

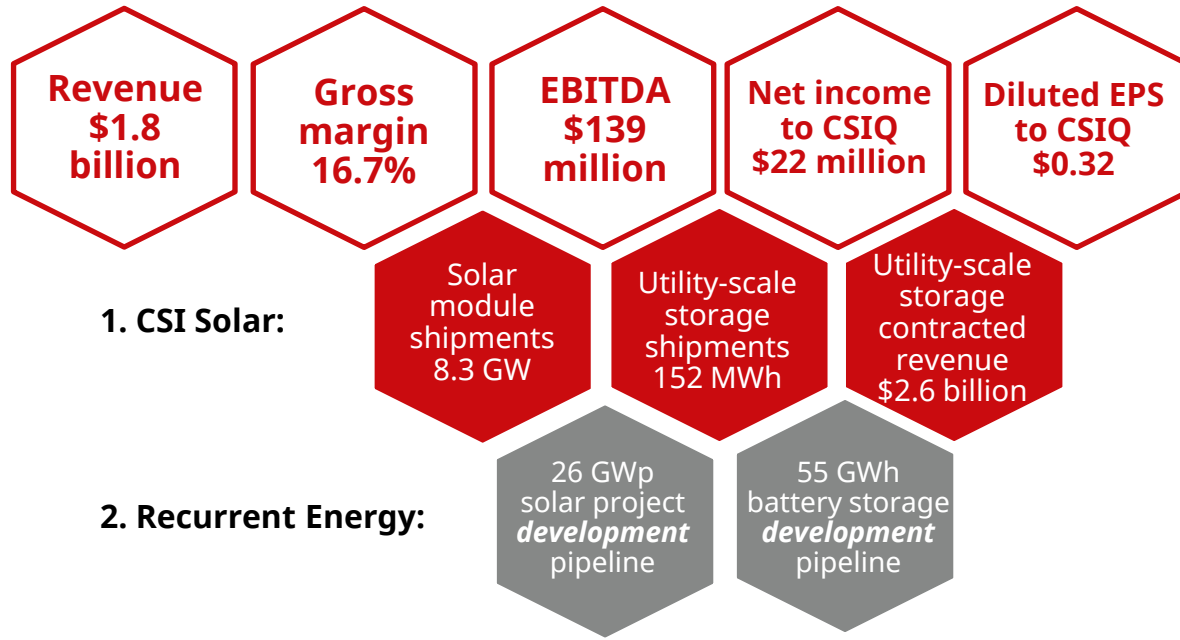


Canadian Solar
3Q23 Earnings Call
November 14, 2023

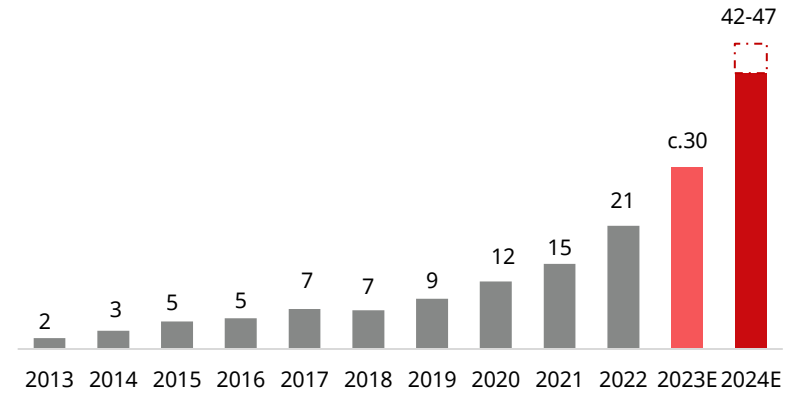
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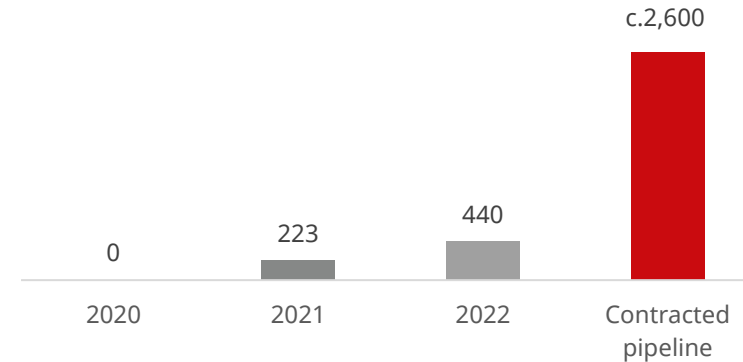
Q3 2023 review



