

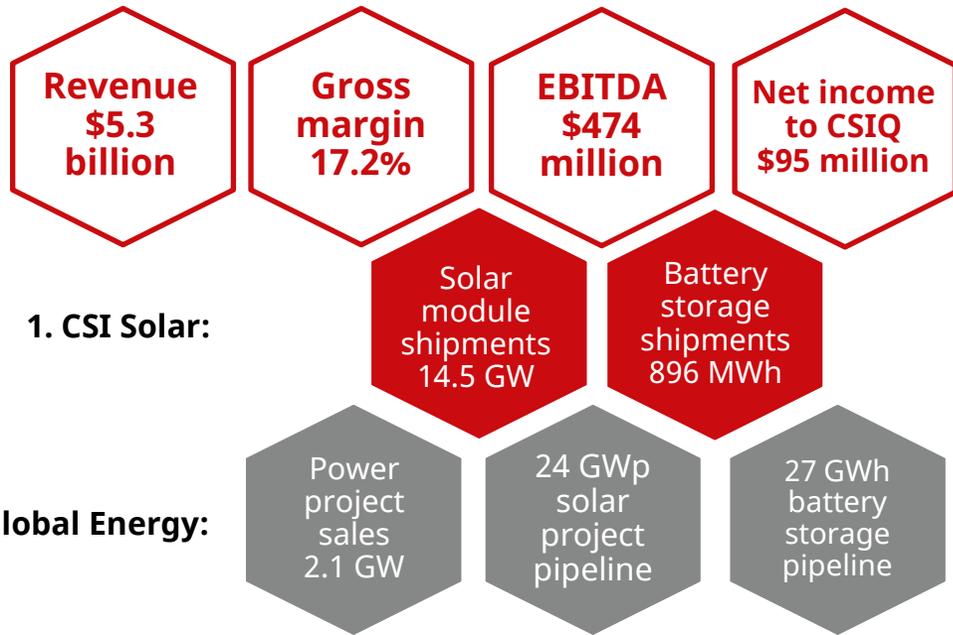
Canadian Solar 4Q21 Earnings Call

March 17, 2022

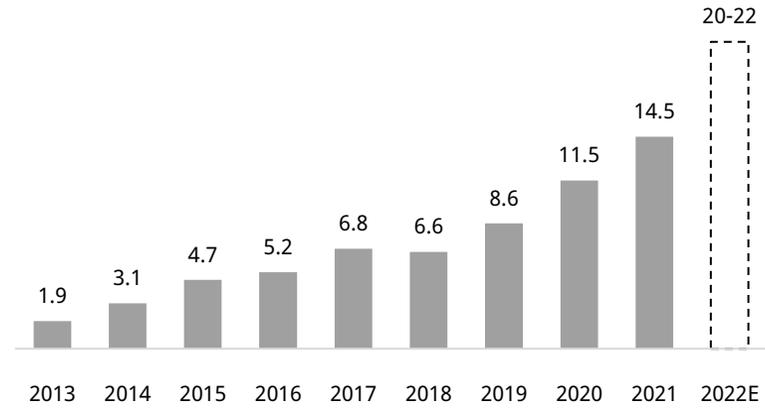
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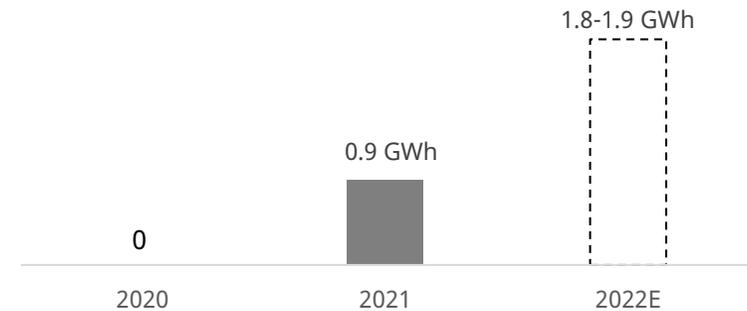
2021 Review



