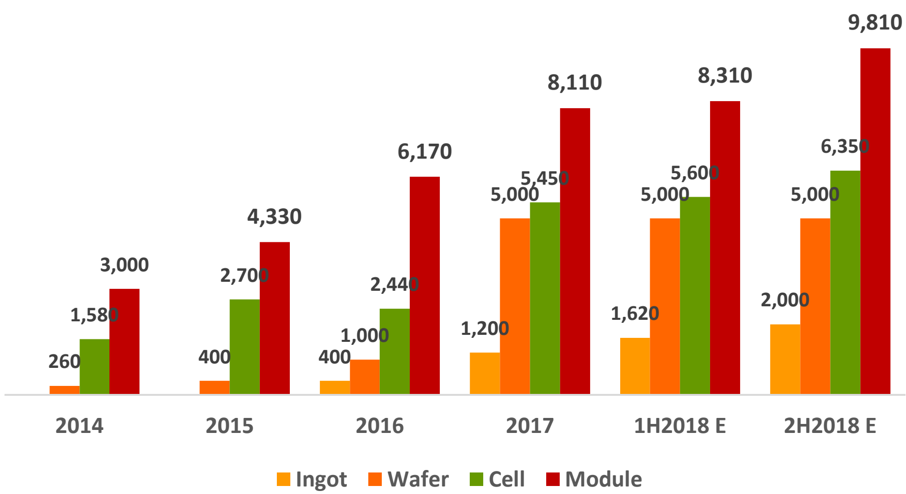
Late-stage projects	Gross MWp	Location	Status	Expected COD
Pirapora II (1)	23*	Minas Gerais	Construction	2018
Guimarania (1)	80.6	Minas Gerais	Construction	2018
Salgueiro (2)	112	Pernambuco	Development	2020
Total	**215.6**			

Late-stage projects	Gross MWp	Location	Status	Expected COD
EL Mayo (1)	124	Sonora	Development	2020
Tastiota (1)	125	Sonora	Development	2020
Horus (2)	119	Aguascalientes	Development	2020
Aguascalientes (2)	67.7	Aguascalientes	Construction	2018
Total	**435.7**			

Source: Company information as of February 28, 2018
Note: * The MWp size represents Canadian Solar's equity interests in the projects

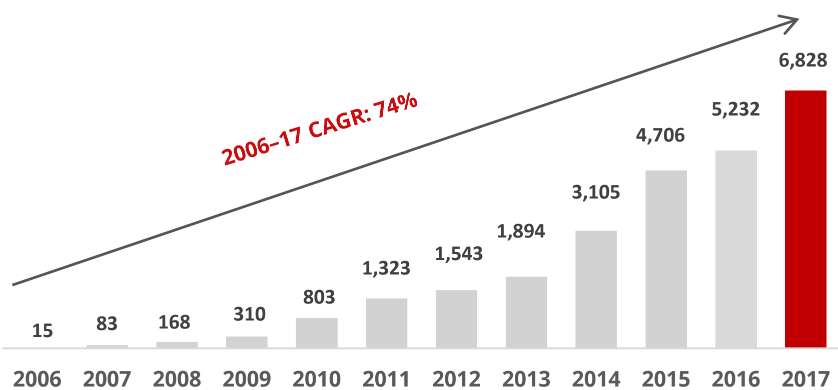
Capacity Expansion with New Technology and Cost Reduction

Manufacturing Capacity - MW

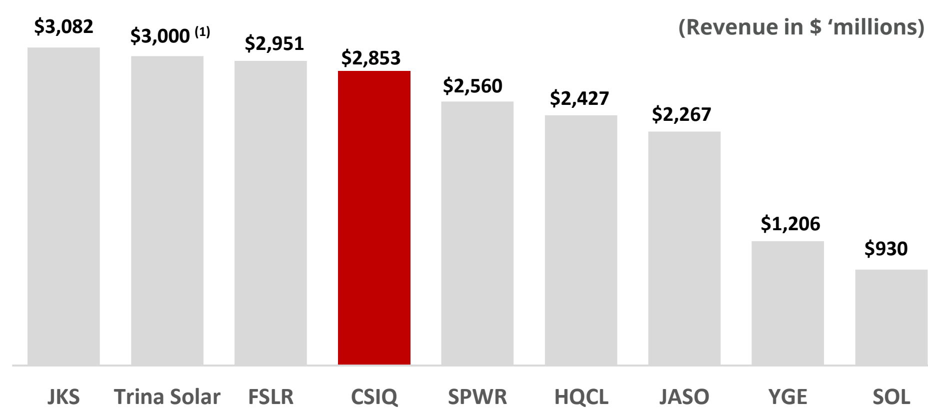


- **Technology upgrade – New products, new process, new design**
  - ✓ Diamond wire-saw wafer
  - ✓ Black silicon
  - ✓ Mono PERC
  - ✓ Black silicon + PERC
- **Global Manufacturing Footprint**
  - ✓ Brazil
  - ✓ Canada
  - ✓ China
  - ✓ Indonesia
  - ✓ South East Asia
  - ✓ Vietnam
- **Operation efficiency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

