



# WELCOME

**2024 ORMAT INVESTOR &  
ANALYST DAY**



**ORMAT**

# BEYOND GREEN

**POWERING A CARBON-FREE FUTURE  
WITH PREMIUM RENEWABLE SOLUTIONS**

ORMAT 2024 INVESTOR & ANALYST DAY

# SAFE HARBOR STATEMENT AND NON-GAAP METRICS

THIS PRESENTATION INCLUDES FORWARD-LOOKING STATEMENTS, AND THE DISCLAIMER SHOULD BE READ CAREFULLY

## FORWARD-LOOKING STATEMENTS

This presentation, and information provided during any discussion accompanying this presentation, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve estimates, expectations, projections, goals, objectives, assumptions and risks, and activities, events and developments that may or will occur in the future. When used in or during the course of this presentation, the words “may”, “will”, “could”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “projects”, “thinks”, “forecasts”, “guidance”, “continue”, “goal”, “outlook”, “potential,” “prospect” or “target”, or the negative of these terms or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. Such forward-looking statements include, but are not limited to: statements about Ormat Technologies, Inc.’s and its affiliates’ (“Ormat”) business strategy; statements about Ormat’s competitive strengths; statements about Ormat’s development and operation of electricity generation, storage and energy management assets, including distributed energy resources; statements about Ormat’s other plans, expectations, objectives and targets; statements about Ormat’s views on market and industry developments and economic conditions, and the growth of the markets in which Ormat conducts its business; and statements about the growth and diversification of Ormat’s customer base and Ormat’s future revenues, expenses, earnings, capital expenditures, regional market penetration, ability to capitalize on increased demand, electricity generation, and other operational performance metrics, including statements about “target” or “targeted” amounts for 2028 growth (MW) and 2026 operational performance metrics such as growth (MW), adjusted EBITDA, portfolio growth and potential and planned capacity (MW), and statement regarding Ormat’s ESG plans, initiatives, projections, goals, commitments, expectations or prospects, among others.

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## NON-GAAP METRICS

### RECONCILIATION TO US GAAP FINANCIAL INFORMATION

This presentation includes certain “non-GAAP financial measures” within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended, including EBITDA and Adjusted EBITDA. The presentation of these non-GAAP financial measures is not intended as a substitute for financial information prepared and presented in accordance with GAAP and such non-GAAP financial measures should not be considered as a measure of liquidity or as an alternative to cash flow from operating activities, net income or any other measures of performance prepared and presented in accordance with GAAP. Such non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

The appendix slides in this presentation reconcile the non-GAAP financial measures included in the presentation to the most directly comparable financial measures prepared and presented in accordance with U.S. GAAP. The Company is unable to provide a reconciliation for its Adjusted EBITDA projections range to net income without unreasonable efforts due to high variability and complexity with respect to estimating certain forward-looking amounts. These include impairments and disposition and acquisition of business interests, income tax expense, and other non-cash expenses and adjusting items that are excluded from the calculation of Adjusted EBITDA.

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# TODAY'S AGENDA

**09:00**

Doron Blachar, CEO

## **Powering a Carbon-Free Future with Premium Renewable Solutions**

Introduction

Market Insights: Navigating Trends  
and Opportunities

**09:15**

Doron Blachar, CEO

## **Accelerating Growth: Expanding Our Electricity Segment**

Paul Thomsen, VP Business Development

## **Streamlining Permits to Accelerate Ormat Geothermal Growth in the US**

**10:00**

Ofer Ben Yosef, EVP Energy Storage &  
Business Development

## **Transforming Energy Storage into a Higher Growth Business Segment**

**10:30**

## **Q&A and Break**

**10:45**

Doron Blachar

## **Driving Internal and External Innovation**

**11:00**

Assi Ginzburg, CFO

## **Maintaining Our Market Leadership in the Product Segments**

**11:15**

Assi Ginzburg, CFO

## **Financial Resilience and Strong Balance Sheet Powering Our Growth**

**11:30**

Doron Blachar, CEO

## **Key Takeaways and Q&A**

**12:00**

## **Lunch**



# WITH US TODAY:

## SPEAKERS



**DORON BLACHAR**  
CEO



**ASSI GINZBURG**  
CFO



**OFER BENYOSEF**  
EVP ENERGY STORAGE  
& BUSINESS DEVELOPMENT



**PAUL THOMSEN**  
VP BUSINESS DEVELOPMENT



**SMADAR LAVI**  
VP, HEAD OF IR  
& ESG PLANNING  
AND REPORTING

## MANAGEMENT PARTICIPANTS



**JESSICA WOELFEL**  
GENERAL COUNSEL & CCO



**SHIMON HATZIR**  
EVP ELECTRICITY SEGMENT



**LIZA TAVORI**  
EVP HR



**ELAD ZALKIN**  
SVP PROJECTS



**NIRIT GRUSHKO**  
SVP ENGINEERING



# WITH US TODAY:

## SPEAKERS



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# BEYOND GREEN

**POWERING A CARBON-FREE FUTURE  
WITH PREMIUM RENEWABLE SOLUTIONS**

DORON BLACHAR, CEO



# INTRODUCTION

# A LEADING RENEWABLE ENERGY PROVIDER

WITH A PROVEN TRACK RECORD

Close to

**60**

Years of  
experience

Own & operate

**~1.4GW**

Geothermal, Storage,  
Solar PV & REG<sup>1</sup>

**1,600**

Employees

**\$829M**

2023 revenues

**\$482M**

2023 adj. EBITDA<sup>2</sup>

**\$124M**

2023 Net income<sup>3</sup>

(1) REG – Recovered Energy Generation

(2) See appendix for reconciliation of non-GAAP financial measures.