Solar Module Shipments, MW



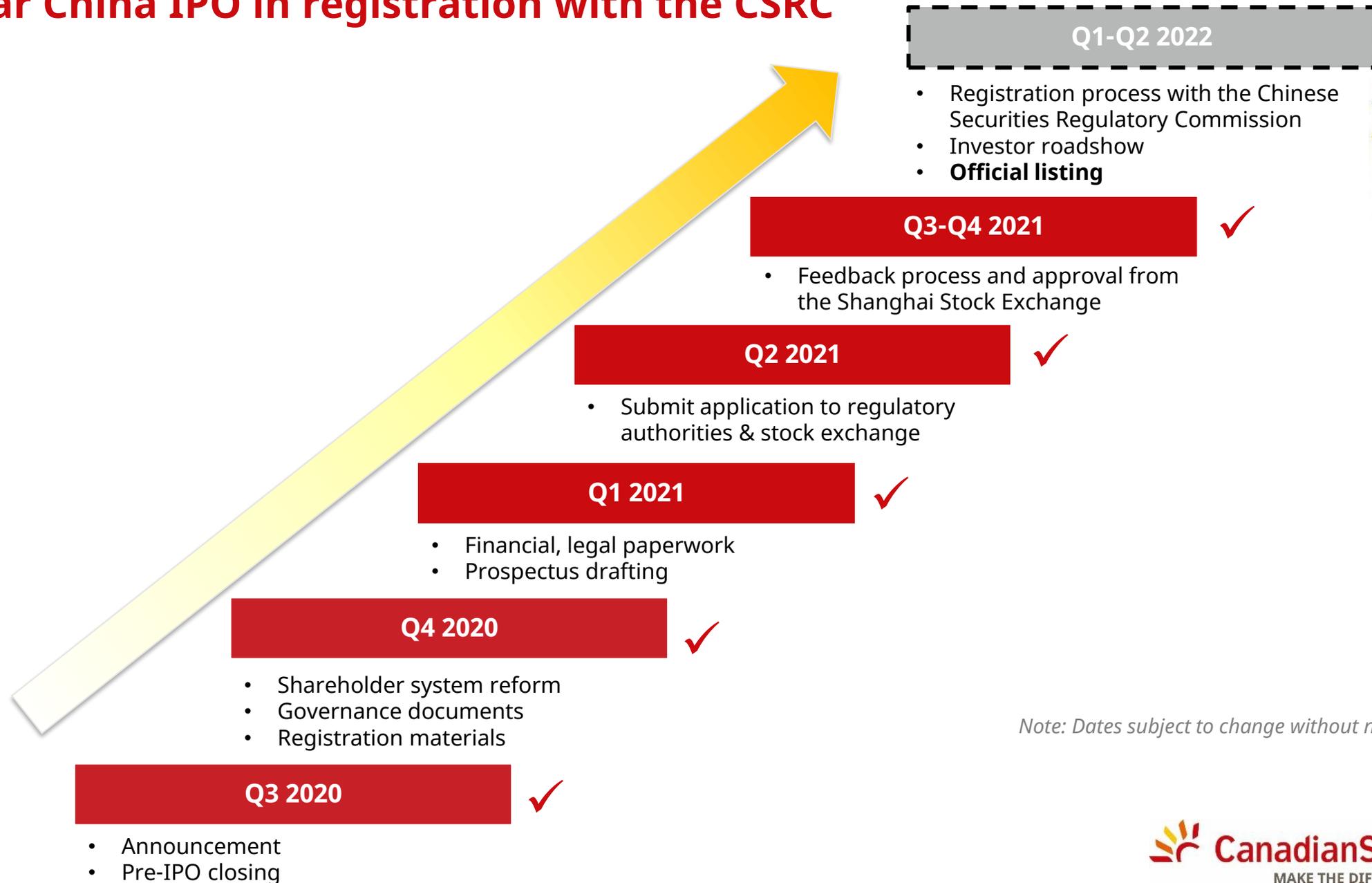
Battery Storage Shipments, GWh



Revenue Breakdown FY21



CSI Solar China IPO in registration with the CSRC



Note: Dates subject to change without notice.