Total Module Shipments - MW



Top 4 Solar Company by Revenue in 2016



Source: Company information as of March 19, 2018
Note: (1) based on IHS estimate

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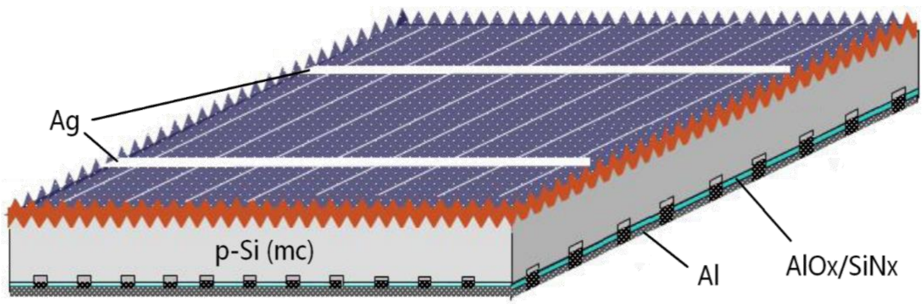
Competitive Pipeline of Homegrown Technologies

P4

- 1% cell efficiency and 12 watts module power gain on 60-cell module design over baseline; cell efficiency reached over 20% in mass production
- Over 4 years in-house R&D, **self-owned IPs**
- ~1GW in-house multi cell production used this technology at the end of 2017
- Pleasing aesthetics

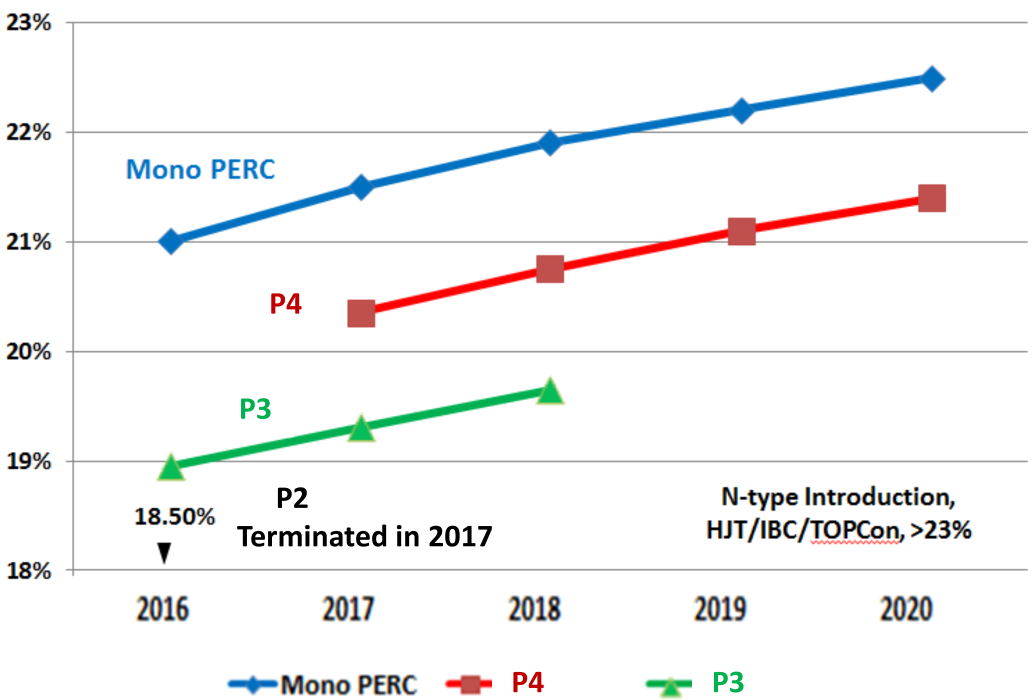
Mono PERC



- Mono PERC enhances back side passivation and increased cell efficiency to 21.5%
- Low Light Induced Degradation (LID), and Potential Induced Degradation (PID) resistant
- Premium product: 60-cell module power reached over 300 Watt
- 100% mono cell production has been upgraded to mono PERC at the end of 2017