(3) Net income attributable to the company stockholders



# BUSINESS SEGMENTS

**80%**  
of 2023  
revenues



**ELECTRICITY**

**16%**  
of 2023  
revenues



**PRODUCT**

**4%**  
of 2023  
revenues



**ENERGY STORAGE**

# ORMAT IS WELL-POSITIONED IN THE VALUE CHAIN

FOR BOTH GEOTHERMAL ENERGY AND ENERGY STORAGE



**Exploration**  
(Geothermal)

**Development**

**Engineering**

**Manufacturing**  
(Geothermal)  
**System Integration**  
(Storage)

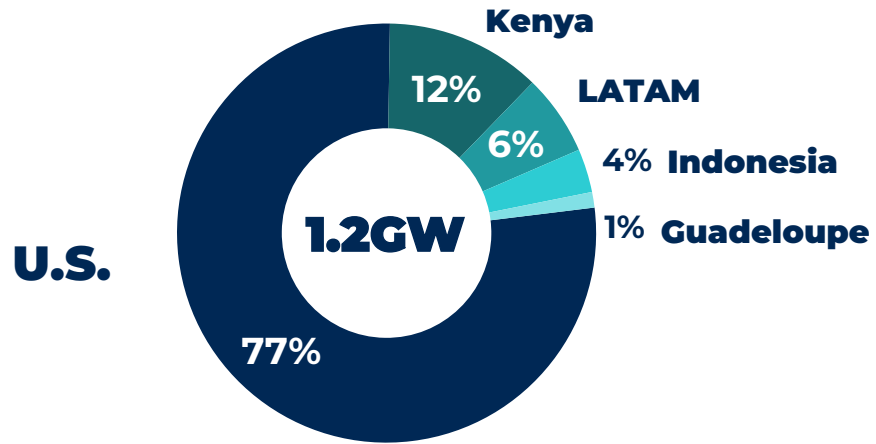
**Construction**

**Operation**

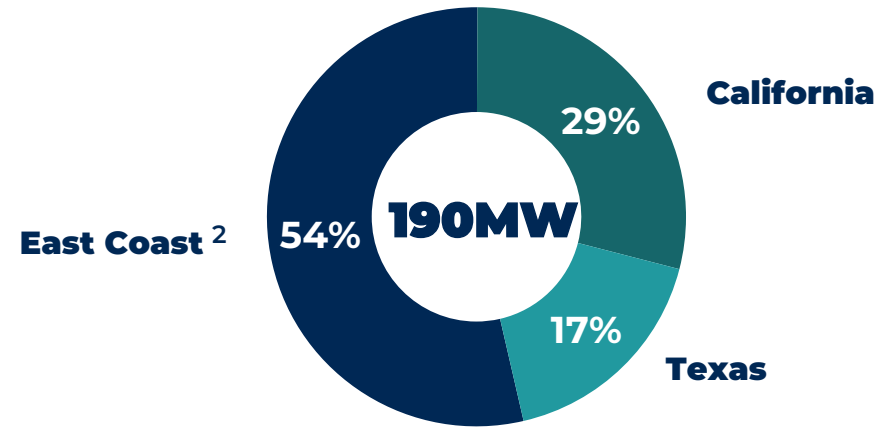


# OUR PORTFOLIO

**1,225MW<sup>1</sup>**  
**Geothermal, Solar PV & REG**



**190MW/318MWh**  
**Energy storage**

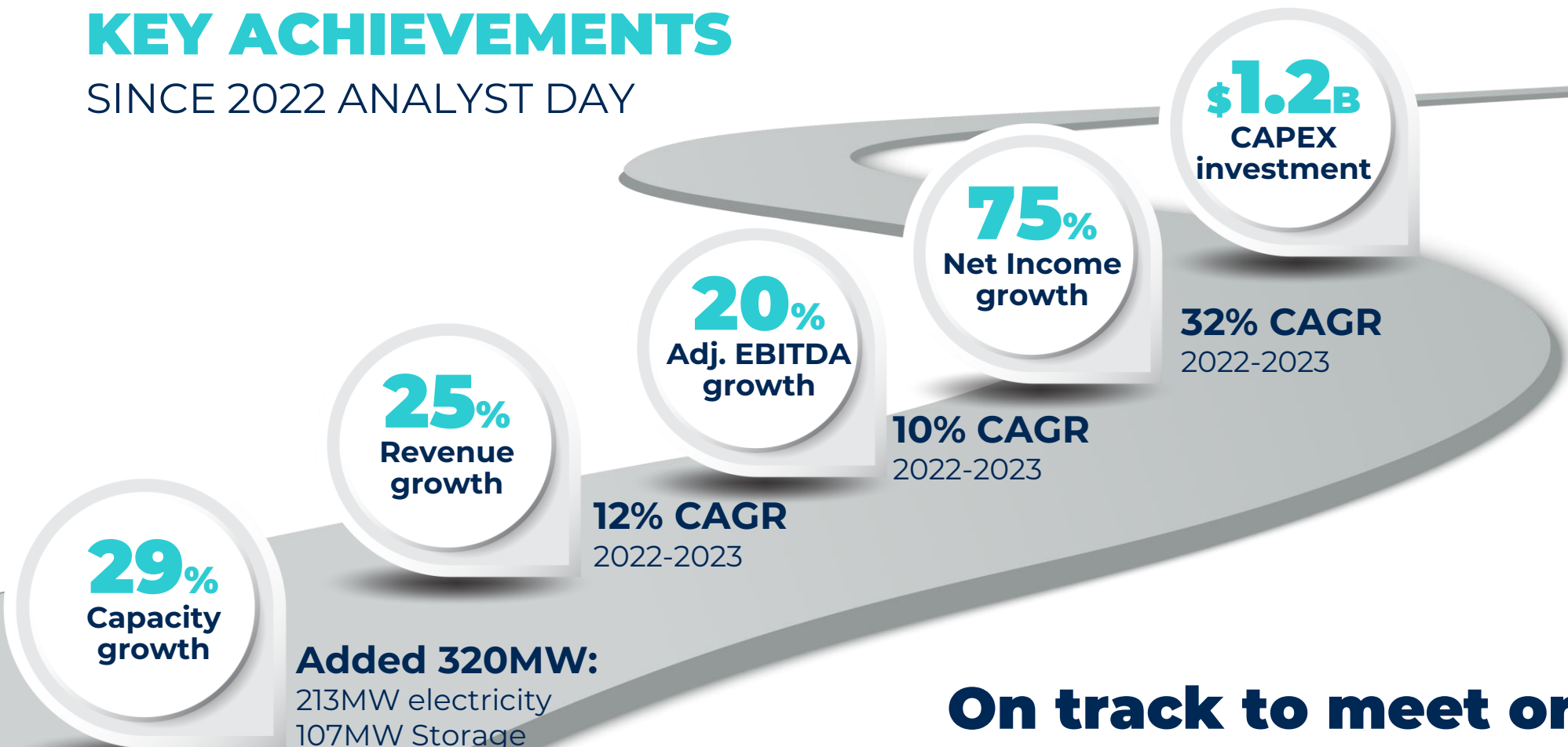


(1) LATAM includes Guatemala and Honduras. In the Sarulla complex, Indonesia we include our 12.75% share only. (2) East coast market includes PJM, ISO-NE, NYISO and VT.