Canadian Solar's approach towards ESG

Canadian Solar does not tolerate forced labor or any form of modern slavery, and is committed to ensuring that modern slavery does not take place anywhere in its business including its supply chain



1 Policy Documentation

- Code of Business Conduct and Ethics
- Anti-Modern Slavery Policy
- Labor and Human Rights Policy
- Equal Employment Opportunity Policy
- EHS Policy
- Supplier Code of Conduct
- Whistleblower Policy

Policies are publicly accessible on:

<http://investors.canadiansolar.com/governance/highlights>

2 Implementation

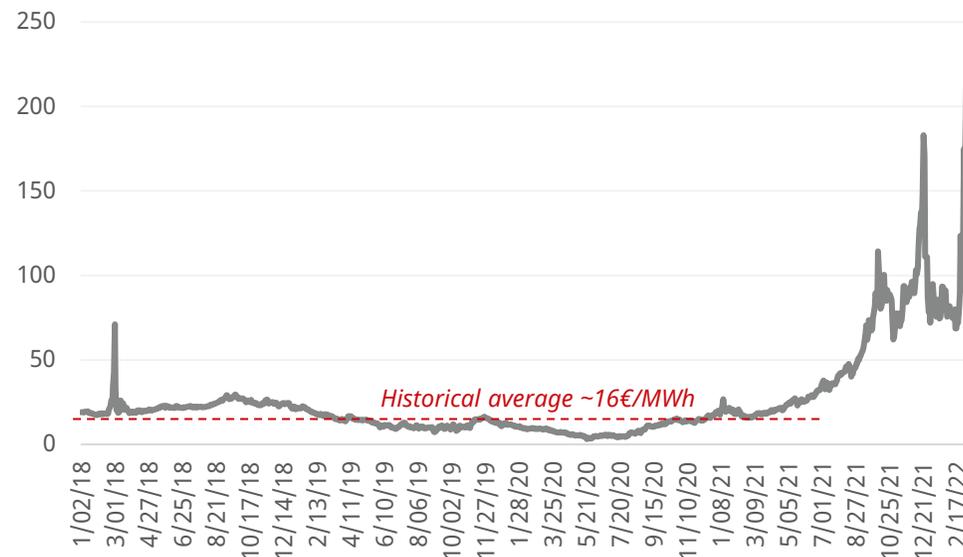
- Procurement contracts contain explicit anti-forced labor language
- Supplier Code of Conduct

3 Supplier Audits

- Own and 3rd party

Energy security, economics and climate change driving demand for clean energy

Natural Gas Spot Price TTF
EEX €/MWh



Strong climate change and decarbonization commitments by major economies

- **U.S.:** Build Back Better Climate Change provisions \$555 billion, with potential solar ITC extension/direct pay, stand-alone storage ITC, PTC optionality etc.
- **REPowerEU:** 420 GW of additional solar capacity by 2030, with high scenario potential for 1 TW; Germany to increase solar tenders to 20 GW by 2028 from current 5 GW
- **China:** “1+N” policies to reach peak carbon by 2030, and carbon neutrality by 2030. Non-fossil energy to account for 20% and 25% of primary energy consumption by 2025 and 2030 respectively (from 16% in 2020), with solar and wind total installation reaching 1,200 GW; non-fossil fuel sources to account for 80% of primary energy consumption by 2060; implying annual solar capacity additions of 80-100 GW. Renewable energy to be excluded from total energy consumption controls. Energy storage commercialization during the 14th Five Year Plan (system costs to reduce 30%)

