CanadianSolar

Investor Presentation

March 9, 2015

Safe Harbor Statement

- This presentation has been prepared by Canadian Solar Inc. (the “Company”) solely to facilitate the understanding of the Company’s business model and growth strategy. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisers or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

- This presentation contains forward-looking statements and management may make additional forward-looking statements in response to your questions. Such written and oral disclosures are made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995. These forward looking statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to its future performance, consolidated results of operations and financial condition. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from expectations implied by these forward-looking statements as a result of various factors and assumptions. Although we believe our expectations expressed in such forward looking statements are reasonable, we cannot assure you that they will be realized, and therefore we refer you to a more detailed discussion of the risks and uncertainties contained in the Company’s annual report on 20F form as well as other documents filed with the Securities & Exchange Commission. In addition, these forward looking statements are made as of the current date, and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances, unless otherwise required by law.

CanadianSolar
Make The Difference

Company Description

A rapidly growing total solution provider with one of the largest global solar project development pipelines

- Founded in Ontario, 2001
- Listed on NASDAQ (CSIQ) in 2006
- Over 8,000 employees globally
- Presence in 18 countries / territories
- One of the world's largest solar module suppliers
- Proven project development track record
- **#2 solar energy business by revenue**

Global Footprint

● Sales office ● Manufacturing facility ■ Total Solutions contracted / late stage projects

Module manufacturing business highlights

- 2014 shipments at **3.1 GW**
- 2015 shipments estimated at **4.0 – 4.3 GW**
- Industry leading cost structure
- Strong bankable brand with global reach

Total solar energy solutions business highlights

- Development and construction of utility-scale solar plants
- EPC services
- Solar plants totalling **680 MW,** developed, built and connected to the grid since 2011
- Rooftop solar system kits

CanadianSolar
Make The Difference

Global Solar Energy Business

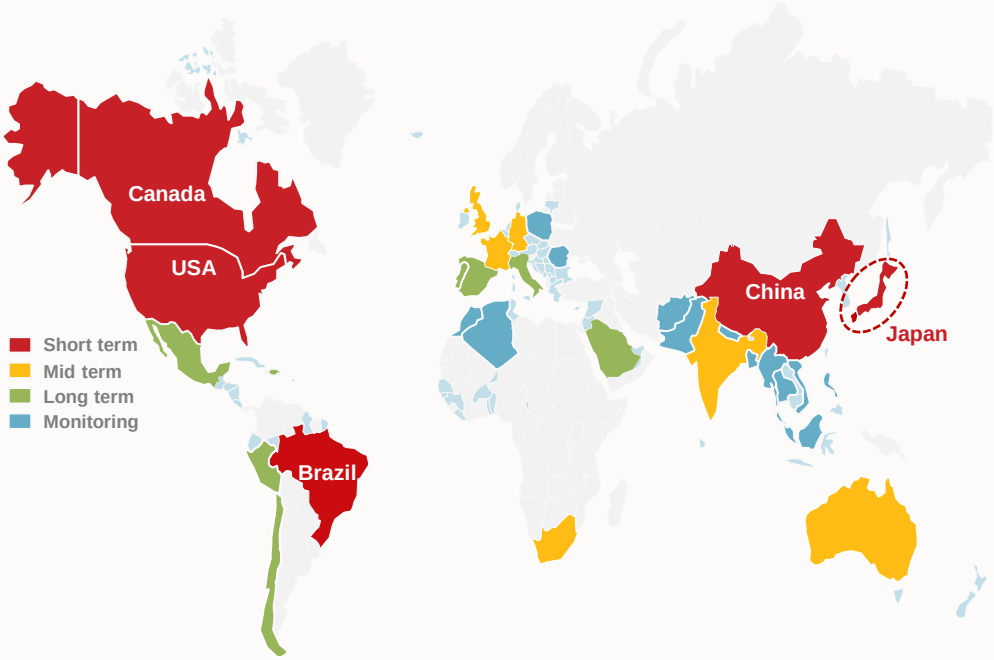
8.5 GW_{DC}
total project development pipeline

2.4 GW_{DC}
total contracted / late-stage project pipeline(1)

> 6.1 GW_{DC}
total early-mid stage development pipeline(2)

C$900 million
revenue expected for Canadian project pipeline over next 6-12 months

Global project development business



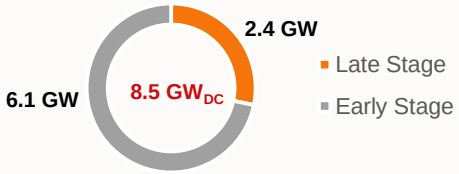
680 MW_{DC}
connected to grid from 2011-13

Marquee customers

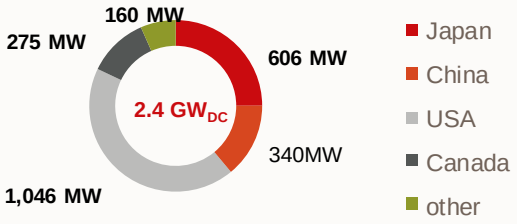
BLACKROCK
CONCORD PACIFIC
PennEnergy
bluearth
SAMSUNG
TransCanada
In business to deliver

Pipeline

Total project pipeline



Contracted/late-stage pipeline



Source: Company information as of March 5, 2015

(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 2-3 years. Projects are subject to cancellation or delays due to various risk factors, including failure to secure all the permits, failure to secure grid connection, technical problems during construction. Includes Recurrent assets which are subject to closure.

(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

CanadianSolar
Make The Difference

Leading PV Module Manufacturer

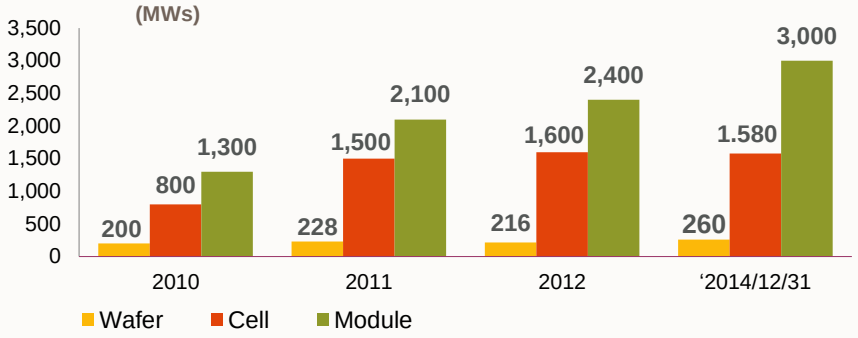
3.0 GW_{DC}
total module manufacturing capacity including 2.5 GW in China

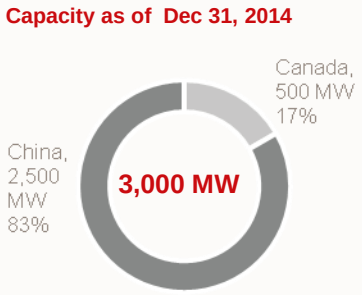
64% YoY growth
in module shipments from 2013 – 2014

$0.49/W module cost
competitive cost structure

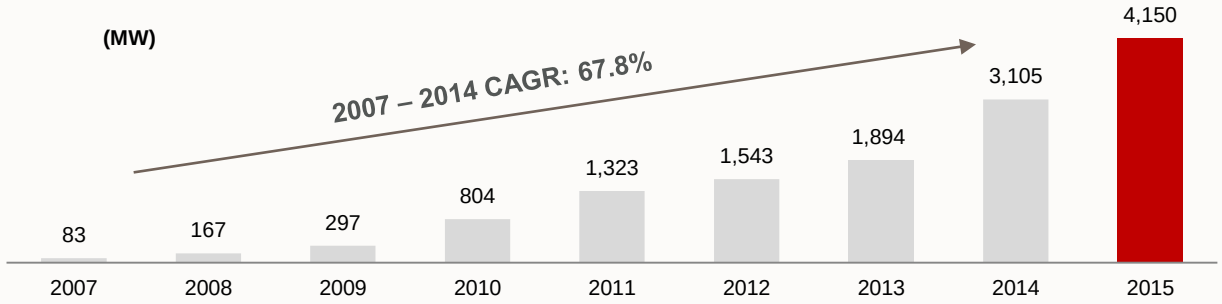
Bankable brand
established reputation for high quality products

Canadian Solar manufacturing capacity





Total shipment in module and total solutions businesses



Q4 2014 blended module manufacturing cost in China

Source: Company information
(1) Includes purchased wafers and cells.