Cell Efficiency Roadmap

Cell Efficiency



Highlights

- P3 nano-texturing technology paves the way for diamond-wire sawing in multi-crystalline wafer production
- P4 will improve the multi-crystalline cell efficiency to above 21.4% in 2020
- Mono PERC cell efficiency can reach above 22.5% in mass production by 2020
- PERC technology is expected to fully replace Al BSF by the end of 2018

Source: Company information as of March 19, 2018

Experienced Board & Senior Management

	Name / Title	Work Experience
	**Dr. Shawn Qu** *Chairman, President & CEO (Director)*	■ 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.)
	**Dr. Huifeng Chang** *SVP, 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
	**Yan Zhuang** *SVP and Chief Commercial Officer*	■ Head of Asia of Hands-on Mobile, Inc. ■ Asia Pacific regional director of marketing planning and consumer insight at Motorola Inc.
	**Guangchun Zhang** *SVP and Chief Operating 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.
	**Arthur Chien** *SVP and Chief Strategic Officer*	■ 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.
	**Jianyi Zhang** *SVP and Chief Compliance Officer*	■ Senior advisor to several Chinese law firms ■ Senior assistant general counsel at Walmart Stores, Inc. ■ Managing Partner at Troutman Sanders LLP
	**Dr. Guoqiang Xing** *SVP and Chief Technology Officer*	■ Chief Technology Officer of Hareon Solar ■ R&D Director of JA Solar ■ R&D Director at several semiconductor companies
Experienced Independent Directors	**Robert McDermott** *Chairperson of the Corporate Governance , Nominating and Compensation Committees*	■ Partner with McMillan LLP, a business and commercial law firm ■ Director and senior officer of Boliden Ltd.
	Lars-Eric Johansson *Chair of the Audit and member of Governance, and Compensation Committees*	■ CEO of Ivanhoe Nickel & Platinum Ltd. ■ Chairperson of the Audit Committee of Harry Winston Diamond
	Dr. Harry E. Ruda *Chair of Technology and member of the Audit, Governance, Compensation Committees*	■ 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
	Andrew Wong *Member of the Audit, Corporate Governance, Compensation Committees*	■ 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 Shenzen Yantian Port (Group) Co. Ltd.