.....and more

Q4 2021 margin continued to improve

Q4 2021

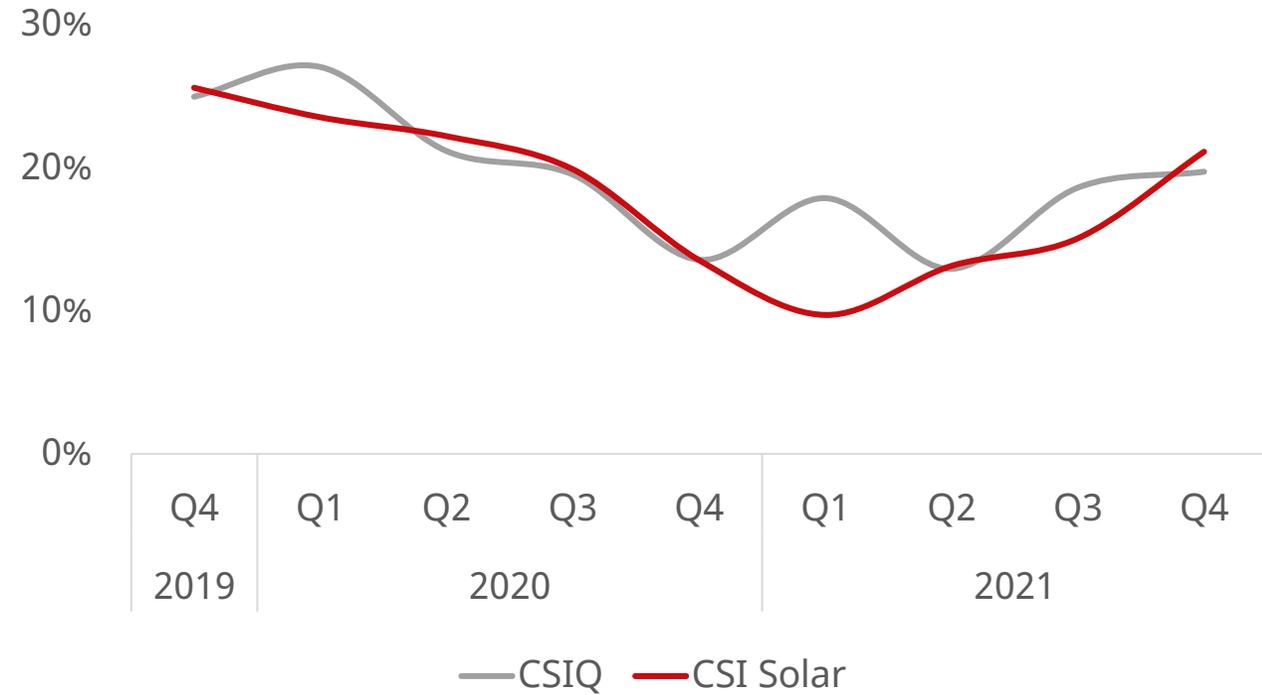
☀️ Shipments: 3.8 GW

☀️ CSI Solar revenue: \$1.3 billion

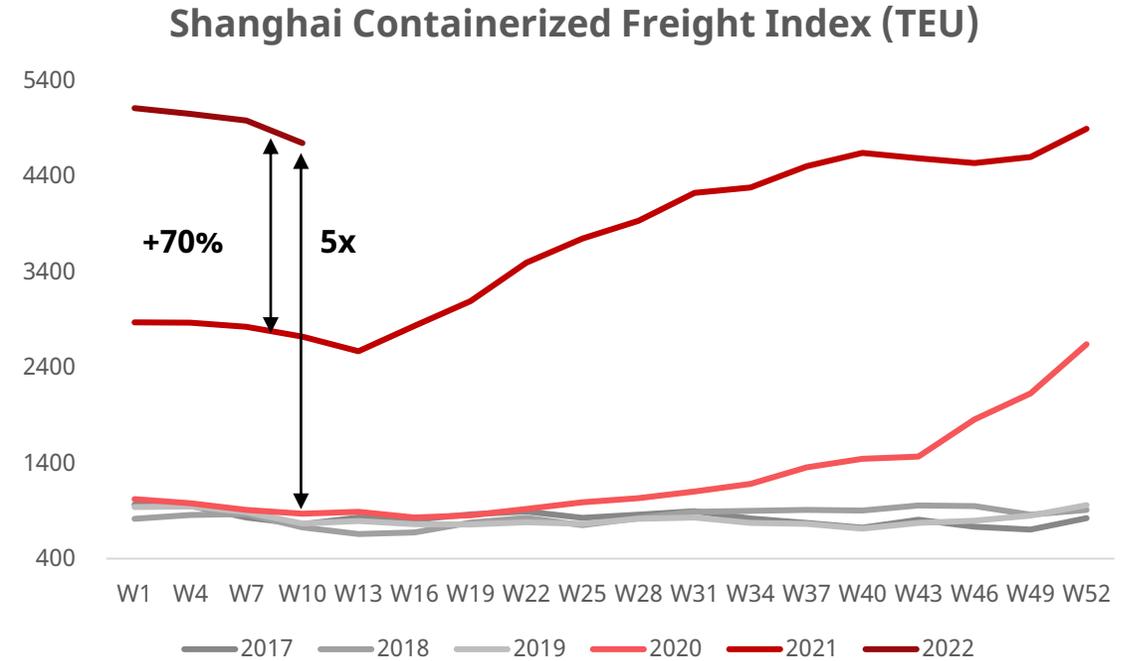