CanadianSolar
Make The Difference

Investment Highlights

1. Beneficiary of strong secular growth in the solar sector
2. Rapidly growing and profitable energy business
3. Large and attractive solar project pipeline well suited to launch a YieldCo
4. Industry Leading cost structure
5. Global footprint with diversified and international customer base
6. Management team and Board with proven track record of execution

CanadianSolar
Make The Difference

Levered To Strong, Positive Solar Energy Demand Growth

Key themes

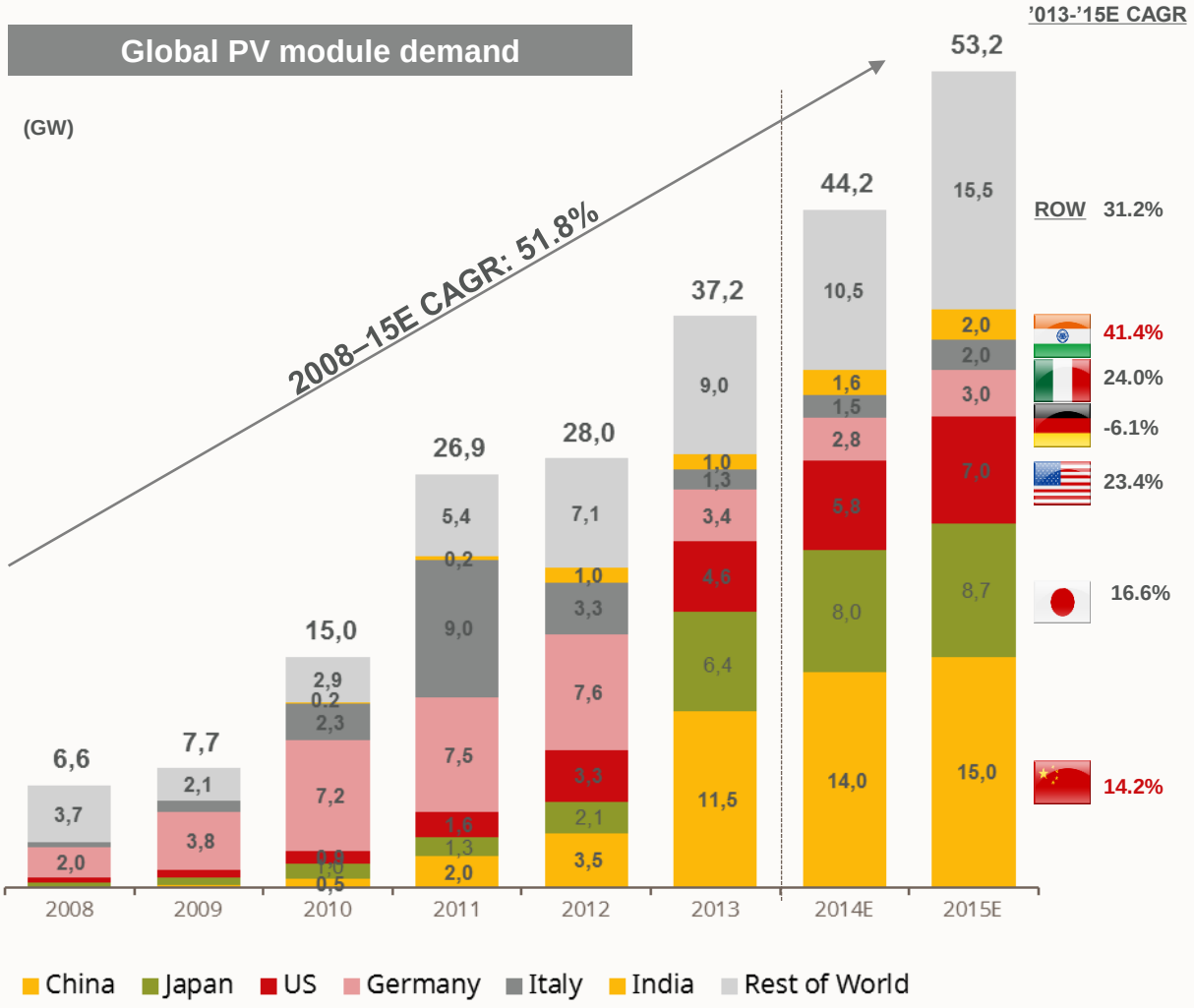
Decline in Europe more than offset by growth in Asia and U.S.

Grid parity in certain markets to drive future growth

Long-term growth in Asia driven by energy security, fuel substitution and environmental factors

China, U.S. and emerging markets to drive demand growth

Global PV module demand



Source: Global PV module demand assumptions from January 6, 2014 Deutsche Bank research report, Bloomberg New Energy Finance , Solarbuzz.
Note: (1) China portion of 2014E demand adjusted from 12 GW to 14 GW based on National Energy Administration guidelines issued January 15, 2014

CanadianSolar
Make The Difference

Project Development Business With Globally Diversified Pipeline

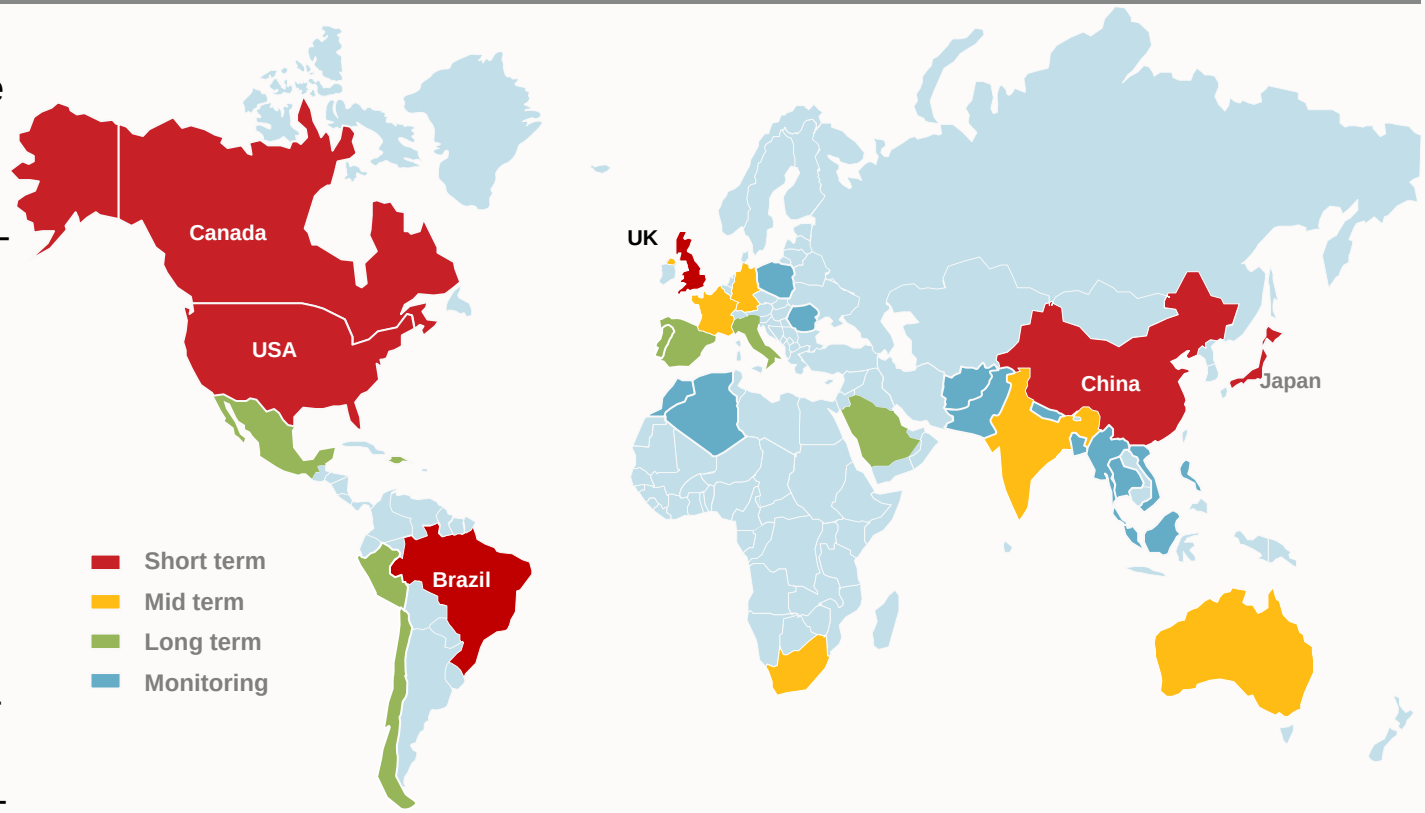
8.5 GW^{1}_{DC}
total project development pipeline