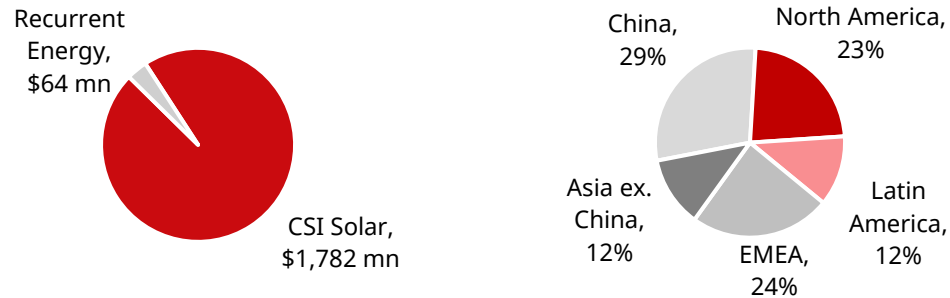
Solar Module Shipments, GW



Turnkey Utility-Scale Storage Contracted Backlog, US\$M



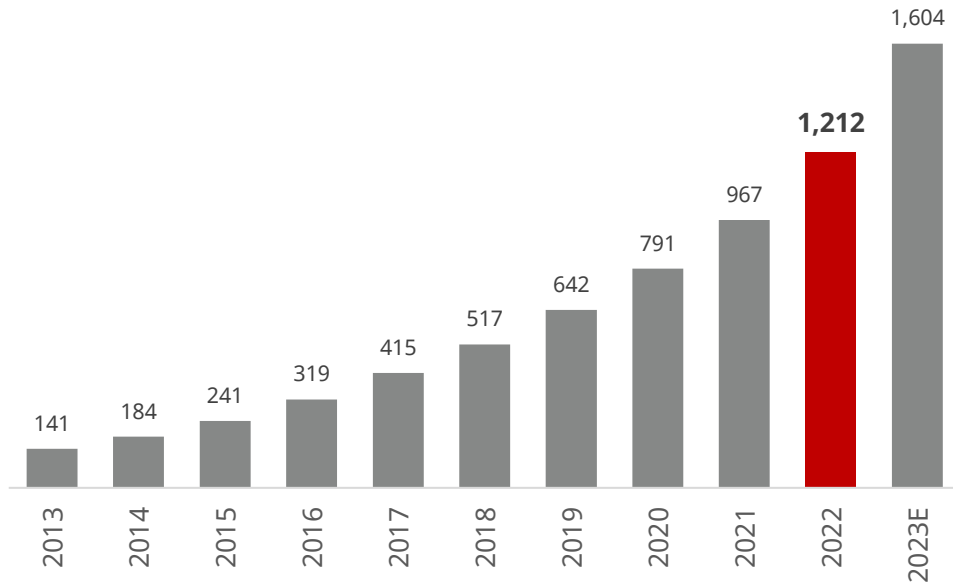
Revenue Breakdown Q3 2023



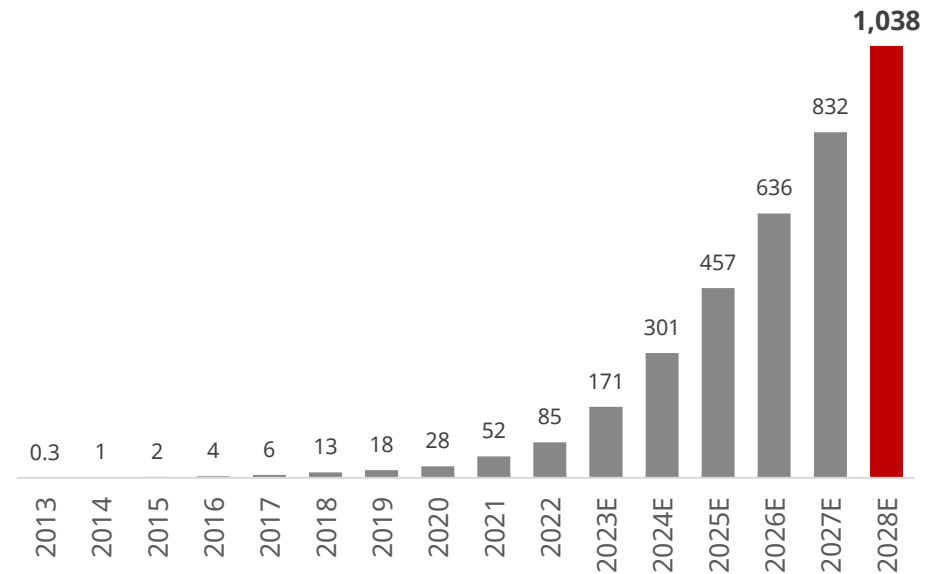
The Terawatt Generation

- 🌞 Global solar cumulative installations reached 1 TW in 2022, and global battery energy storage system cumulative installations are expected to reach 1 TWh in 2028

Global Solar Cumulative Installations (GW)



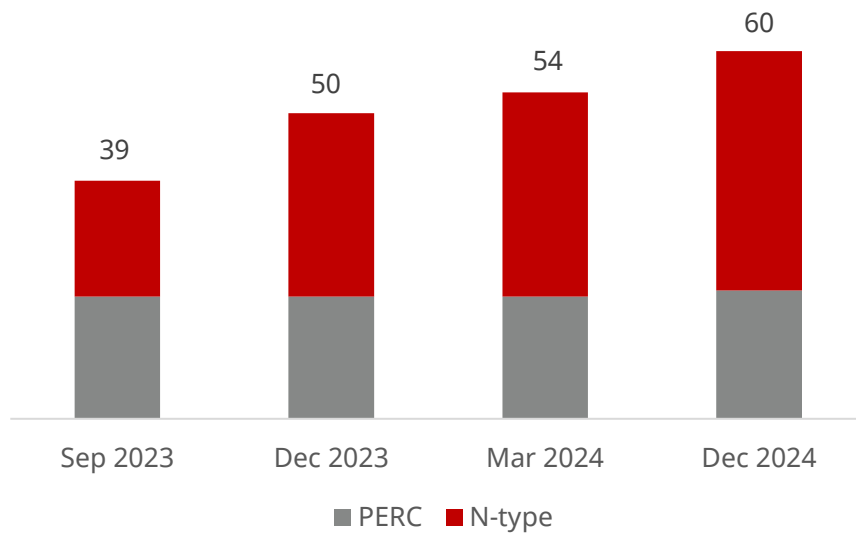
Global Battery Energy Storage System Cumulative Installations (GWh)



Global growth driven by strong economic fundamentals, fight against climate change, energy security

N-type TOPCon cell capacity now accounts for half of our total cell capacity

Solar Cell Manufacturing Capacity Roadmap (GW)



Strong market positioning in the U.S. driven by long-term investments



CANADIAN SOLAR ANNOUNCES U.S. SOLAR CELL MANUFACTURING FACILITY IN JEFFERSONVILLE, INDIANA

GUELPH, ON, Oct. 30, 2023 /PRNewswire/ -- **Canadian Solar Inc.** (the "Company" or "Canadian Solar") (NASDAQ: CSIQ), headquartered in Guelph, Ontario, today announced that it is establishing a 5 GW Solar PV cell production facility at the River Ridge Commerce Center in Jeffersonville, Indiana.

Canadian Solar is building a state-of-the-art solar photovoltaic cell manufacturing plant with an annual output of 5 GW, equivalent to approximately 20,000 high-power modules per day. The Jeffersonville facility represents a projected investment of more than \$800 million and will create approximately 1,200 skilled high-tech jobs once production is fully ramped up. The solar cells produced at this facility will be used at the previously announced 5 GW module assembly plant in Mesquite, Texas. Production at the Jeffersonville facility is expected to begin by the end of 2025.