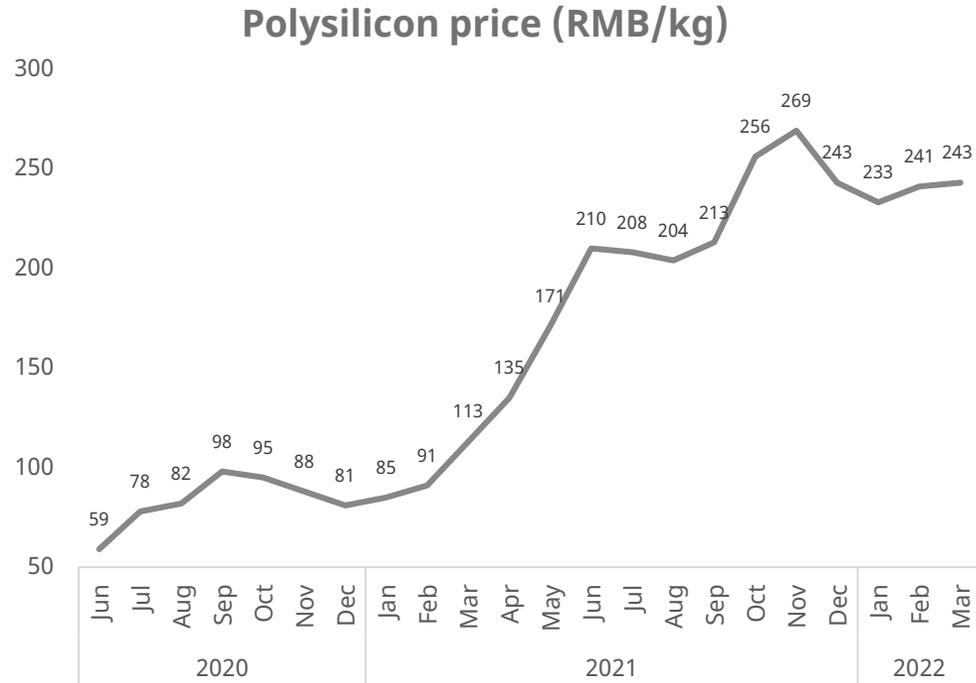
☀️ CSI Solar gross margin: 21.3%

(ex. AD/CVD true-up 19.4%)

Gross margin



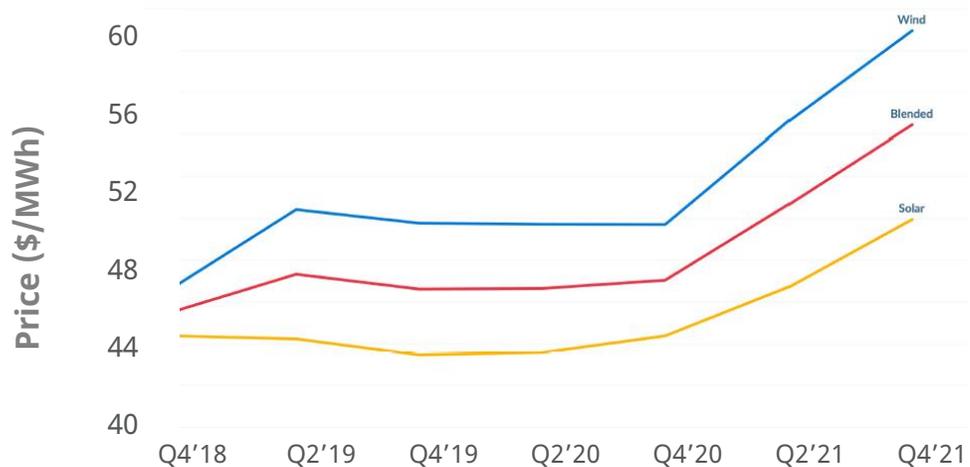
Polysilicon pricing and shipping costs remain elevated