2.4 GW_{DC}
total contracted / late-stage project pipeline(1)

> 6.1 GW_{DC}
total early-mid stage development pipeline(2)

C$900 million
revenue expected for Canadian project pipeline over next 6 – 12 months

Priority markets for utility-scale project development



275 MW_{DC} Canada (1)

1,046 MW_{DC} U.S. (1)

114 MW_{DC} Brazil (1)

46 MW_{DC} UK (1)

340 MW_{DC} China (1)

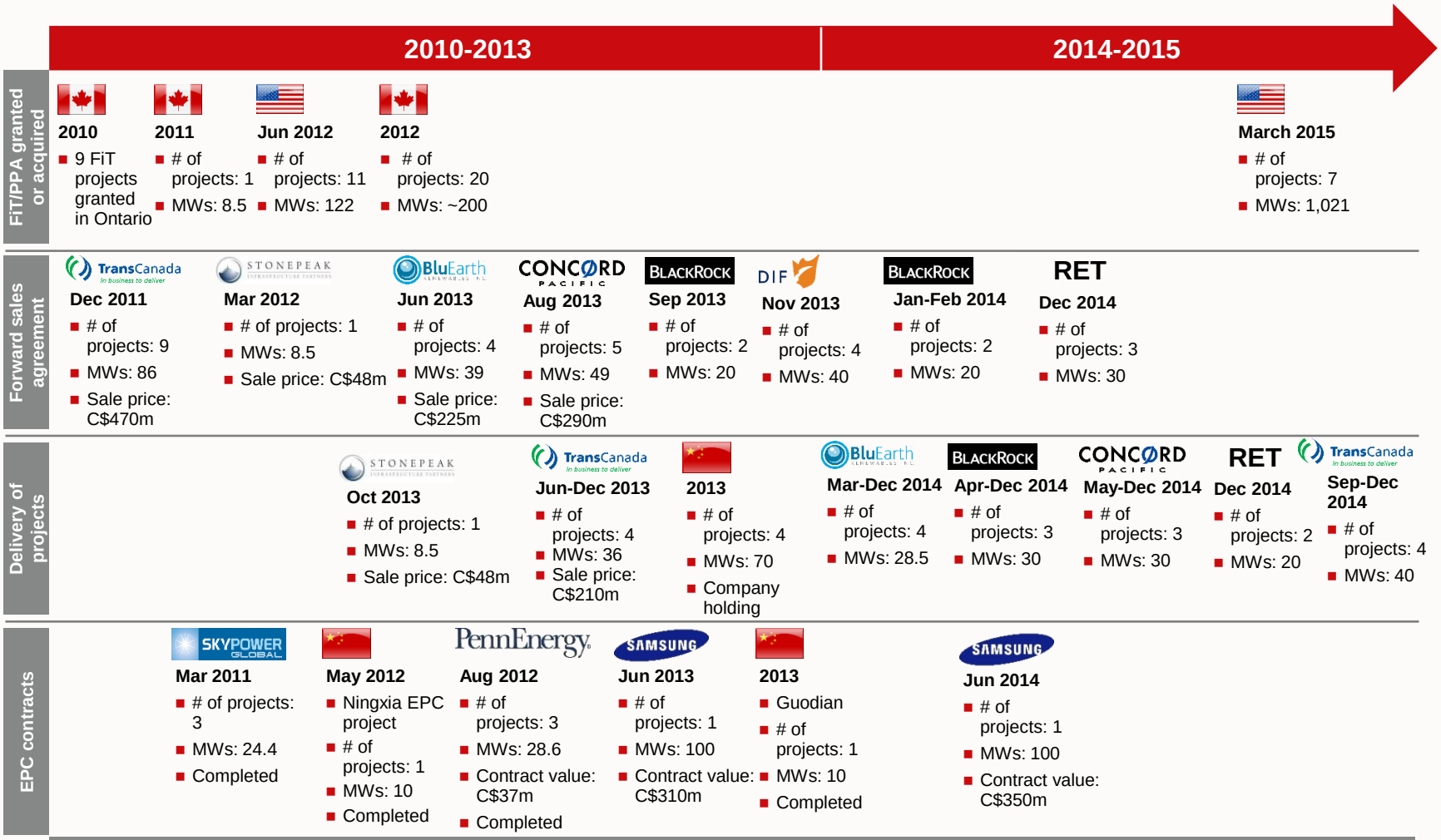
606 MW_{DC} Japan (1)

Canadian Solar has a globally diversified pipeline of contracted / late stage projects in low risk geographies

Source: Company information as of March 5, 2015
Note: (1) Late-stage project and EPC contract pipeline;: includes Recurrent projects, nearly all projects have an energy off-take agreement and are expected to be built within the next 2-3 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

CanadianSolar
Make The Difference

Proven Track Record Monetizing Utility-Scale Solar Projects



Since entering the market in 2009, Canadian Solar has rapidly grown its total solutions business