"Indiana's strong advanced manufacturing sector positions the state to help lead the global energy transition, developing and powering new solutions in batteries, solar and hydrogen," said **Governor Eric Holcomb**. "Canadian Solar's new U.S. location in Jeffersonville will put our skilled Hoosier workforce at the center of cultivating solar power, making energy efficient panels more accessible to consumers across the country."

United States Senator Mike Braun stated, "Indiana is a proud leader both in the Midwest and the country in manufacturing and innovation. I'm pleased to know that this new solar manufacturing facility opening in Jeffersonville will create many new jobs for Hoosiers and stimulate the local economy."

CANADIAN SOLAR ANNOUNCES U.S. MODULE MANUFACTURING FACILITY IN MESQUITE, TEXAS

GUELPH, ON, June 15, 2023 /PRNewswire/ -- **Canadian Solar Inc.** (the "Company" or "Canadian Solar") (NASDAQ: CSIQ), headquartered in Guelph, Ontario, today announced that it is establishing a solar PV module production facility in Mesquite, Texas.

Canadian Solar is building a state-of-the-art solar photovoltaic module manufacturing plant with an annual output of 5 GW, equivalent to approximately 20,000 high-power modules per day. The new facility represents an investment of over \$250 million and will create approximately 1,500 skilled jobs once it is fully ramped up. Production is expected to begin around the end of 2023. This will be Canadian Solar's first United States manufacturing facility, following its successful track record of production in Canada, China, Brazil, Thailand and Vietnam. In 2021, Canadian Solar relocated Recurrent Energy, its 17-year-old U.S. subsidiary, to Austin, spearheading the rapid growth of renewable energy in the Lone Star State as a solar and battery storage project developer.

"Canadian Solar's new \$250 million manufacturing plant in Mesquite will bolster Texas' status as the energy capital of the world and secure our leadership as a global tech hub," said **Governor Greg Abbott**. "I thank Canadian Solar for choosing Texas for their next U.S. business investment and for creating 1,500 new jobs in the region to help boost the community for generations to come."

United States Senator Ted Cruz expressed his enthusiasm for the project stating, "Texas is an energy production powerhouse, and we embrace an all-of-the-above energy strategy. It's great to see this incredible investment in Mesquite, which will create 1,500 good-paying jobs in Texas. This kind of investment in the Lone Star State is the reason people are flocking to our great state. I will continue to fight for Texas innovators and job creators in the U.S. Senate."

Increasing focus on ESG

Key focus areas for the next 12 months:

- 🌱 Firming up SBTi, science-based decarbonization targets
- 🌱 Expanding Recurrent Energy ESG practices across all development and construction activities.

➔ Process of continual improvement

Sustainability reporting of the year, global: Canadian Solar

As one of the world's largest solar technology and renewable energy companies, Canadian Solar provides manufactures solar photovoltaic modules and battery storage products and develops utility-scale solar power and battery storage projects globally.

The company's reporting is produced in alignment with the reporting frameworks of the Financial Stability Board (FSB), the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) Index, and Global Reporting Initiative (GRI) metrics.

Canadian Solar 2022 reporting covers environment metrics and targets, social responsibility, responsible supply chain, and governance.

It reports decreases of 20% in greenhouse gas (GHG) emissions intensity, 25% in energy intensity, 67% in water intensity, and 45% in waste intensity over the preceding five-year period.

It aims to power its global operations with 100% renewable electricity before 2030.

Shawn Qu, chairman and chief executive officer commented: "This is the third year that we have executed on our revamped sustainability strategy and I am proud of the achievements made by our team.