Source: Company information

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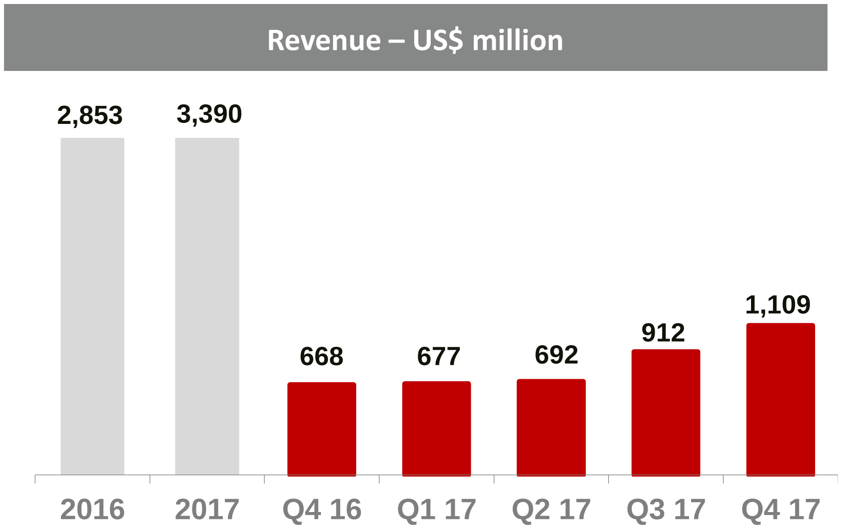
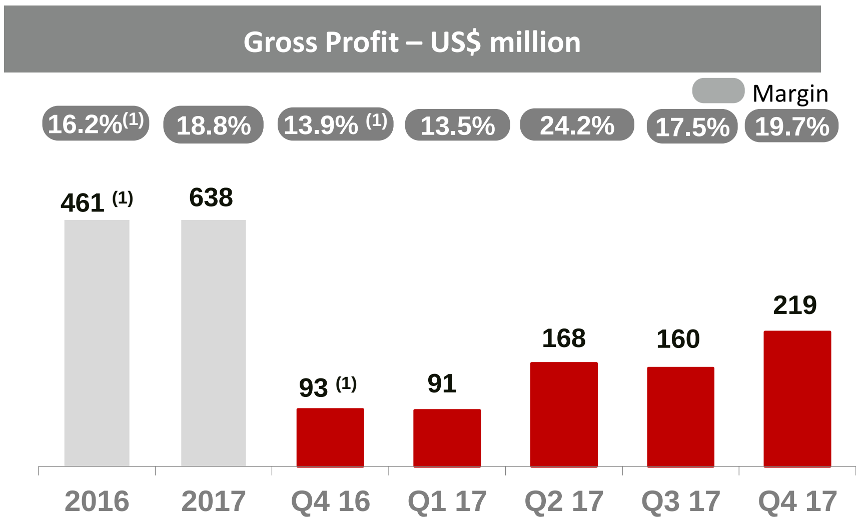
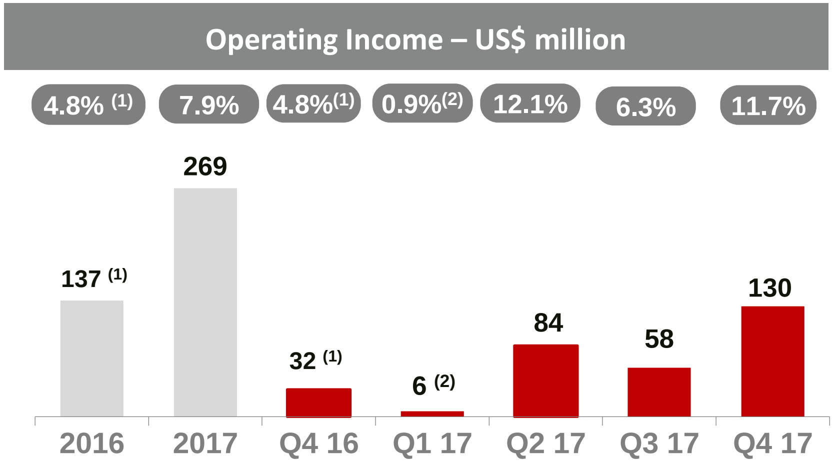
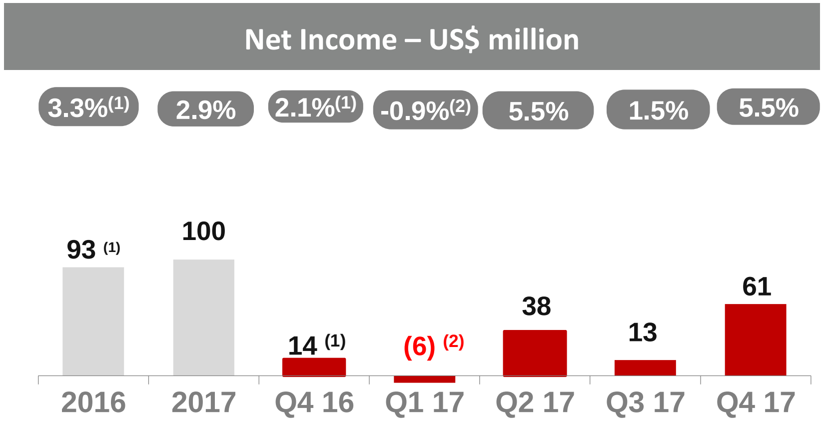
Income Statement









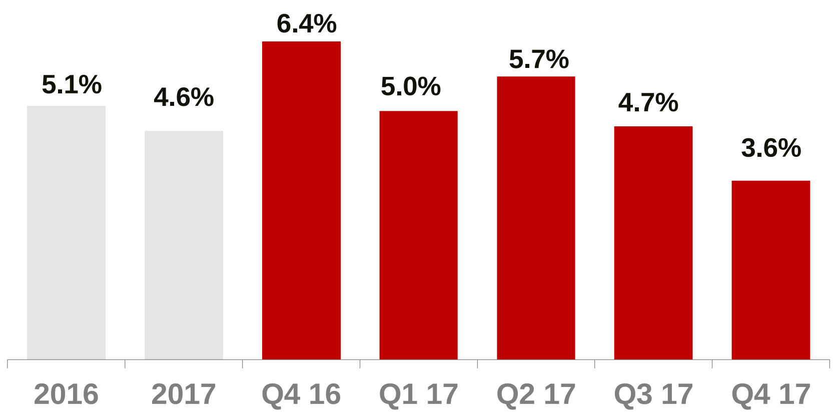
Source: Company filings

Note: (1) Non-GAAP adjusted numbers, excluding the AD/CVD true-up provision of $44.1 million