Source: Company information
Note: All MW shown on this slide are in MW_{AC}

CanadianSolar Make The Difference

Leading Solar Energy Developer In Canada

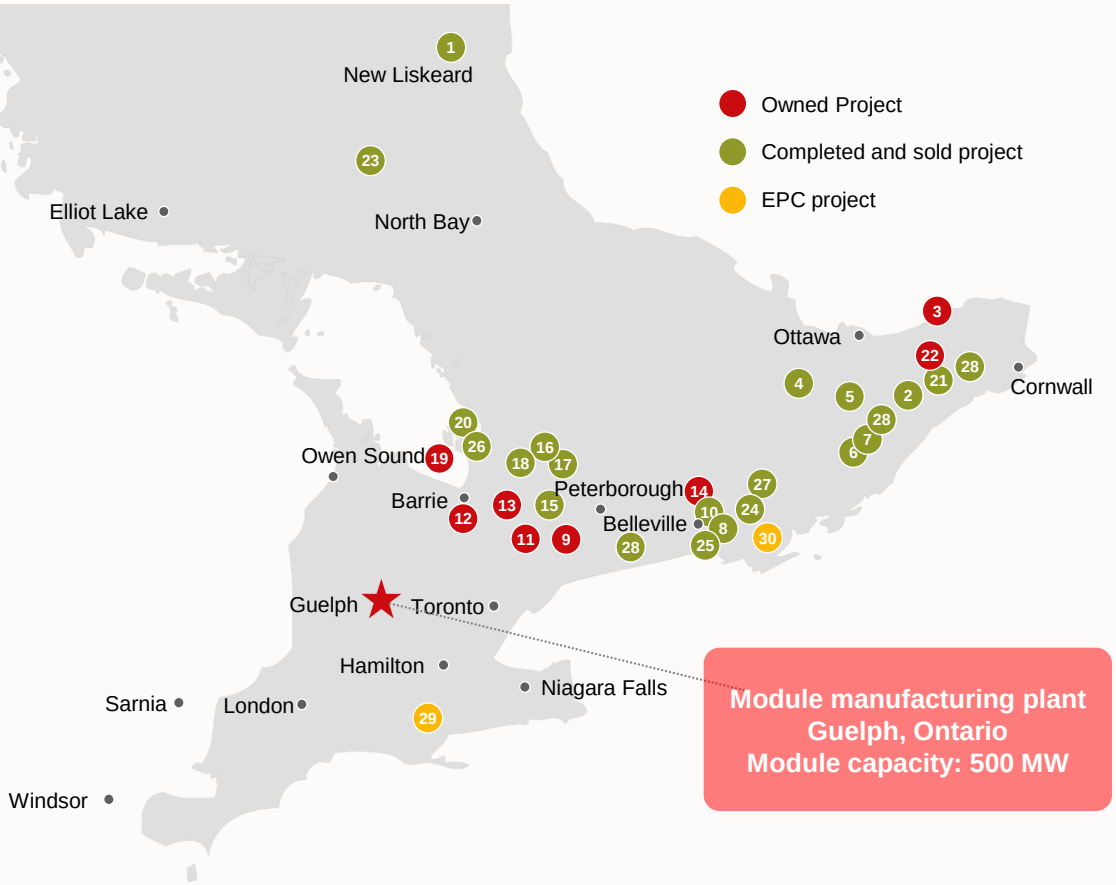
275 MW_{DC}
project backlog in Ontario(1)

336 MW_{DC}
projects completed and delivered to end buyers(2)

312.6 MW_{DC}
EPC contracts(3)

500 MW_{DC}
module manufacturing facility

Ontario project location and status



Canadian Solar expects to generate approximately C$900 mn in revenue over the next 6 – 12 months from its owned projects and EPC backlog in Ontario with target gross margin of ~20%

Source: Company information as of March 5, 2015
Note: Construction schedules are subject to change without notice.
(1) Net of 89MW of partially completed construction that was recognized into revenue in prior quarters
(2) Projects completed from 2011 to the end of September 2014, does not include any partially completed projects
(3) Includes projects that have been completed and delivered

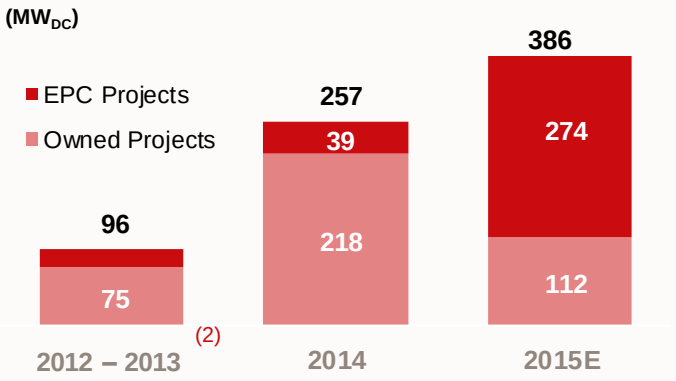
CanadianSolar
Make The Difference

Leading Solar Energy Developer In Canada (Cont´d)

Late stage projects in Canada

	Canadian Solar developed	MW_{DC}	Status	Expected COD	End Buyer
1a	Liskeard 1	14.0	SALE CLOSED IN 4Q14	–	TransCanada
1b	Liskeard 3 and 4	28.0	SALE CLOSED IN 3Q14	–	TransCanada
2	William Rutley (1)	13.9	SALE CLOSED IN 3Q14	–	TransCanada
3	Alfred	13.6	Engineering	2015 Q4	TransCanada
4	Mississippi Mills	14.1	SALE CLOSED in 4Q13	–	TransCanada
5	Burritts Rapids	9.8	SALE CLOSED in 3Q13	–	TransCanada
6	Brockville 1	13.2	SALE CLOSED in 2Q13	–	TransCanada
7	Brockville 2	12.5	SALE CLOSED in 3Q13	–	TransCanada
8	Foto Light LP	14.0	SALE CLOSED IN 4Q14	–	RET
9	Illumination LP	14.0	Engineering	2015 Q4	DIF
10	Little Creek	11.9	SALE CLOSED in 1Q14	–	BluEarth
11	Gold Light LP	14.0	In Construction	2015 Q1	DIF
12	Beam Light LP	14.0	Engineering	2015 Q4	DIF
13	Earth Light LP	14.0	Engineering	2015 Q4	Concord
14	Lunar Light LP	14.0	Engineering	2015 Q3	BluEarth
15	Discovery Light LP	12.6	SALE CLOSED IN 4Q14	–	RET
16	Sparkle Light LP	14.0	SALE CLOSED IN 4Q14	–	BluEarth
17	GlenArm LP	14.0	SALE CLOSED IN 1Q15	–	DIF
18	Good Light LP	14.0	SALE CLOSED IN 3Q14	–	BluEarth
19	Aria LP	14.8	Engineering	2015 Q4	Concord
20	Ray Light LP	14.0	SALE CLOSED IN 4Q14	–	Concord
21	Mighty Solar LP	14.0	SALE CLOSED IN 3Q14	–	Concord
22	City Lights LP	14.0	In Construction	2015 Q1	RET
23	Highlight (Val Caron)	14.0	SALE CLOSED IN 2Q14	–	Concord
24	Taylor Kidd	14.0	SALE CLOSED IN 3Q14	–	Black Rock
25	Demorestville	14.0	SALE CLOSED IN 3Q14	–	Black Rock
26	Oro-Medonte 4	11.5	SALE CLOSED IN 4Q14	–	Black Rock
27	Westbrook	14.0	SALE CLOSED IN 3Q14	–	Black Rock
	Total CSIQ Developed (SALE in 2015)	127.0			
	3rd Party Developed (EPC)	MW_{DC}	Status		End Buyer
28	Penn Energy	39	DELIVERED	–	Penn Energy
29	Samsung Phase I	133.6	In Construction	2015 Q2	Grand Renewable
30	Samsung Phase II	140.0	In Construction	2015 Q3	Kingston Solar LP
	Total EPC Projects	312.6			
	EPC MW Recognized into Revenue in Prior Quarters	164.0			
	Total Project Backlog	275.6			

Project COD timeline (2)



Projects using percent of completion accounting

Projects	MW_{DC}	Completed %	Completed MW	Remaining MW_{DC}
Samsung Phase I	133.6	86.1%	115.0	18.6
Samsung Phase II	140.0	7.1%	10.0	131.0
Total	**273.6**	**45.5%**	**125.0**	**149.6**

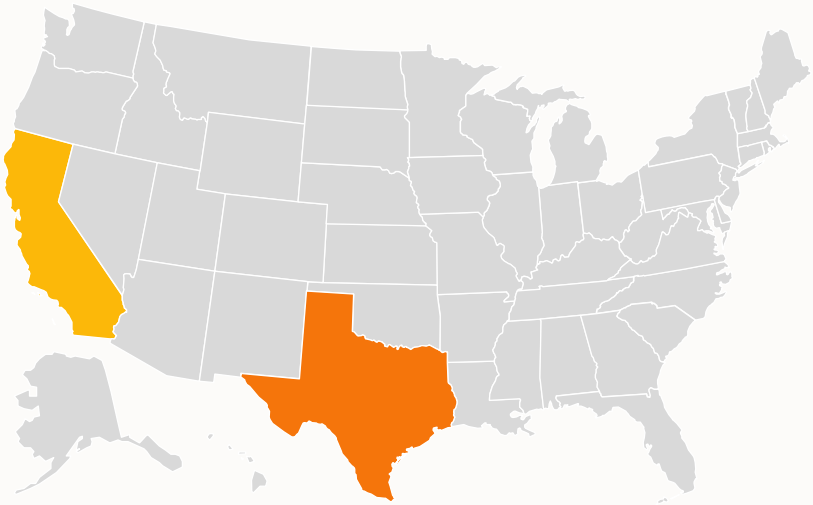
Source: Company information as of March 5, 2015
Note: Construction schedules are subject to change without notice.
(1) Revenue recognition may differ from COD timeline
(2) Includes Canadian Solar 1 and William Rutley with COD in 2012, as well as Fort Williams and First Nations II where Canadian Solar acted as EPC in 2012

CanadianSolar
Make The Difference

United States Utility-Scale Project Pipeline

Total Solutions Business – U.S.