Shawn Qu

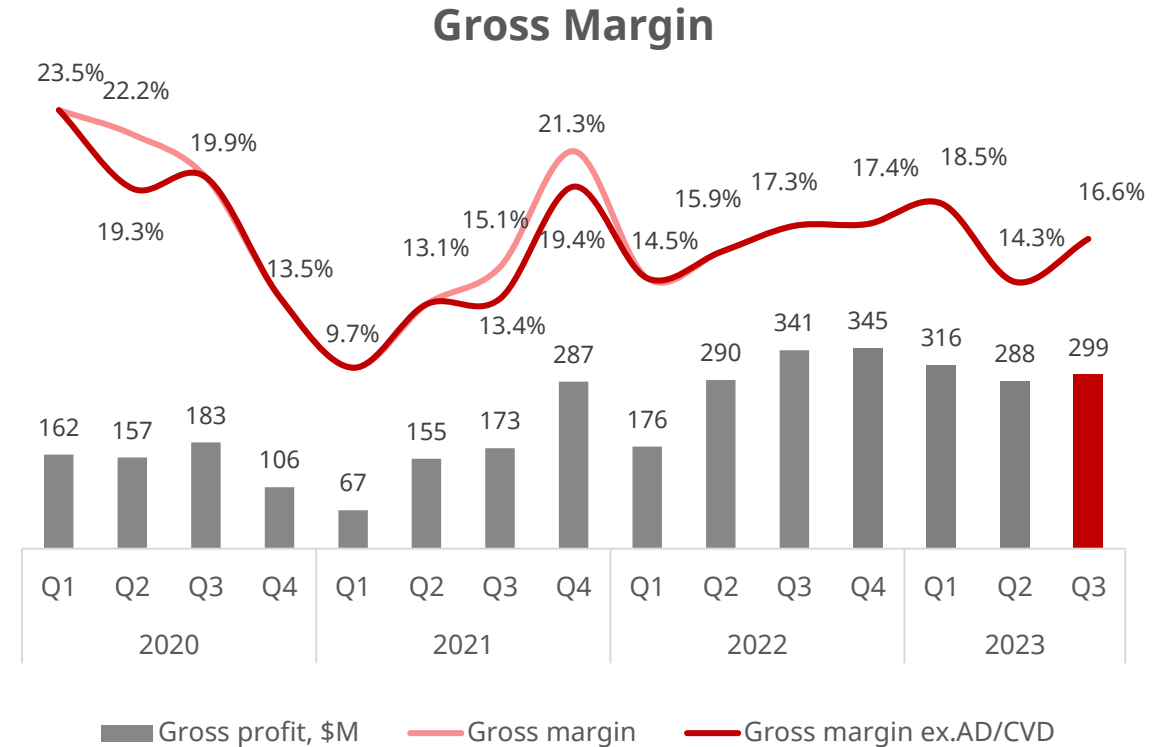


<https://www.environmental-finance.com/content/awards/sustainable-company-awards-2023/winners/sustainability-reporting-of-the-year-global-canadian-solar.html>

CSI Solar achieved shipment growth and healthy margin improvement in Q3

CSI Solar Q3 2023

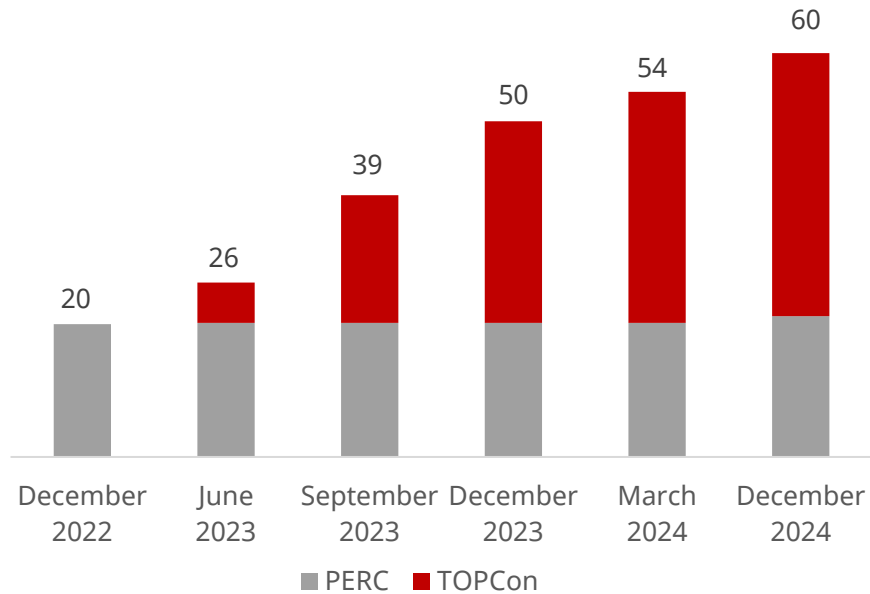
- 🌞 Module shipments: 8.3 GW
- 🌞 Storage shipments: 152 MWh
- 🌞 Revenue: \$1.8 billion
- 🌞 Gross profit: \$299 million
- 🌞 Gross margin: 16.6%
- 🌞 Operating profit: \$127 million