Source: PV Infolink, Shanghai Shipping Exchange

Upstream and downstream market dynamics positive for Canadian Solar

Average PPA prices in North America (top) & Europe (bottom)
Quarterly Aggregate Price Indices – P25

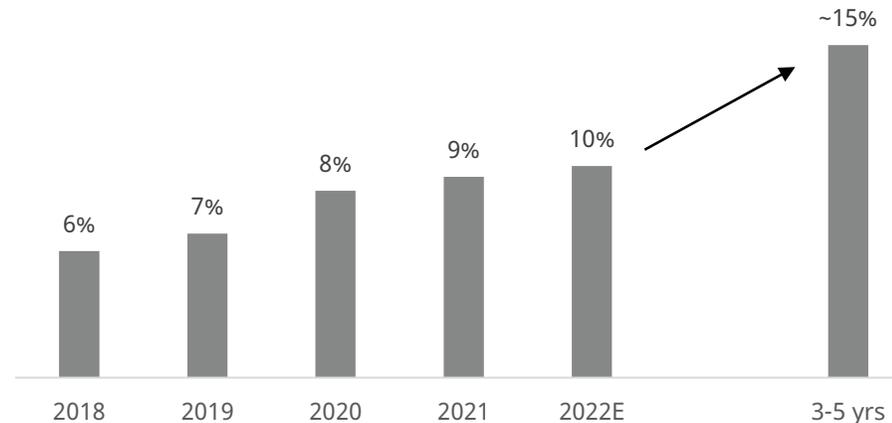


Annualized Polysilicon Capacity (period-end)

'000 tons	Jun-21	Dec-21	Jun-22	Dec-22	2023+
China	520	550	750	1,200	1,500
Non-China	110	110	110	110	110
Total	630	660	860	1,310	1,610
GW	210	220	287	437	537

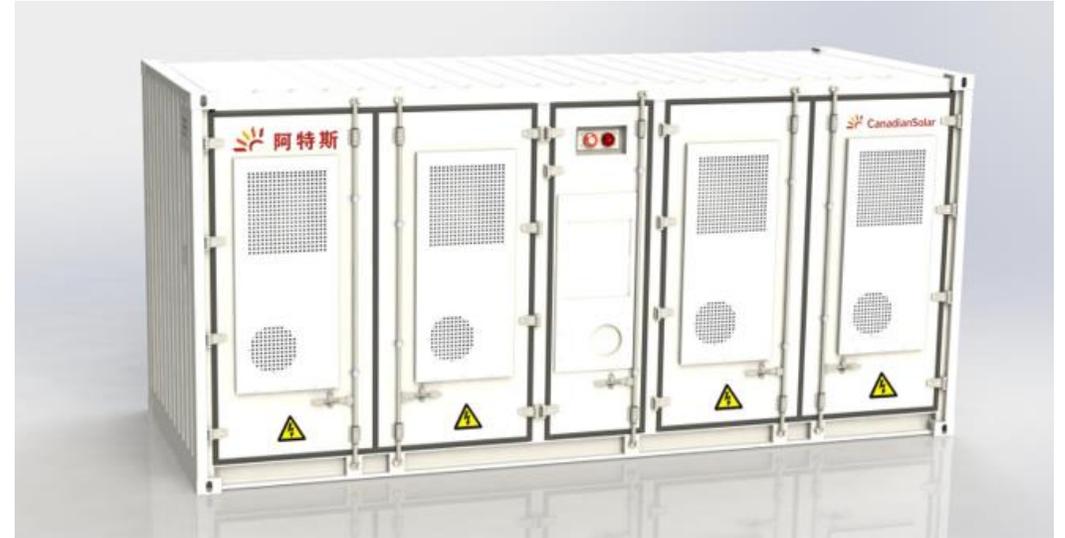
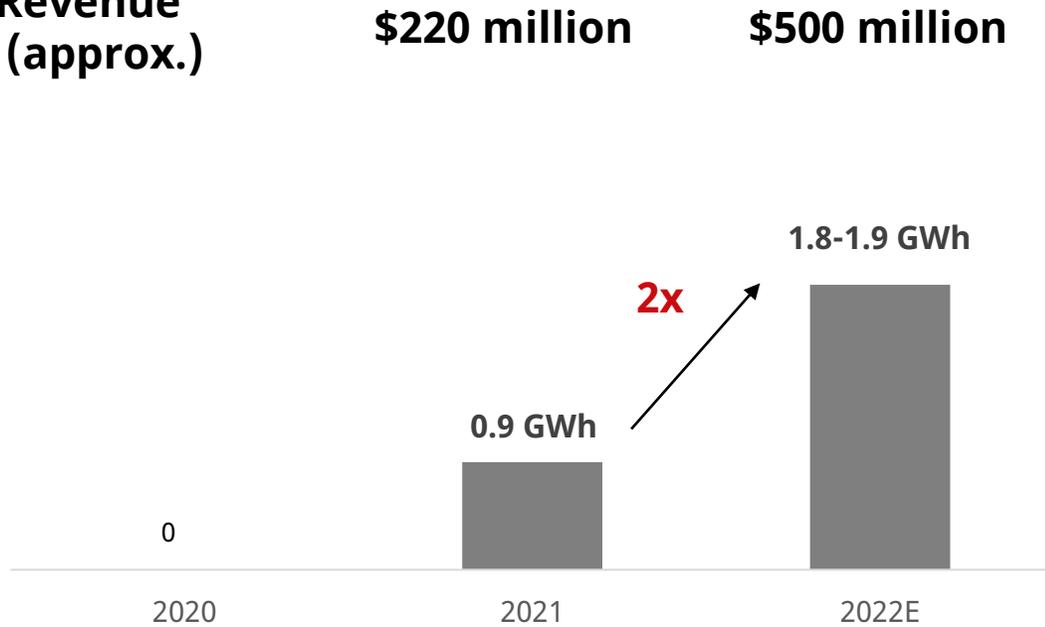
*Assuming 3g/W