1,047 MW_{DC}
contracted / late-stage project pipeline[1]



Late Stage Pipeline	MW_{DC}	State	Status	Expected COD
Gasna 13P LLC (Oro Loma)	26.0	CA	NTP in 2015	2015
Astoria	131.0	CA	NTP in 2015	2016
Astoria 2	100.0	CA	NTP in 2015	2016
Project A	78.0	CA	NTP in 2015	2016
Mustang	134.0	CA	NTP in 2015	2016
Tranquility	258.0	CA	NTP in 2015	2016
Project B	200.0	TX	NTP in 2015	2016
Project C	120.0	CA	NTP in 2015	2016
Total	1,047			

Source: Company information as of March 5, 2015
Note: Permitting and construction schedules are subject to delays and the target commercial operation date (COD) may change without notice
1. Recurrent acquisition is expected to close before the end of the first quarter of 2015

Japan Utility-scale Solar Project Pipeline

Total Solutions business – Japan

606 MW_{DC} (1)
late-stage
project pipeline

500 MW_{DC} (1)
early stage assessment
projects

Sample project parameters

- Land lease secured by up-front cash deposit
- Project size 12.5 MWp
- Expected yield 1,130 kWh/kWp
- Connection voltage 110 kV
- Substation on site
- FiT 40 JPY/kWh
- METI and utility permits obtained

Late Stage Utility-Scale Pipeline

MW_{DC}	Average FIT (Yen/kWh)	Expected COD
1.2	40	Connected
80	36	2015
244.6	37	2016
279.8	37	2017
605.6		

Other relevant information

- ✓ Secured grid-capacity for 262MW of projects
- ✓ Approximately 100MW in construction or near ready to build

Growth in System Kits revenue (rooftop)

2009	**$77m**	**$141m**
market entry	2012 revenue	2013 revenue

Source: Company information as of March 5, 2015

Note: (1) Some of these projects may not progress to completion, however the Company broadly expects the Japanese development pipeline to continue growing

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

CanadianSolar
Make The Difference

China Utility-scale Solar Project Pipeline

Total Solutions business – China

Group I: 0.9 RMB/kWh
Connected: 0
2015 plan: 0

Group II: 0.95 RMB/kWh
Connected: 48 MW
2015 plan: 220 MW

Group III: 1.0 RMB/kWh
connected: 71MW
2015 plan: 120 MW

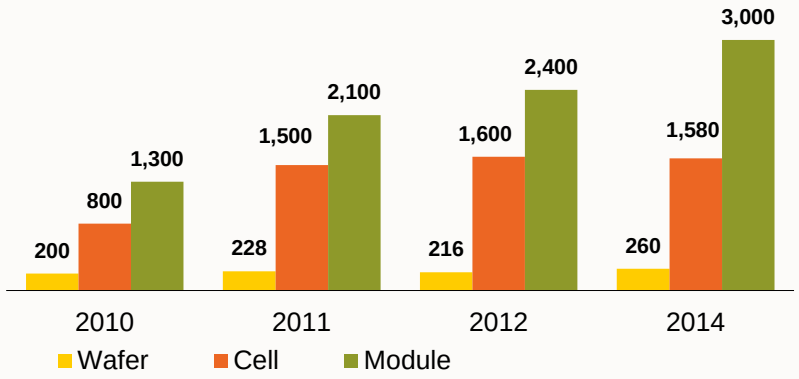
	Province	2015–16 Late Stage Project Opportunity (MW_{DC})	Feed In Tariff
1	**Jiangsu**	120 MW	RMB 1.0/kWh RMB 0.15/kWh (Prov.)
2	**Shanxi**	160 MW	RMB 0.95
3	**Yunnan**	10 MW	RMB 0.90
4	**Sichuan**	20 MW	RMB 0.90
5	**Xinjiang**	30 MW	RMB 0.90 to 0.95/kWh
	Total	**340 MW_{DC}**	

Source: Company information as of March 5, 2015

CanadianSolar
Make The Difference

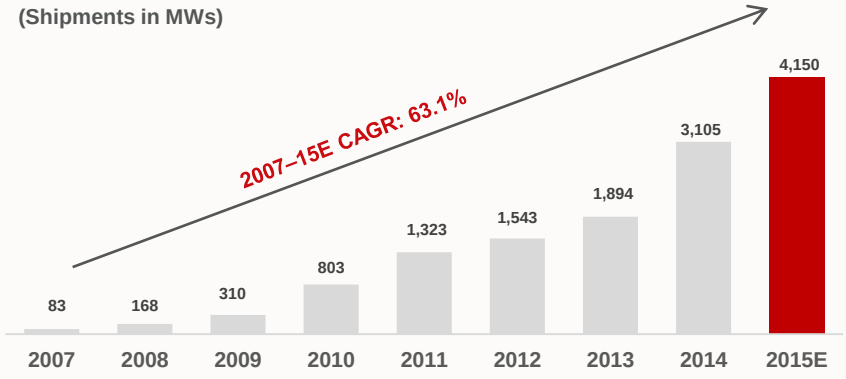
A Leading Vertically Integrated Solar Energy Provider

Manufacturing Capacity - MW

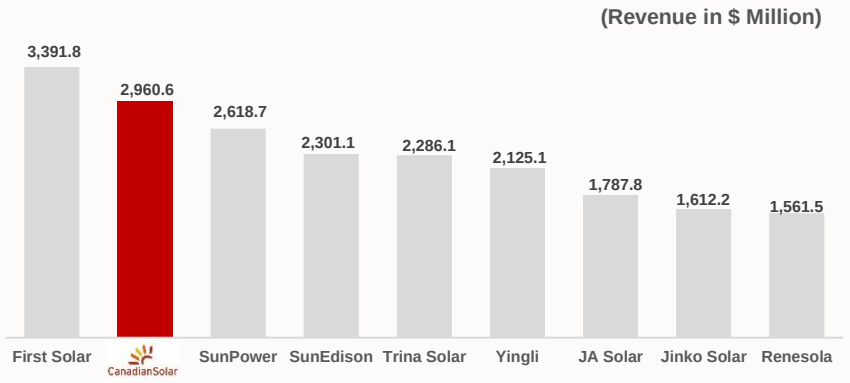


- Module capacity currently at 3,000 MW per year. Plan to add 500 MW in the first half of 2015, with total capacity reaching 3.5 MW
- Cell capacity expansion in Funning, Jiangsu Province, in JV with GCL. Phase I targets net capacity increase of 80 MW to a total of 1,580 MW. Plan to increase to 400 MW in the first half of 2015.
- In-house cell capacity targeted at 50% of module shipments
- Wafer capacity to reach 400 MW in 2015