# KEY ACHIEVEMENTS

SINCE 2022 ANALYST DAY



**Added 320MW:**  
213MW electricity  
107MW Storage

**On track to meet original  
2026 financial & portfolio  
growth targets**



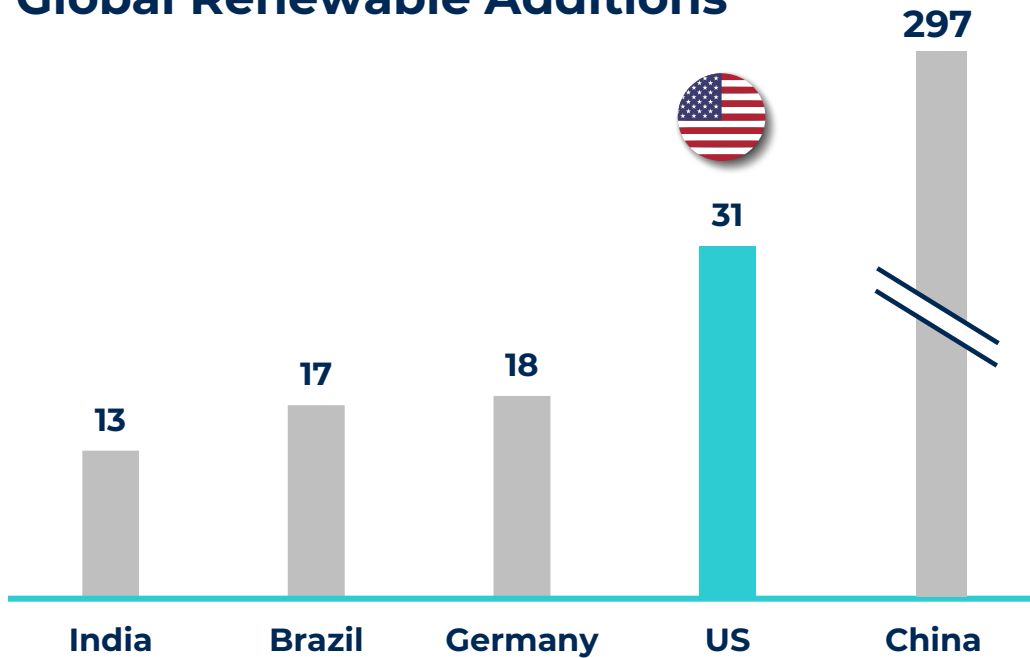


# MARKET INSIGHTS: NAVIGATING TRENDS AND OPPORTUNITIES

# U.S. LEADS CARBON-CLEAN REVOLUTION

SPARKING A THRIVING MARKET FOR RENEWABLE ENERGY PLAYERS

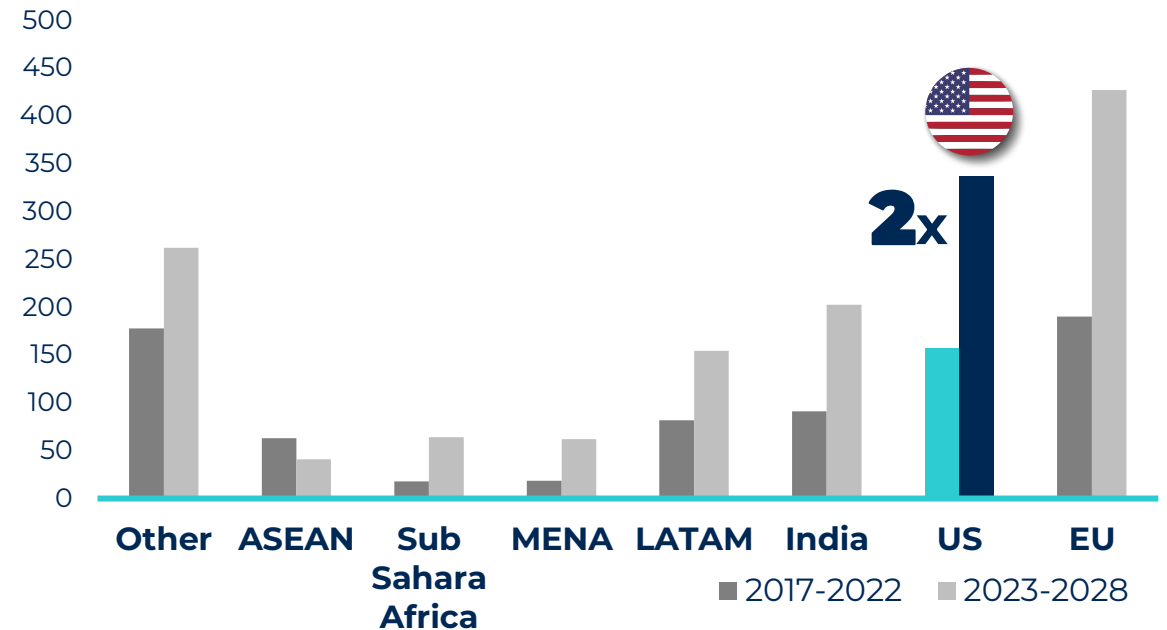
## U.S. Ranks Second in 2023 Global Renewable Additions



Renewable Capacity Net Additions in 2023 by Country (GW)<sup>1</sup>

Source: IEA (2024), Renewables 2023, IEA, Paris <https://www.iea.org/reports/renewables-2023>  
 China capacity growth 2027-2022: 681GW, expected growth 2023-2028: 2,062GW

## U.S. Expected to Double 2017-2022 Renewable Capacity in 2023-2030



Renewable electricity capacity growth by country or region (GW), 2017-2028 (excluding China)<sup>1</sup>



# 3

## KEY FORCES

DRIVING THE U.S.  
RENEWABLE GROWTH

**01 REGULATORY BOOST**

**02 DEMAND**

**03 DECARBONIZATION**

# 01

## REGULATORY BOOST

**23** states & DC

have 100% clean energy goals in place

**11** states

adopted Energy Storage Procurement targets

**1gw**

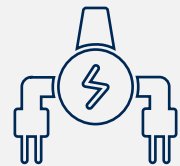
of zero emission & firm power procurement by 2028 by California PUC

### State Incentives

Geothermal:

NV- Tax abatement

CA- financial incentive for storage (SGIP)

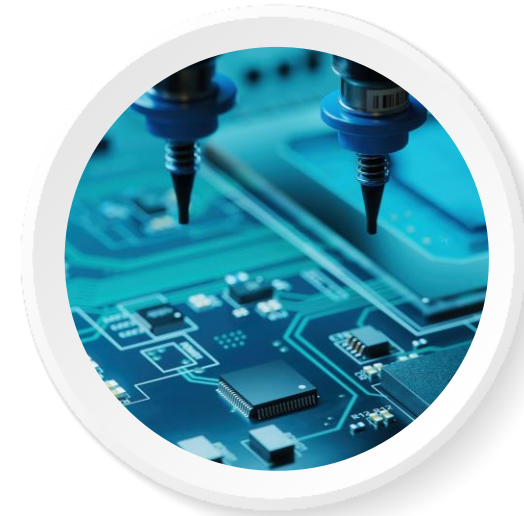


### IRA

introduces significant incentives for both geothermal and standalone storage



# 02 DEMAND: KEY DRIVERS



## Data Centers

AI and cloud-driven data centers sparking a surge in energy demand

## Electrification

Homes and businesses use more electricity for heating

## EVs

sales were up 50% to ~ 1.46 M vehicles in 2023<sup>2</sup>

## Reshoring

Increase in construction of manufacturing facilities (computer, electronic, & electrical manufacturing)<sup>3</sup>

# 03 DECARBONIZATION:

## TECH GIANTS PUSH FOR CARBON-FREE DATA CENTERS



Committed to running its **data centers on carbon-free energy 24/7 by 2030**



Pledges to power its operations with **100% renewable energy by 2025** and achieve net-zero carbon by 2040



By the end of FY25, and annually thereafter, we expect to achieve and maintain **100% renewable electricity for offices and data centers** under our operational control



Aims to be carbon negative by 2030, including **using 100% renewable energy for its data centers by 2025**



Plans to make its entire supply chain and products **carbon neutral by 2030, including its data centers**



Targets **net-zero greenhouse gas emissions by 2030**, with interim goals including increasing renewable energy usage for its data centers.