Excluding the impact of intercompany elimination.

Robust and improving capacity structure to drive profitable growth

Solar Cell Manufacturing Capacity Breakdown (GW)



Manufacturing Capacity Expansion Roadmap

Capacity, GW	Country	Sep 2023A	Dec 2023E	Mar 2024E	Dec 2024E
Wafer	China	21	21	30	50
	Thailand	-	-	1	5
	Total	21	21	31	55
Cell	China	31	38	42	48
	Thailand	8	12	12	12
	U.S.*	-	-	-	-
	Total	39	50	54	60
Module	China	43	44	45	45
	Thailand	8	11	11	11
	U.S.	-	2	2	5
	Total	51	57	58	61

*U.S. cell production expected to begin by the end of 2025.

e-STORAGE Q3 2023 performance

Contracted backlog*
\$2.6 billion

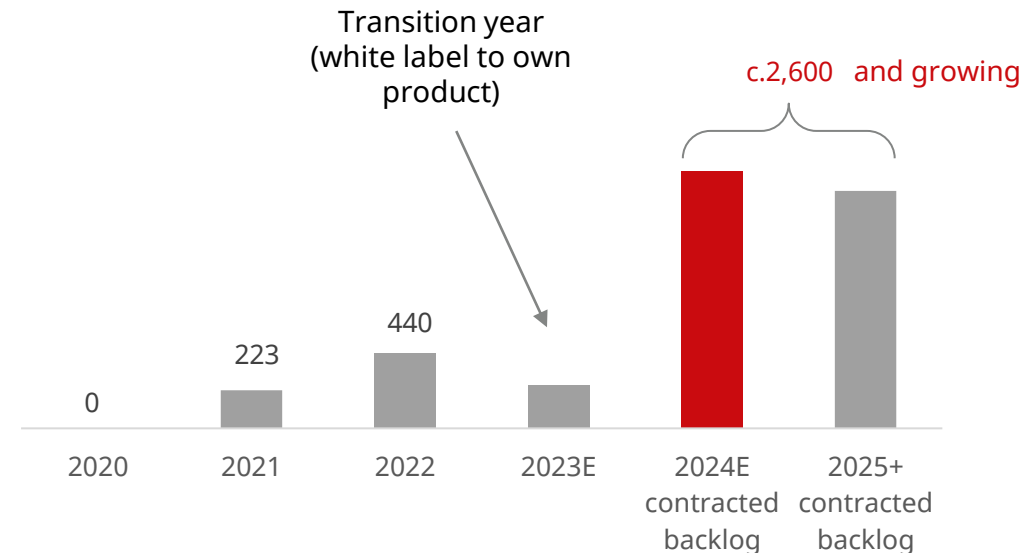
Order intake since Q2 2023
\$520 million