Total Module Shipments - MW



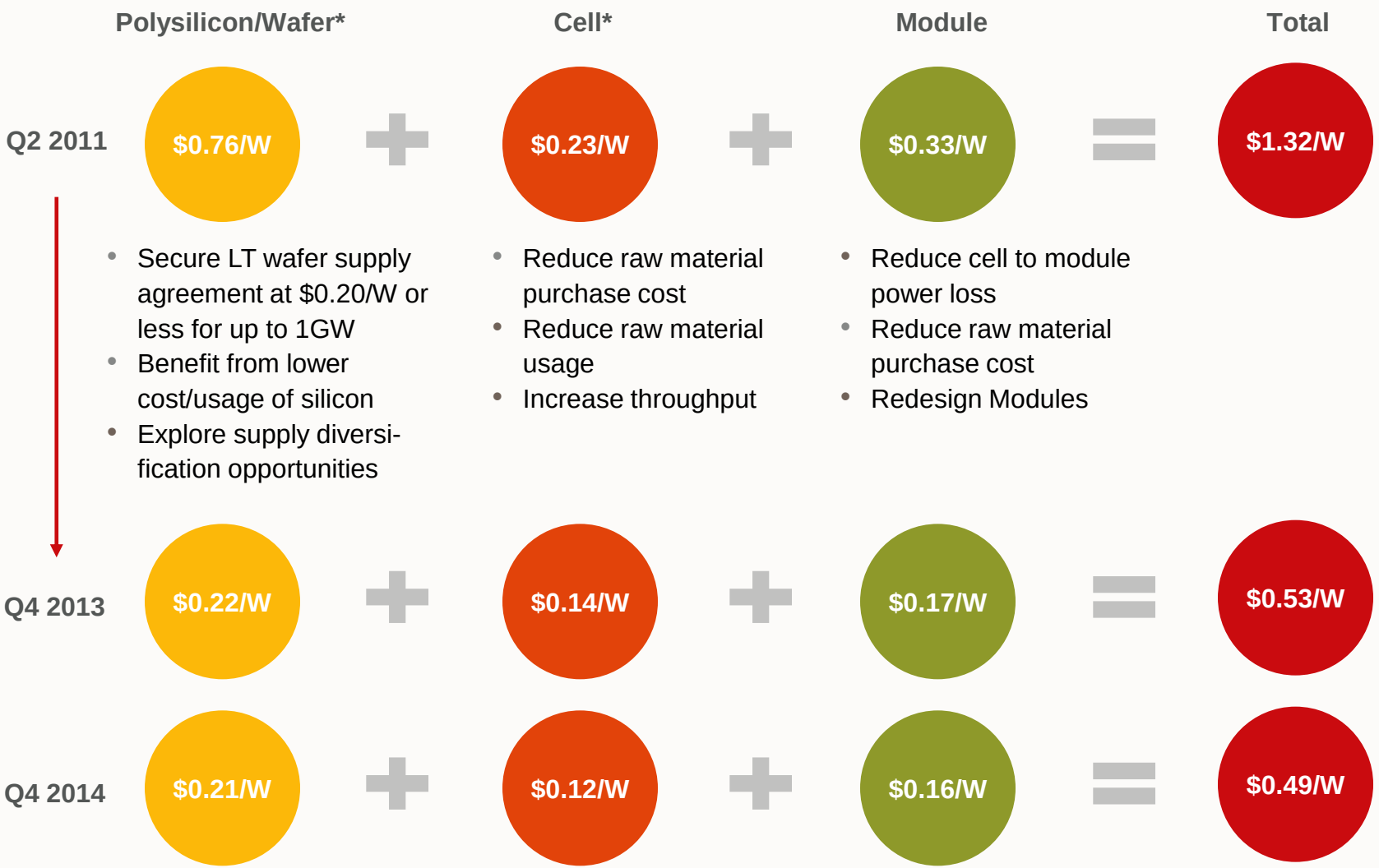
#2 Solar Energy Company by Revenue in 2014



Source: Company information

CanadianSolar
Make The Difference

Industry-Leading Manuracturing Cost Structure



Source: Company information, * Includes purchased wafers and cells.

CanadianSolar
Make The Difference

Global Footprint With Diversified Customer Base

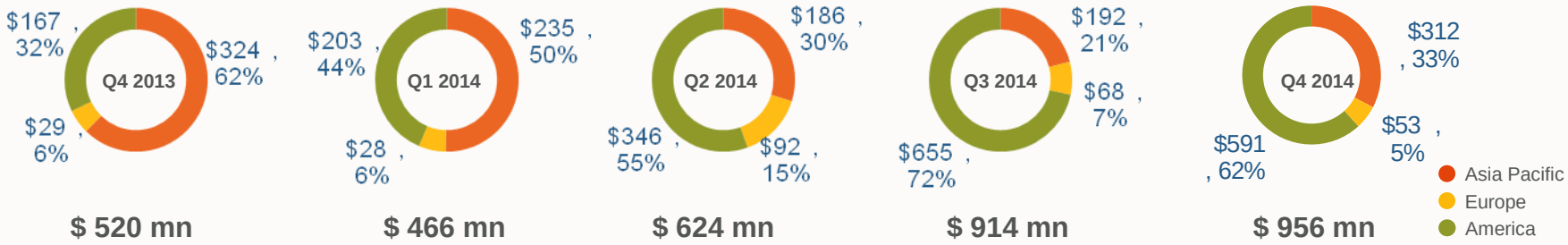
> 9.0 GW
cumulative modules sold to date

Customers in over 70 countries
with offices in 18 countries

Established projects business
currently delivering services in 6 countries

Operational footprint

Sales breakdown by region



Source: Company information

CanadianSolar
Make The Difference

High-quality Product Portfolio

Commercial & utility-scale

MaxPower CS6X-P

ELPS CS6P-MM

CS6P-M

CS6P-P

Residential

ELPS CS6V-MM

CS6V-M

CS5A-M

All-black CS5A-M

ELPS CS6A-MM

*** Four busbar modules**

Internat. environmental & quality management standards

- ISO 9001:2008 Quality Management System
- QC080000:2005 HSPM Hazardous Substance Process Management
- ISO 14001 Environment Management System
- ISO TS16949:2009 First PV manufacturer to adopt ISO TS16949 for PV quality control
- OHSAS 18001 Occupational Health and Safety

International testing standards

- IEC 61215 & IEC 61730, UL 1703 & UL 790 & CEC
- CE conformity, MCS (EN45011)
- REACH Compliance

√ **IEC 61215**
√ **IEC 61730**
√ **IEC 61701: Salt Mist Corrosion**
√ **Ammonia Resistance**
√ **PID free**
√ **REACH Compliant**

Source: Company information

CanadianSolar
Make The Difference

Bankable Product With Insurance Backed Warranty

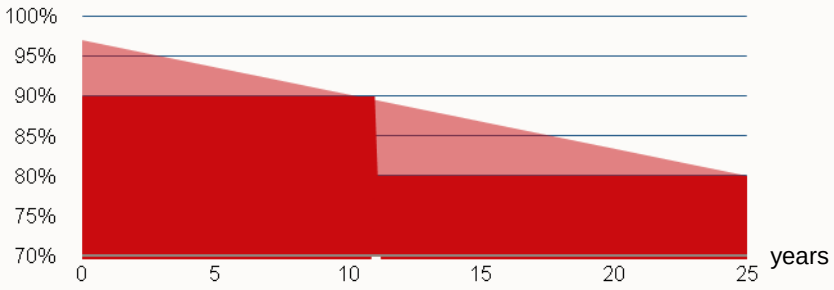
Product workmanship and power output performance…

- 10-year product workmanship warranty
- 25-year power output performance guarantee
  - First year, guarantee of no less than 97% output
  - Second year through 24th year, decline of no more than 0.7% per annum
  - By end of year 25 the actual power output will be no less than 80% of the module's labeled power output

…backed by an investment grade insurance policy

- Insurance policy matches Canadian Solar's standard warranty terms
- Coverage starts immediately and lasts for 25 years
- Covers worldwide modules sales from all CSI subsidiaries to most countries
- The policy is non-cancelable and allows third party bankruptcy rights (satisfying investors/ lenders requirements)
- Insurance purchased underwritten by:
  - International Insurance Company of Hannover Limited AM Best Rating: A XV. www.inter-hannover.com
  - RSUI Indemnity Company AM Best Rating: A XII. www.rsui.com