### Data centers are big energy consumers

Faced with the need to cut emissions and boost sustainability, data centers are securing renewable energy through PPAs to meet carbon-free targets



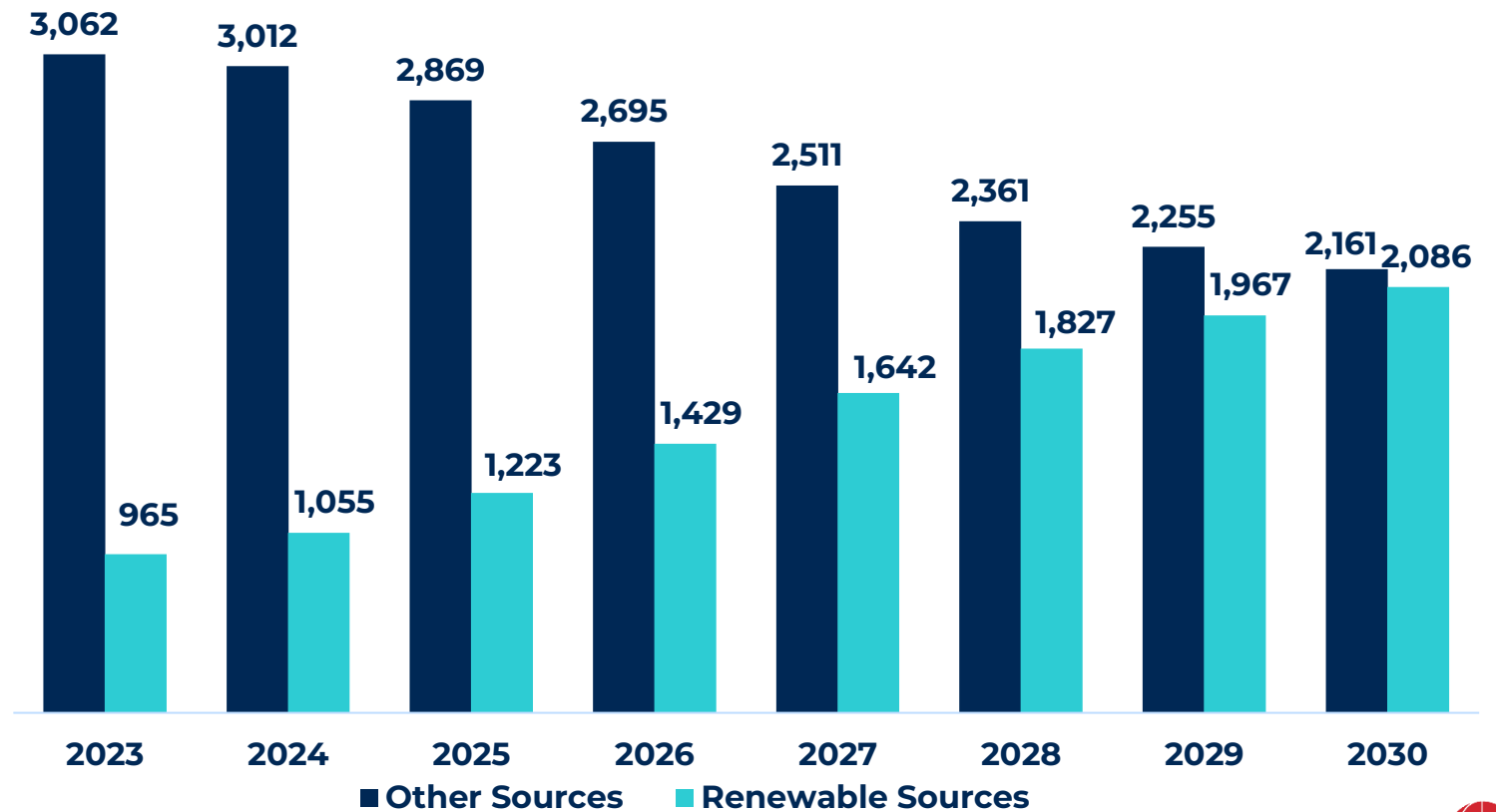
# U.S. POWER DEMAND SURGES, WITH RENEWABLES EXPECTED TO MEET MOST OF THE DEMAND

**5%**  
growth in total electricity  
demand 2023-2030  
Reaching approx. 4,000 BkWh

**116%**  
renewables generation growth  
2023-2030 (BkWh)

**50%**  
of 2030 generation  
will come from renewable  
sources

## Generation by Fuel Type (BkWh)

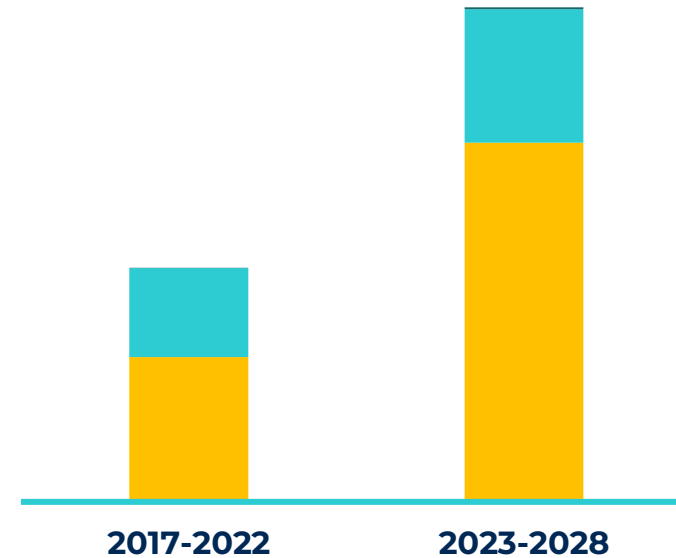


# REGULATION, DEMAND AND DECARBONIZATION **LEADS TO FASTER DEPLOYMENT OF VARIABLE RENEWABLES**

01 → 02 → 03

**Solar PV: Expected to  
Represent 73% of Renewables  
Growth in Next 5 Years**

■ Solar ■ Wind ■ Other



# RAPID DEPLOYMENT OF VARIABLE RENEWABLES **LEADS TO GREATER INTEGRATION AND INFRASTRUCTURE CHALLENGES**

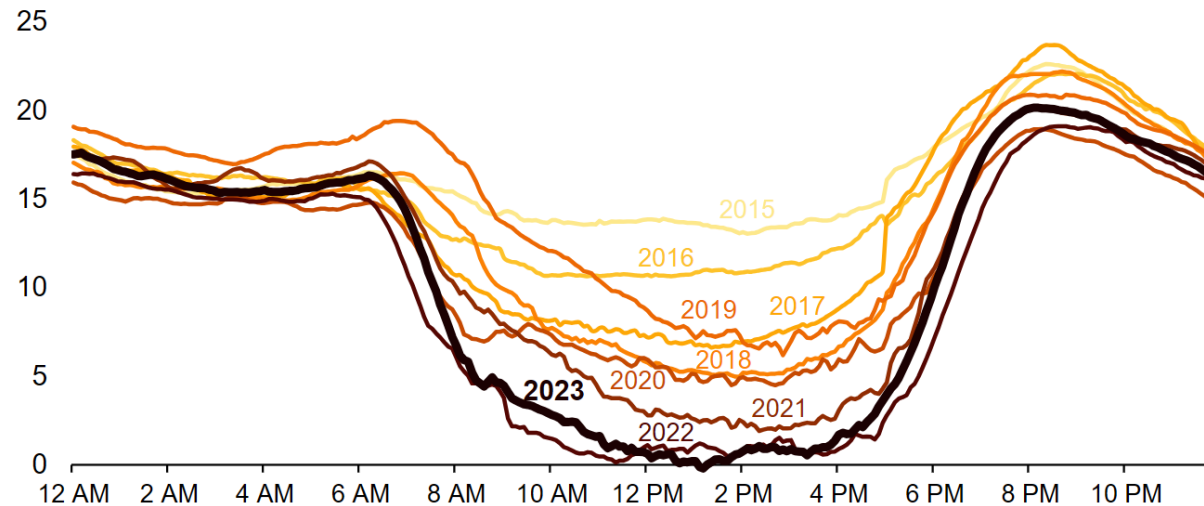
## CAISO net load 2023: From Duck To Canyon