Canadian Solar Global Module Market Share



Making significant progress on our battery storage business

Revenue
(approx.)



Leading battery storage solution:

- high energy density
- strong safety
- cost-competitive
- easy installation

Large and growing global solar and battery storage project pipeline

2021:  Project sales: 2.1 GW
 Global Energy revenue: \$1.1 billion
 Global Energy gross margin: 17.3%

Solar Project Pipeline (January 31, 2022) – MWp

Region	Construction	Backlog	Pipeline	Total
North America	262	509	7,247	8,018
Latin America	841 ⁽¹⁾	2,435	3,437	6,713
EMEA	-	294	4,379	4,673
Japan	174	172	72	418
Asia Pac ex. Japan	345	191	1,695	2,231
China ⁽²⁾	-	550	1,770	2,320
Total	1,622	4,151	18,600	24,373

Battery Storage Project Pipeline (January 31, 2022) – MWh

Region	Construction	Backlog	Pipeline	Total
North America	2,681	-	14,725	17,406
Latin America	-	465	3,185	3,650
EMEA	-	56	2,611	2,667
Japan	-	-	19	19
Asia Pac ex. Japan	-	20	2,280	2,300
China ⁽²⁾	-	300	800	1,100
Total	2,681	841	23,620	27,142

(1) All numbers are gross MWp, including 403 MWp in construction in Latin America already sold to third parties.

(2) China project portfolio is part of Global Energy from November 2021.

Power prices have increased meaningfully across most markets

Market	Region	Dec 2020 Price	Dec 2021 Price	Delta	% Delta
EMEA	ITALY	54	281	+227	+420%
	SPAIN	42	239	+197	+470%
	U.K.	55	245	+190	+345%
North America	ERCOT	20	28	+8	+38%
	MISO	24	37	+13	+52%
	CAISO-NP	40	61	+21	+53%
	CAISO-SP	39	59	+20	+52%
JAPAN	JAPAN	14,000	17,000	+3,000	+25%
AUSTRALIA	QUEENSLAND	54	129	+74	+136%
	SOUTH AUSTRALIA	17	70	+53	+319%
	VICTORIA	24	32	+8	+35%

All prices are in local currency/MWh

Multiple levers of growth, focusing on recurring income

		2021 Actual	2022E	2023E	2024E	2025E	
1	Development: Project sales	Annual project sales, GWp	2.1	2.1 – 2.6	2.8 – 3.3	3.5 – 4.0	4.0 – 4.5
2	Services: O&M ⁽¹⁾ + Asset Mgmt	Operational O&M projects, GWp	2.1	4.3	6.5	9.2	11.0
3	Investment Vehicles: Partial ownership of solar projects	Cumulative projects retained (net & gross ⁽²⁾), MWp	292	370	630	1,000	1,300
			748	1,500	2,580	4,200	7,000

(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.