Value from linear power output guarantee – % of name plate rate



Source: Company information

CanadianSolar
Make The Difference

Experienced Board & Senior Management

	Name / Title	Work Experience
	**Dr. Shawn Qu** *Chairman, President & CEO (Director)*	■ Director & VP at Photowatt International S.A. ■ Research scientist at Ontario Power Generation Corp.
	**Michael Potter** *SVP and Chief Financial Officer*	■ Corporate Vice President and CFO of Lattice Semiconductor Corp. ■ Senior Vice President and CFO of NeoPhotonics Corp.
	**Yan Zhuang** *SVP and General Manager of Module Business*	■ Head of Asia of Hands-on Mobile, Inc. ■ Asia Pacific regional director of marketing planning and consumer insight at Motorola Inc.
	**Guangchun Zhang** *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.
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

CanadianSolar
Make The Difference

Key Levers Of Our Strategy

Differentiate Business Model	■ Leverage CSI's existing expertise to expand and monetize utility scale project opportunity (e.g. Canada, U.S., Japan, China) ■ Expand residential system kits
Maintain Low Manufacturing Cost	■ Continue to reduce manufacturing costs to remain competitive
Leverage Manufacturing Scale	■ Expand capacity selectively in a cost-efficient manner and increase market share
Introduce New Technologies	■ Focus on research and development to achieve solar cell efficiency improvements and introduction of new technologies

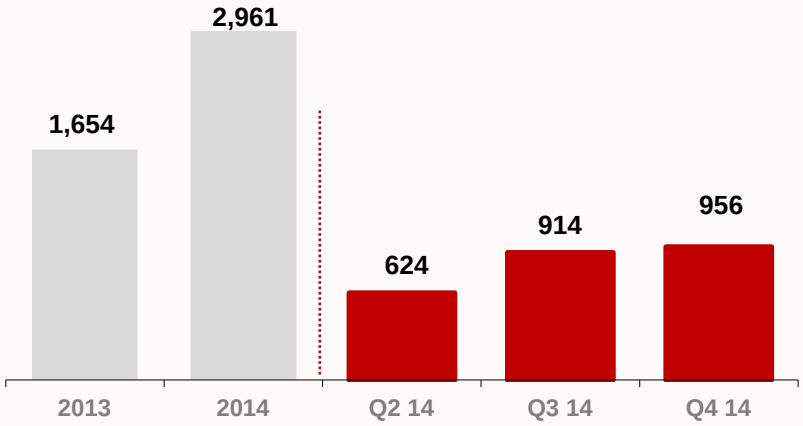
Canadian Solar aims to maintain profitability and to be the global leader in the development, manufacture and sale of solar module products and a total solutions provider in photovoltaic power generation