JUNE 21, 2023

As solar capacity grows, duck curves are getting deeper in California

### California's duck curve is getting deeper

CAISO lowest net load day each spring (March–May, 2015–2023), gigawatts



Data source: California Independent System Operator (CAISO)



# ALIGNING OUR STRATEGIC FOCUS TO CAPITALIZE ON U.S. MARKET GROWTH



## Electricity Segment Geothermal & Solar

Geothermal can replace phasing-out baseload capacity, offering firm and flexible benefits

Ormat to streamline development process to accelerate geothermal growth



## Storage Segment

Energy storage boosts grid stability and renewable integration

Ormat is transitioning energy storage to a higher growth segment with better margins



# STRONG GLOBAL OPPORTUNITIES

DRIVING GROWTH IN THE ELECTRICITY SEGMENT AND ENABLING THE SECURING OF NEW PRODUCT CONTRACTS



## Electricity Segment

### Geothermal

Global market growth in LATAM, and Indonesia



## Product Segment

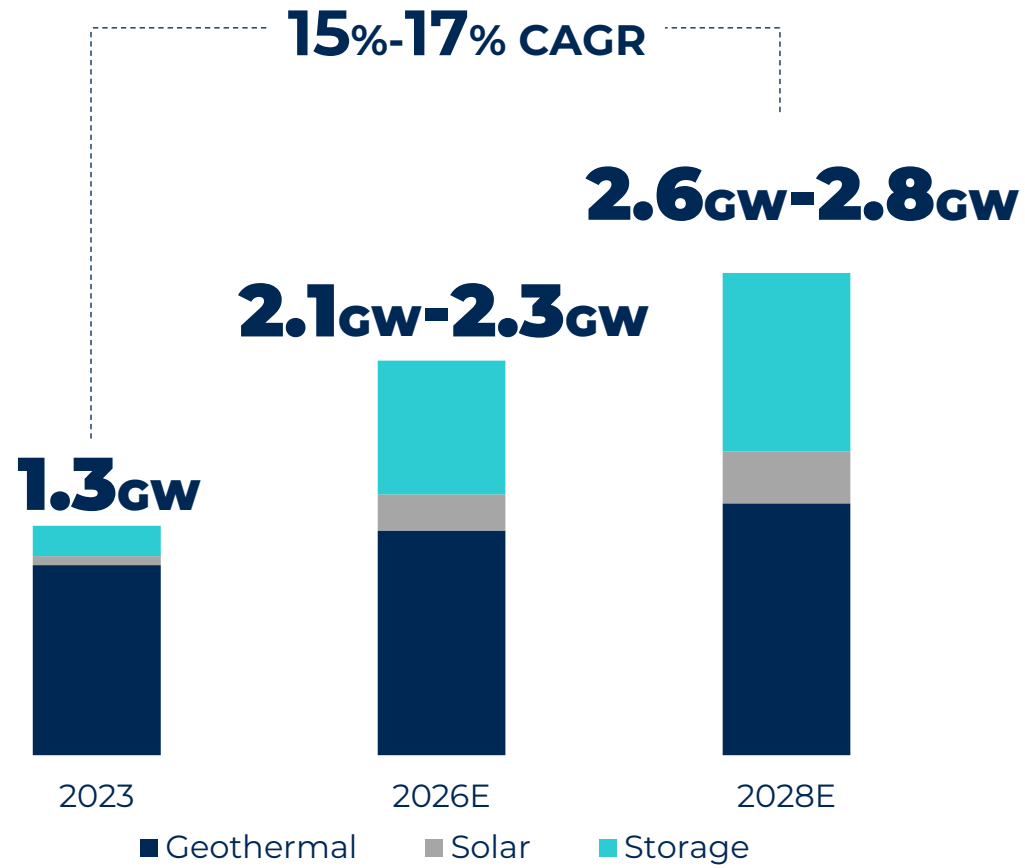
### Maintaining Our Market Leadership

- Expanding Offerings: High-Temp. Resources
- Technological Innovations
- Growing New Zealand Market