2024 shipments guidance
6.0 – 6.5 GWh

2024 year-end capacity
20 GWh

Total pipeline
43 GWh

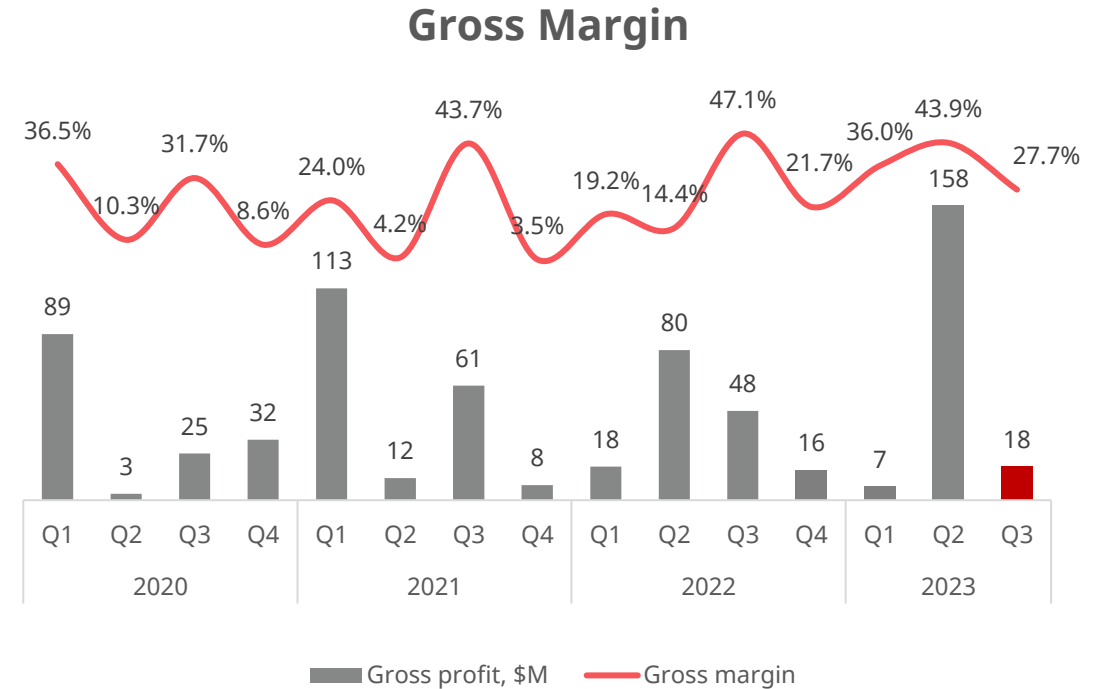
Turnkey Utility-Scale Storage Revenue, US\$ million



Recurrent Energy had a sequentially lower quarter in Q3

Recurrent Energy Q3 2023

- 🌞 Project sales: 21 MW
- 🌞 Revenue: \$64 million
- 🌞 Gross profit: \$18 million
- 🌞 Gross margin: 27.7%
- 🌞 Operating loss: \$9 million



One of the largest and most mature global solar & battery storage project pipelines

Solar Development Project Pipeline – MWp*

Region	In Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North America	297	127	1,841	4,710	6,975
Latin America	1,051**	1,437**	452	2,418	5,358
EMEA	89	2,233	2,427	3,756	8,505
Japan	3	167	14	2	186
China	400	1,845**	-	1,000	3,245
Asia Pac ex. Japan & China	-	187	830	1,209	2,226
Total	1,840	5,996	5,564	13,095	<u>26,495</u>

c.13 GW with interconnection

Securing interconnection

Battery Energy Storage Development Project Pipeline – MWh

Region	In Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North America	-	1,600	2,298	15,442	19,340
Latin America	-	2,205	1,000	-	3,205
EMEA	-	110	4,418	16,069	20,597
Japan	-	-	129	1,067	1,196
China	-	-	-	7,900	7,900
Asia Pac ex. Japan & China	10	654	-	1,640	2,304
Total	10	4,569	7,845	42,118	<u>54,542</u>