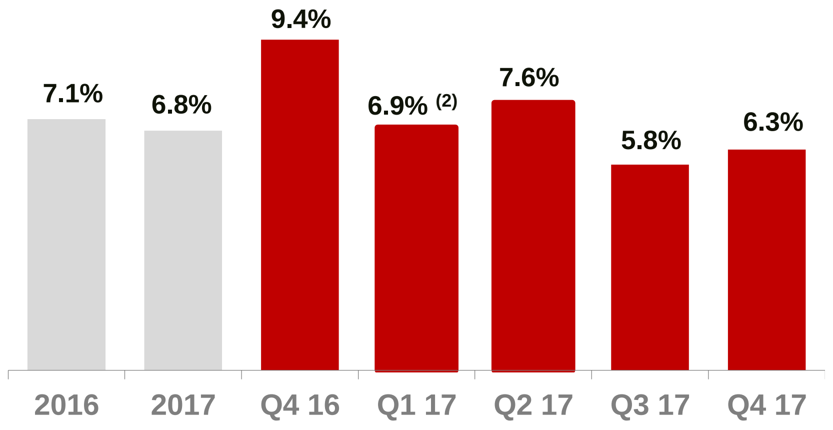
(2) Non-GAAP adjusted numbers, adjusted to exclude a one-time provision of $8.6 million and net of income tax effect

Operating Expenses as % of Net Revenue

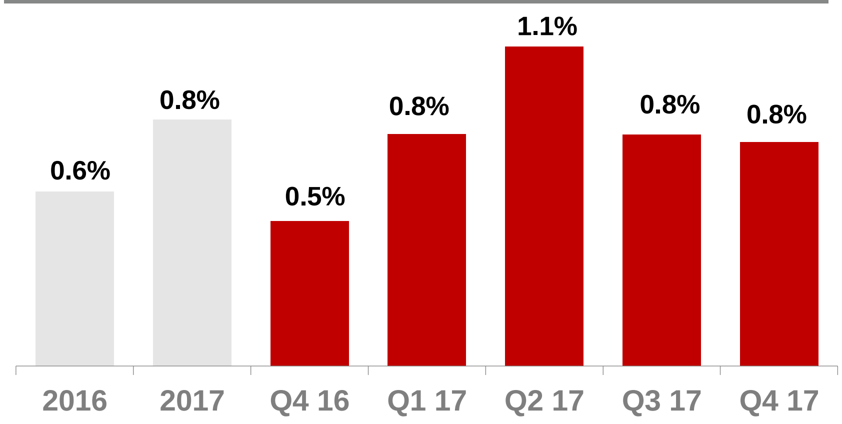
Selling Expenses



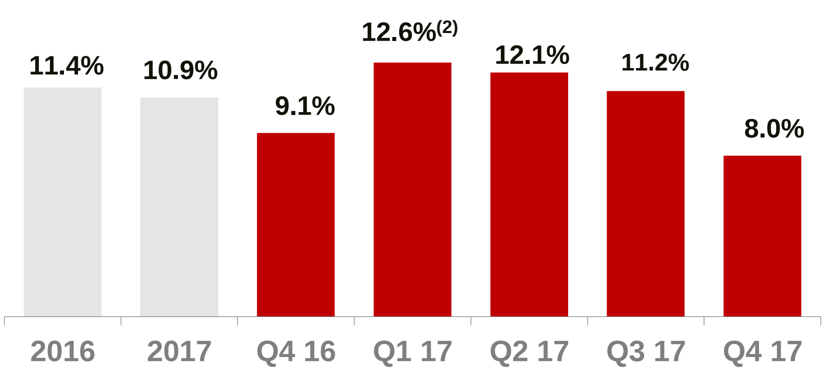
General & Administrative Expenses



Research & Development Expenses



Total Operating Expenses



Source: Company filings
Note: Percentages are of the total net revenue in the corresponding period.
(2) Non-GAAP adjusted numbers, adjusted to exclude a one-time provision of $8.6 million

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Guidance as of March 19, 2018

	Q4 2017	Q1 2018
Module Shipments	1.8 GW	1.30 GW to 1.35 GW
Revenue	$1.11 bn	$1.37 bn to $1.40 bn
Gross Margin	19.7%(1)	10.0% to 12.0%(1)

FY2017	FY2018	YoY Δ%
6.8 GW	6.6 GW to 7.1 GW	+4.0%
$3.39 bn	$4.4 bn to$4.6 bn	+35.7%
NA	NA	NA

1-Includes module business and project business

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THANK YOU

March 2018