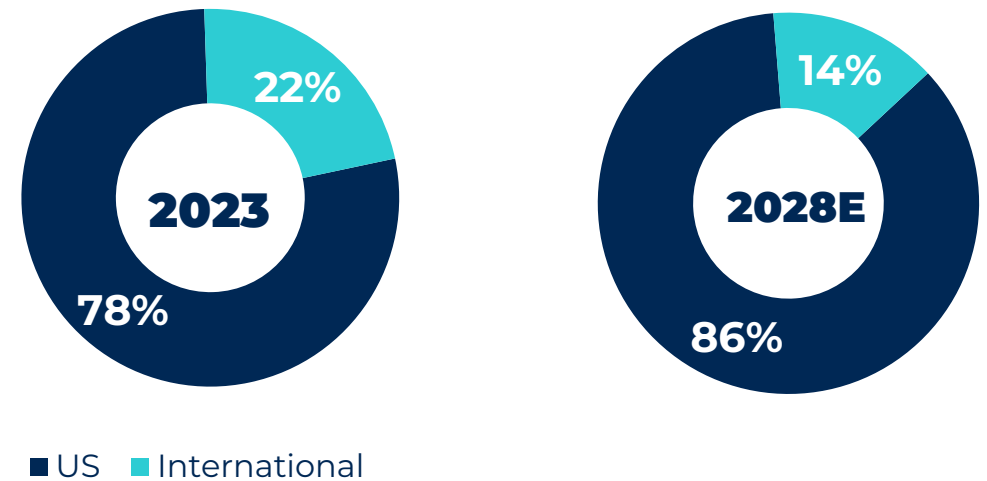


# PORTFOLIO GROWTH TARGETS

## INSTALLED CAPACITY GROWTH

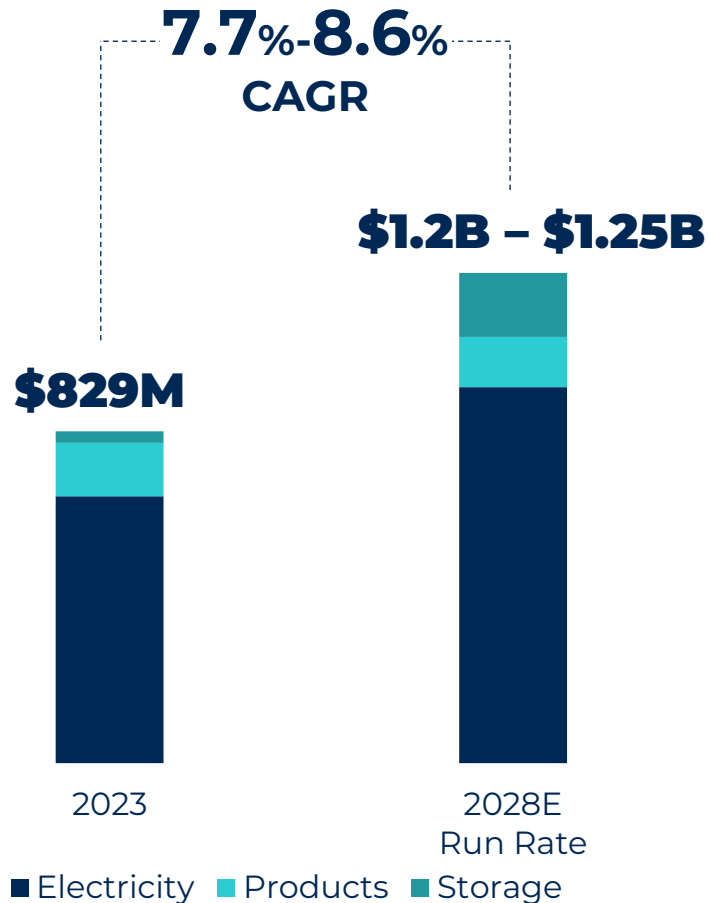


## CAPACITY (GW) GEOGRAPHICAL BREAKDOWN

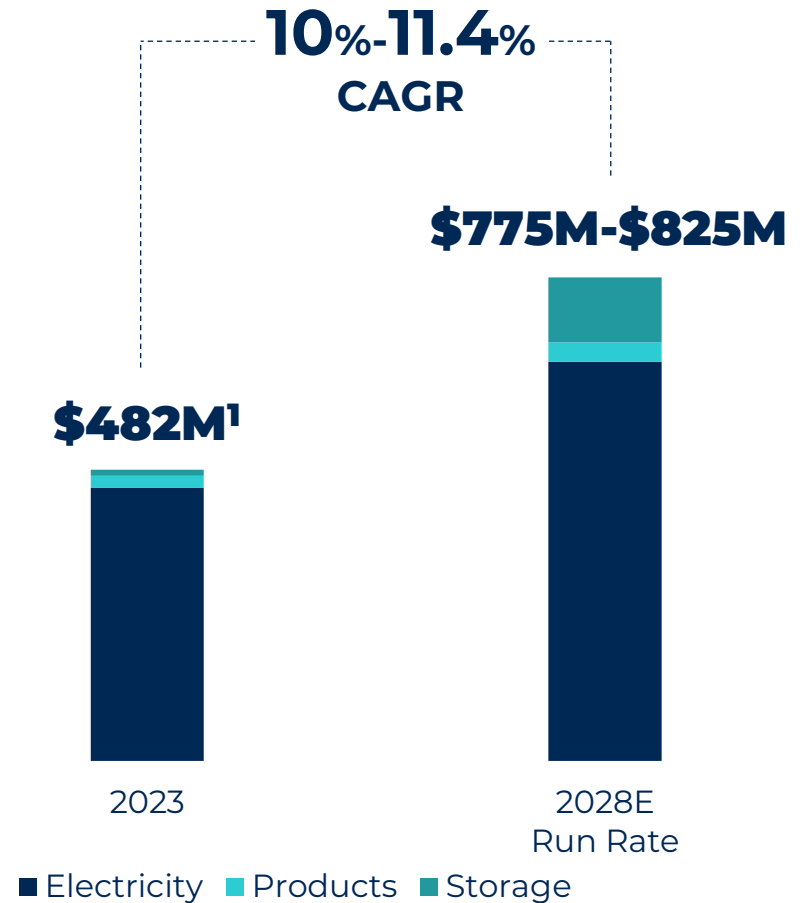


# FINANCIAL GROWTH TARGETS SUMMARY

## REVENUE TARGETS



## ADJUSTED EBITDA TARGETS



(1) See appendix for reconciliation of non-GAAP financial measures.





# ACCELERATING GROWTH: EXPANDING OUR ELECTRICITY SEGMENT

DORON BLACHAR, CEO

ELECTRICITY SEGMENT

# LEADING THE U.S. GEOHERMAL MARKET



# THE U.S. IS THE WORLD'S LEADING GEOTHERMAL POWER PRODUCER

**3.9<sub>GW</sub>**

Installed capacity  
#1 in Global Growth<sup>1</sup>

**24%**

of global  
installed capacity<sup>1</sup>

**>95%**

of U.S. capacity in  
California and Nevada<sup>2</sup>

**40<sub>GW</sub>**

Estimated geothermal  
potential<sup>3</sup>

Sources: (1) As of YE 2023 [thinkgeoenergy](#), (2) [EIA](#) (3) DOE Next Generation Geothermal Power, March 2024 [link](#)



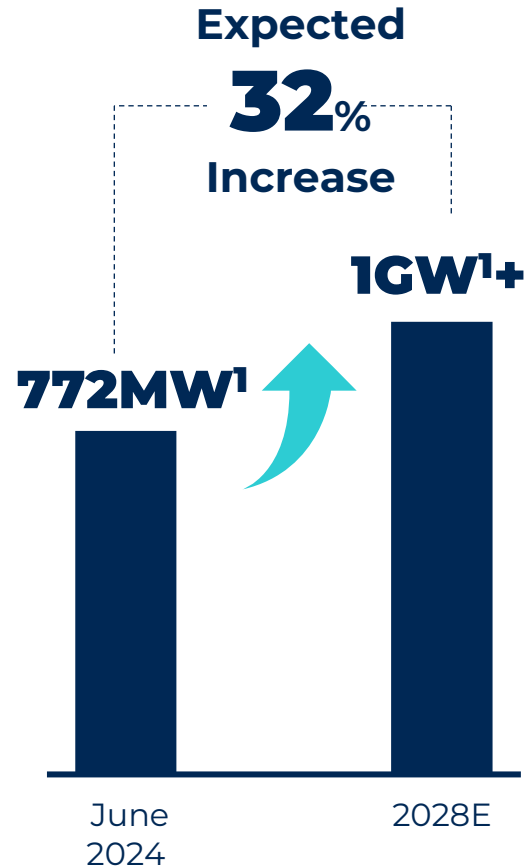
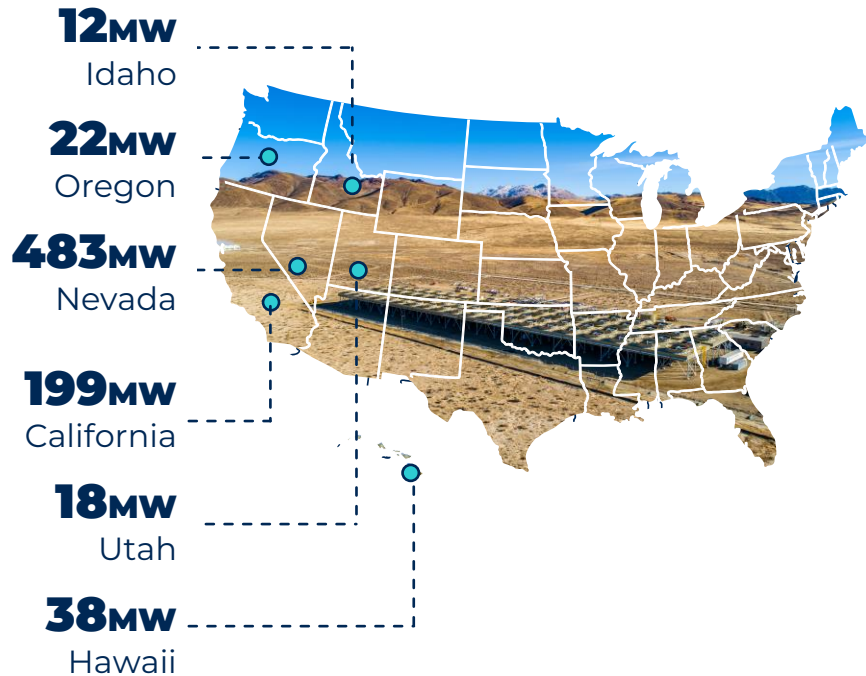
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# ORMAT:

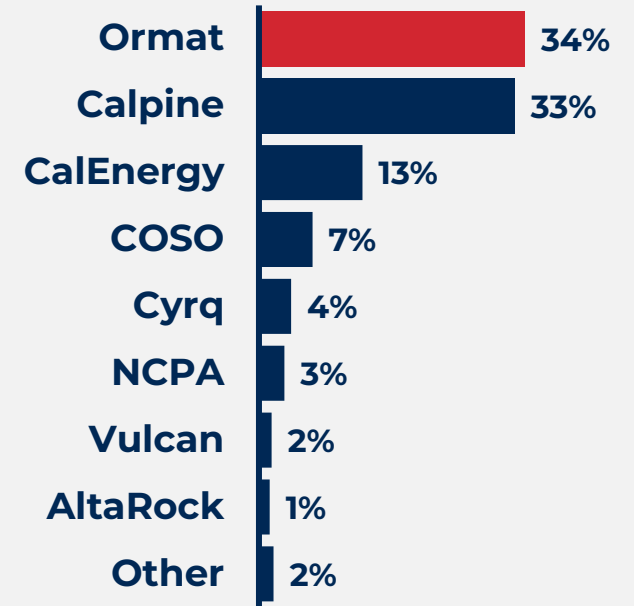
THE LARGEST OWNER, OPERATOR, AND DEVELOPER OF GEOTHERMAL ENERGY IN THE US

## U.S. Geothermal Portfolio



# #1

**34% of U.S. geothermal power generated by Ormat<sup>2</sup> up from 29% in 2020**



(1) Geothermal power plants only. Excludes REG and Solar (2)Ormat Analysis based on U.S Energy Information Administration (EIA) 2023. Ormat bar includes ENEL generation acquired by Ormat in Jan. 2024. 2023 Generation includes actuals for Ormat, Cyrq, NCPA & Calpine (expect Aidlin), and 2022 actuals for the rest



# THE KEYS TO UNLOCKING GEOTHERMAL DEVELOPMENT IN THE US



**LAND  
POSITION**



**PERMITTING**



**TRANSMISSION  
INTERCONNECTION  
AGREEMENTS**



**SUCCESSFUL  
EXPLORATION**



**PPA**



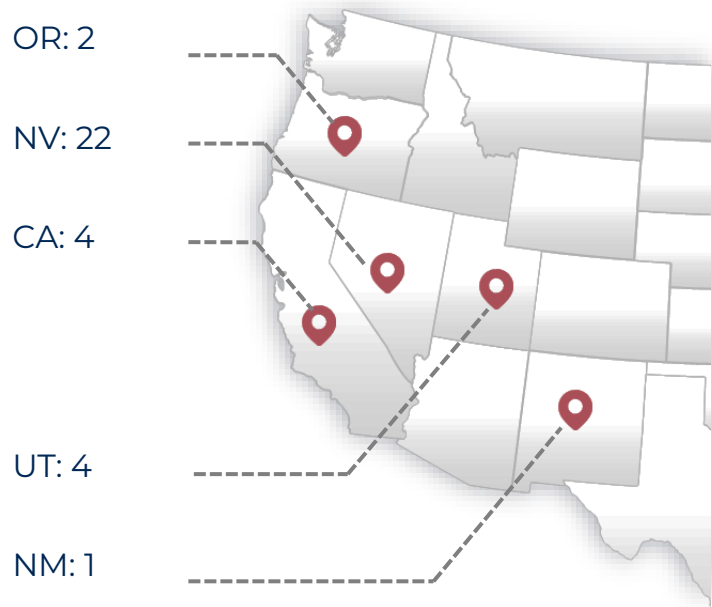
# STREAMLINING PERMITS TO ACCELERATE ORMAT'S GEOHERMAL GROWTH IN THE US

PAUL THOMSEN, VP BUSINESS DEVELOPMENT

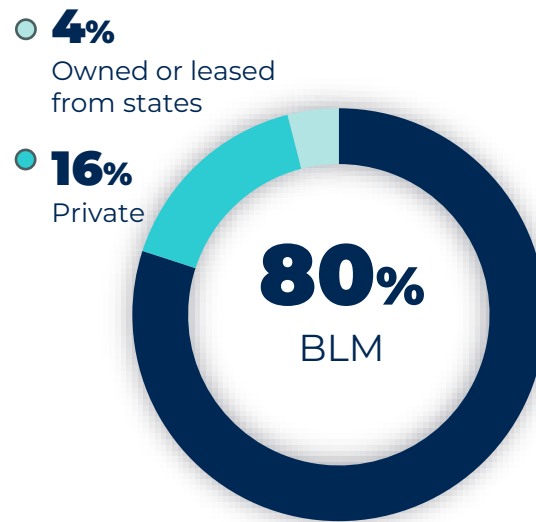
# DOMESTIC LAND POSITION

## 33

Prospects covering ~200k acres



Acres breakdown by type



New prospects secured since end of 2020



# RECENT DEVELOPMENTS AND REFORMS



## NEPA Categorical Exclusions for geothermal exploration

Reducing NEPA reviews for geothermal exploration on federal lands allowing rapidly advanced early-stage prospecting – for some of NEPA review processes could shorten year(s) development timelines.



## Fiscal Responsibility Act of 2023

includes important changes to NEPA with the aim of streamlining the environmental review process.