c.12 GWh with interconnection

Securing interconnection

*All numbers are gross MWp

** Including 671 MWp in construction and 711 MWp in backlog that are owned by or already sold to third parties

As of September 30, 2023

Quarterly income statement highlights

<i>USD millions except per share data</i>	3Q22	4Q22	1Q23	2Q23	3Q23	qoq	yoy
Net revenues	1,932	1,972	1,701	2,364	1,846	-22%	-4%
-CSI Solar	1,973	1,976	1,709	2,014	1,806	-10%	-8%
-Recurrent Energy	101	74	20	360	64	-82%	-37%
-Elimination	(142)	(78)	(28)	(10)	(24)		
Gross margin	18.8%	17.7%	18.7%	18.6%	16.7%	-190 bp	-210 bp
-CSI Solar margin	17.3%	17.4%	18.5%	14.3%	16.6%	+230 bp	-70 bp
-Recurrent Energy margin	47.1%	21.7%	36.0%	43.9%	27.7%		
Selling and distribution expenses	166	126	88	88	100	+14%	-40%
General and admin expenses	102	89	79	139	114	-18%	+12%
R&D expenses	18	21	17	23	29	+25%	+62%
Other operating income	(12)	(23)	(12)	(34)	(18)		
Total operating expenses	274	213	172	216	225	+4%	-18%
Operating income	89	136	146	224	83	-63%	-6%
Net interest income or (expense)	4	(11)	(12)	(21)	(11)		
Net FX gain or (loss)	39	(15)	(13)	34	(17)		
Income tax (expense) or benefit	(29)	(22)	(29)	(46)	11		
Net income	102	99	107	198	62	-68%	-39%
Net income attributable to Canadian Solar Inc.	78	78	84	170	22	-87%	-72%
Diluted EPS	1.12	1.11	1.19	2.39	0.32*	-87%	-71%

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. \$0.32/share is calculated from total earnings of \$23M (including 2.5% coupon of \$1.3M) divided by diluted shares 72.9 million shares (including 6.3 million shares issuable upon the conversion of convertible bonds).

Quarterly cash flow and balance sheet highlights

<i>USD millions</i>	3Q22	4Q22	1Q23	2Q23	3Q23
Working capital days	7	8	9	9	5
Operating cash inflow	68	397	47	290	158
Cash and equivalents	1,083	981	848	2,011	1,921
Restricted cash	872	988	1,227	1,239	1,072
Short-term borrowings	1,228	1,350	1,665	1,757	1,596
Long-term borrowings on project assets – current	199	94	97	142	110
Financing liabilities – current	54	49	50	42	6
Finance lease liabilities – current	15	15	36	49	63
Long-term borrowings	942	813	863	1,013	1,072
Convertible bonds and green bonds*	256	258	258	260	382
Financing liabilities – non-current	5	-	-	-	17
Finance lease liabilities – non-current	14	14	30	37	81
Total debt	2,713	2,593	2,999	3,300	3,327
Net debt**	1,630	1,612	2,151	1,289	1,406
Non-GAAP EBITDA	183	182	216	338	139
Net debt / EBITDA (trailing 12 months)	2.7x	2.5x	2.8x	1.4x	1.6x
Net interest (income) or expense	(4)	11	12	21	11
EBITDA / net interest coverage (trailing 12 months)	17.6x	19.4x	22.1x	22.7x	15.7x

*Beginning 3Q23, green bonds are classified under “convertible bonds and green bonds”.

**Net debt does not include restricted cash.

Guidance as of November 14, 2023

	Q3 2023 Actual	Q4 2023 Guidance	FY2022 Actual	FY2023 Guidance	FY2024 Guidance
Solar Module Shipments (DC)	8.3 GW	7.6 – 8.1 GW	21.1 GW	30.2 – 30.7 GW	42 – 47 GW
Utility Scale Storage Shipments (DC)	152 MWh	1.4 -1.5 GWh*	1.8 GWh	1.8 – 2.0 GWh*	6.0 – 6.5 GWh
Revenue	\$1.8 bn	\$1.6 bn – \$1.8 bn	\$7.5 bn	\$7.5 bn – \$7.7 bn	n/a
Gross Margin	16.7%	14% – 16%	16.9%	n/a	n/a

- 🌞 Significant pent-up solar module demand expected in 2024
- 🌞 Margins are expected to rebalance over the next couple of quarters driven by further destocking in the rooftop channels
- 🌞 e-STORAGE expected to be one of the fastest growing segments in 2024

*Including approx. 720 MWh expected to be recognized as revenues in 2024 due to being shipments in late Q4 2023.



Thank you

CSIQ
Nasdaq Listed