Quarterly income statement highlights

<i>USD millions except per share data</i>	4Q20	1Q21	2Q21	3Q21	4Q21	qoq	yoy
Net revenues	1,041	1,089	1,430	1,229	1,529	+24%	+47%
-CSI Solar	785	695	1,184	1,149	1,343	+17%	+71%
-Global Energy	373	471	281	140	232	+66%	(38%)
-Elimination	(117)	(77)	(35)	(60)	(46)		
Gross margin	13.6%	17.9%	12.9%	18.6%	19.7%	+110 bp	+610 bp
-CSI Solar margin	13.5%	9.7%	13.1%	15.1%	21.3%	+620 bp	+780 bp
-Global Energy margin	8.6%	24.0%	4.2%	43.7%	3.5%		
Selling and distribution expenses	64	84	84	102	129	+28%	+102%
General and admin expenses	70	68	69	83	90	+8%	+28%
R&D expenses	10	12	13	13	19	+43%	+92%
Other operating (income) loss	(6)	(13)	(7)	(23)	(4)		
Total operating expenses	139	151	158	176	234	+33%	+69%
Operating income	2	43	26	53	67	+27%	+2,620%
Net interest expense	(16)	(11)	(12)	(11)	(13)		
Net FX gain or (loss)	4	(7)	(3)	(14)	1		
Income tax benefit or (expense)	2	(14)	2	3	(27)		
Net income	7	14	19	38	40	+4%	+490%
Net income attributable to Canadian Solar Inc.	7	23	11	35	26	(26%)	+291%
Diluted EPS	0.11	0.36	0.18	0.52	0.39*	(25%)	+255%

← Transportation costs are part of selling & distribution expenses

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. \$0.39/share is calculated from total earnings of \$27M (including 2.5% coupon of \$1.3M) divided by diluted shares 70.5 million shares (including 6.3 million shares issuable upon the conversion of convertible notes).

Quarterly balance sheet highlights

<i>USD millions</i>	4Q20	1Q21	2Q21	3Q21	4Q21
Cash and equivalents	1,179	981	814	868	870
Restricted cash	461	542	497	490	564
Short-term borrowings	1,202	1,217	867	1,083	1,271
Long-term borrowings on project assets – current	199	264	491	297	321
Capital leases – current	15	17	12	19	12
Long-term borrowings	446	467	531	580	524
Convertible notes	223	224	224	224	225
Financing liabilities – non-current	82	81	83	82	54
Capital leases – non-current	14	14	19	20	23
Total debt	2,181	2,284	2,227	2,305	2,430
Net debt*	1,002	1,303	1,413	1,437	1,560
Non-GAAP EBITDA	79	101	95	117	161
Net debt / EBITDA (trailing 12 months)	2.4x	3.5x	3.8x	3.7x	3.3x
EBITDA / net interest coverage (trailing 12 months)	6.6x	8.1x	8.8x	10.1x	13.8x

*Net debt does not include restricted cash.

Guidance as of March 17, 2022

	Q4 2021 Actual	Q1 2022 Guidance	FY2021 Actual	FY2022 Guidance	2021-22E yoy Δ%
Module Shipments	3.8 GW	3.7 – 3.9 GW	14.5 GW	20 – 22 GW	c. +45%
Battery Storage Shipments	n/a	n/a	896 MWh	1.8 – 1.9 GWh	c. +100%
Project Sales	n/a	n/a	2.1 GW	2.1 – 2.6 GW	c. +10%
Revenue	\$1.5 bn	\$1.25 bn – \$1.35 bn	\$5.3 bn	\$7.0 bn – \$7.5 bn	c. +35%
Gross Margin	19.7%	14.5% – 15.5%	17.2%	n/a	n/a

🌱 Expect significant growth in 2022

🌱 Q1 margins impacted by uptick in input costs; transportation costs to impact profitability below gross margin



Thank you

CSIQ
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