Source: Company information

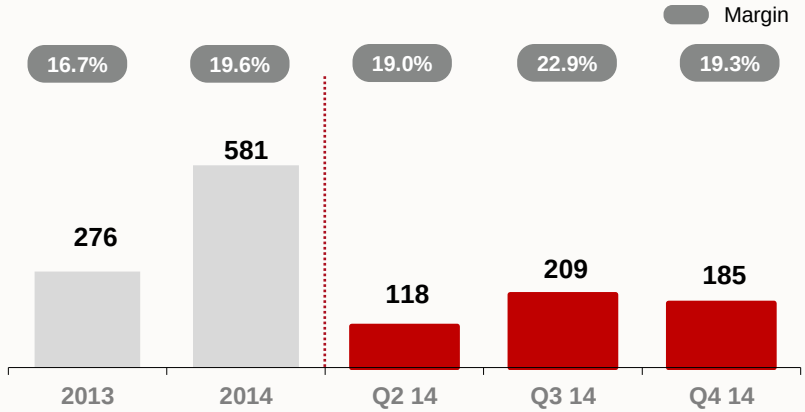
CanadianSolar
Make The Difference

Income Statement Summary

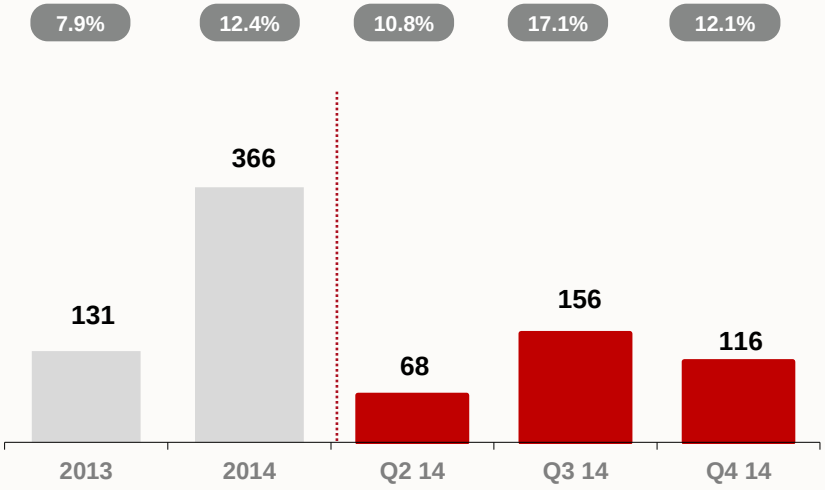
Revenue – US$ million



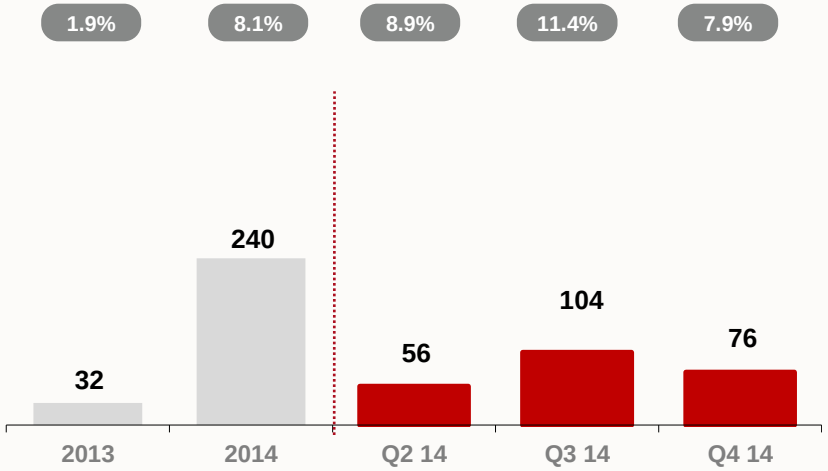
Gross Profit – US$ million



Operating Income (Loss) – US$ million



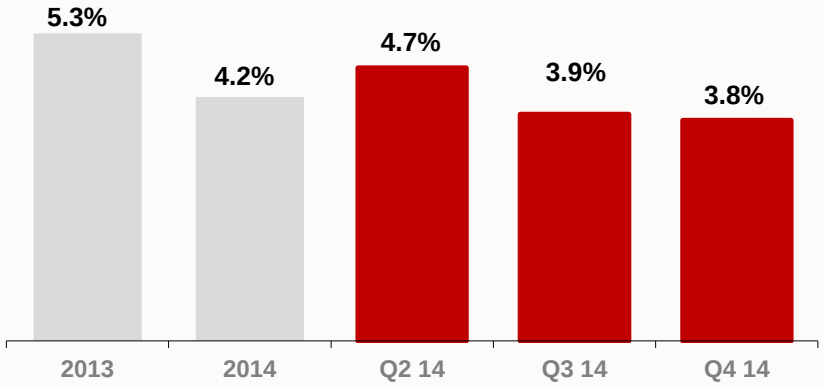
Net Income (Loss)– US$ million



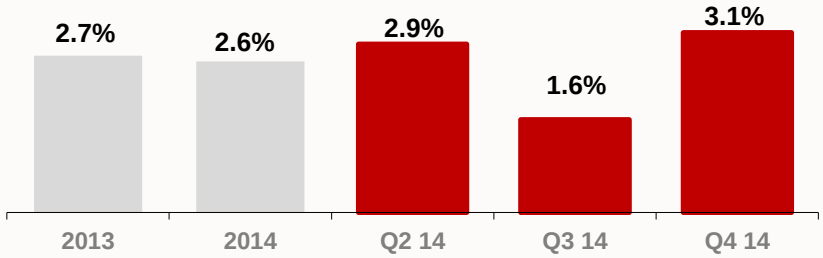
CanadianSolar
Make The Difference

Operating Expenses As % Of Revenue

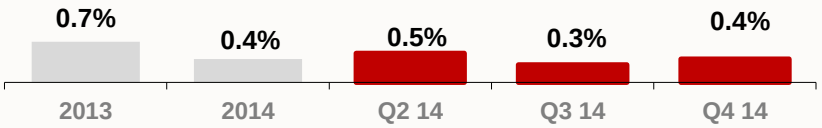
Selling expenses



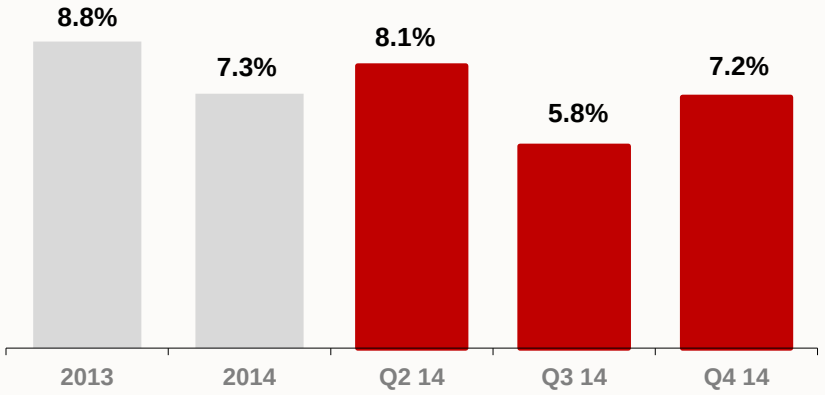
General & administrative expenses



Research & development expenses



Total operating expenses

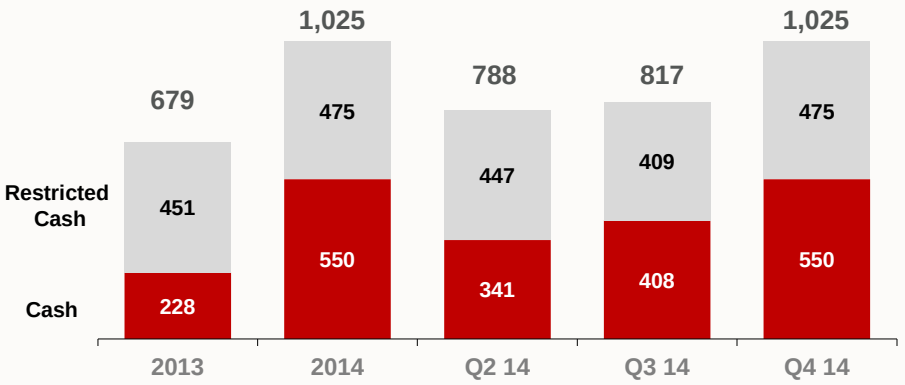


Source: Company filings
Note: Percentages are of the total net revenue in the corresponding period.

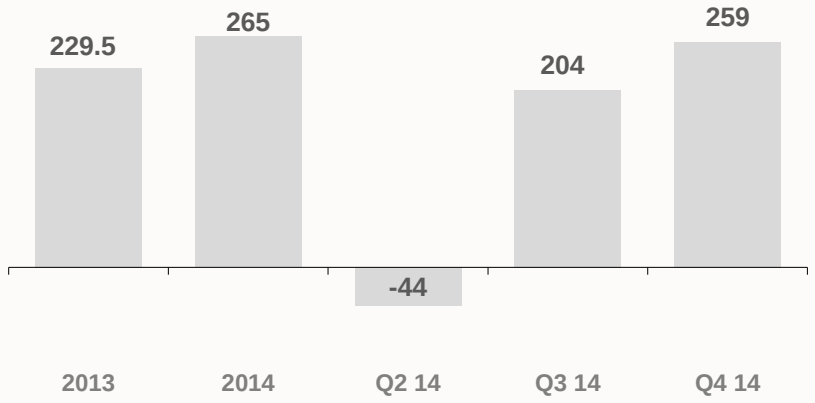
CanadianSolar
Make The Difference

Selected Balance Sheet & Cash Flow Items

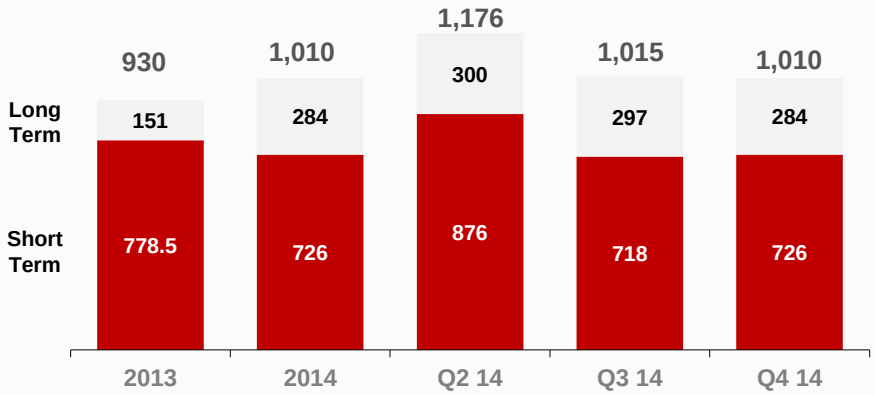
Cash & cash equivalents – US$ million



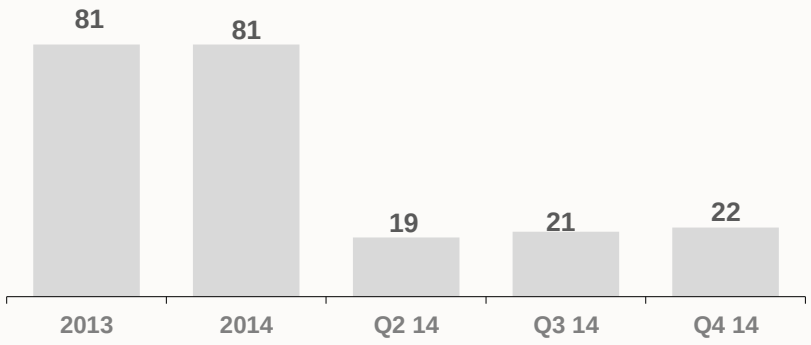
Cash flow from operations – US$ million(1)



Total debt – US$ million



Depreciation & amortization – US$M



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

CanadianSolar
Make The Difference

Guidance

	Q4 2014	Q1 2015	FY2014	FY2015	YoY Δ%
Module shipments	1,125 MW	1,000 MW – 1,030 MW	3.1 GW	4.0 GW – 4.3 GW	+33.1%
Revenue	$ 956.2 m	$ 725 m to $ 775 m	2.96 bn	$2.8 bn to $3.0 bn	Flat (2)
Gross margin	19.3%	16% – 18%(1)	19.6%	NA	NA

Source: Earnings release issued on March 5, 2015
(1) Includes module business and project business
(2) Absent change in energy business model from build to sell, to build and operate, revenue for 2015 would be higher by over $1.0 billion.

CanadianSolar
Make The Difference


CanadianSolar
THANK
YOU!