## H.R. 7370 Geothermal Energy Opportunity (GEO) Act<sup>1</sup>

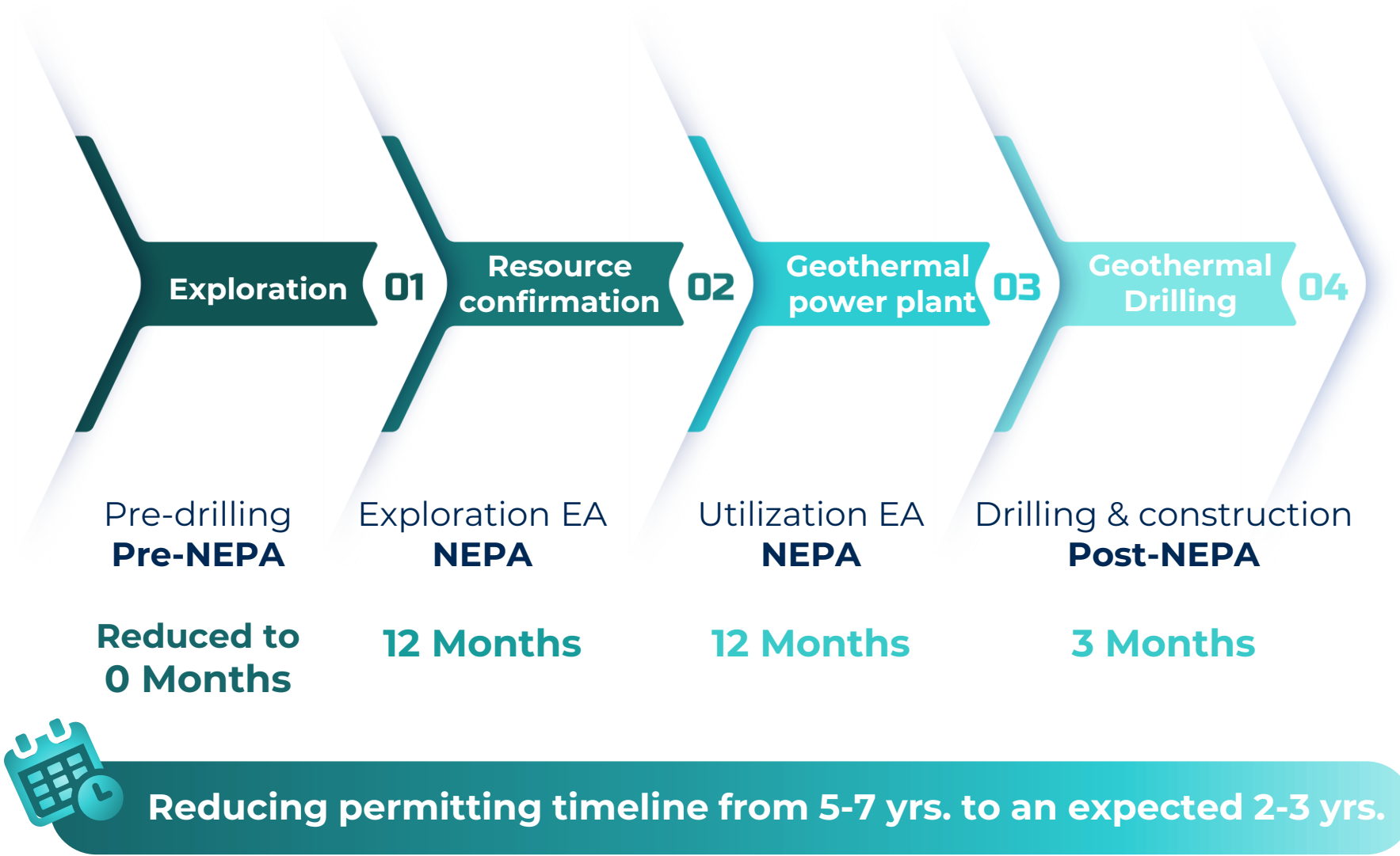
Requires BLM to issue administrative permits such as Geothermal Drilling Permits after NEPA approvals are complete. This could take a multiyear effort down to 90 days.



(1) Passed the House and waiting Senate approval



# GEOHERMAL PERMITTING TIMELINE



## Complex permitting

multiple regulatory agencies

Federal, State & Local agencies



## Litigation risk

Sensitive species, water resources, tribal nations, communities, and unions



# ORMAT TRANSMISSION & INTERCONNECTION STATUS

## TRANSMISSION

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### **Before 2028**

All contracted geothermal projects have transmission service

### **Beyond 2028**

All geothermal projects delivering to NV Energy have transmission service

## INTERCONNECTION

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### **Before 2028**

All contracted geothermal projects have interconnection

### **Beyond 2028**

70% of all anticipated projects have interconnection and applications pending for remainder



# THE KEYS TO UNLOCKING GEOTHERMAL DEVELOPMENT IN THE US



**LAND  
POSITION**



**PERMITTING**



**TRANSMISSION  
INTERCONNECTION  
AGREEMENTS**

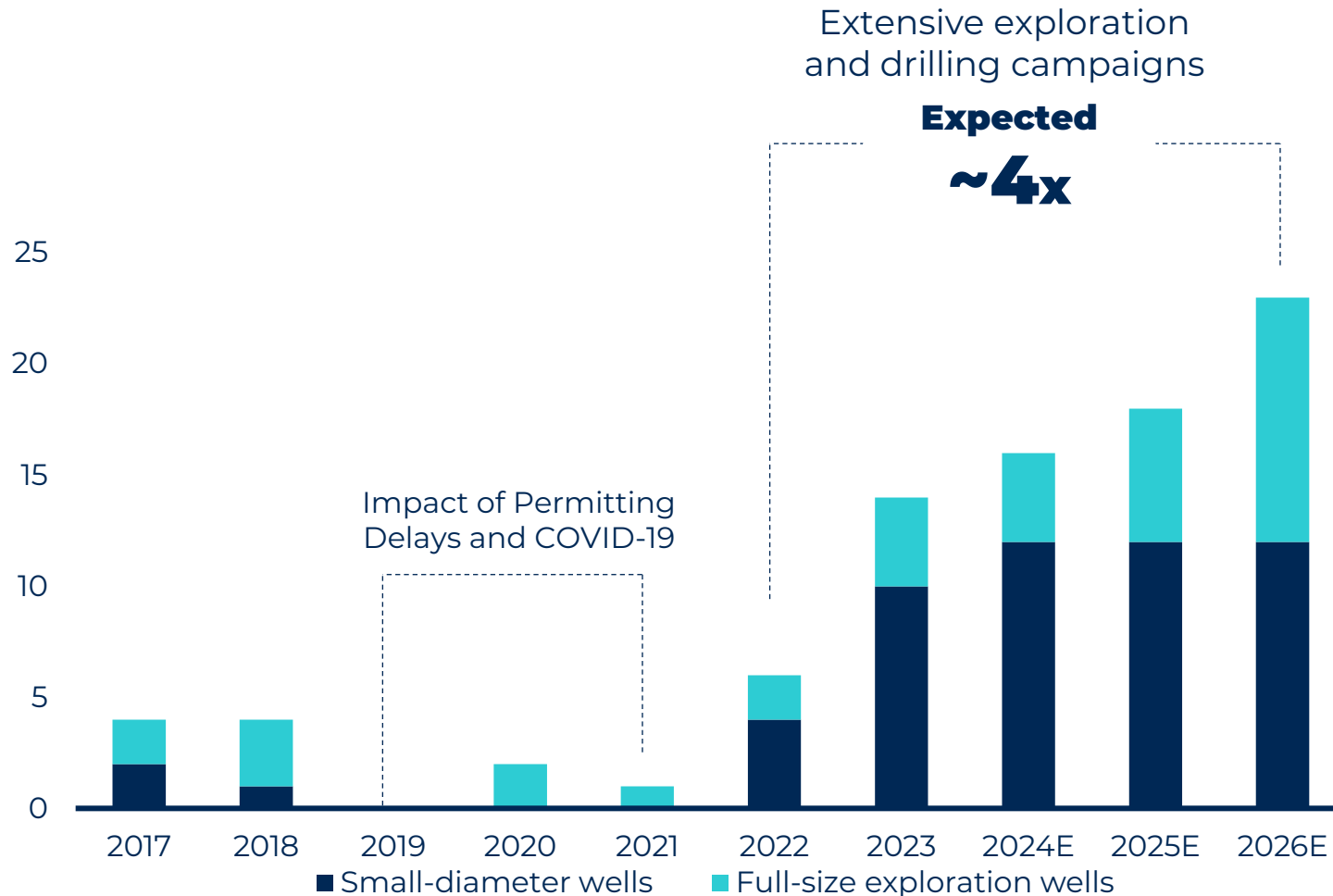


**SUCCESSFUL  
EXPLORATION**



**PPA**

# ORMAT ACCELERATING DRILLING ACTIVITY WORLDWIDE



Substantially expanded exploration efforts

Switched to drilling small diameter wells to cut costs

We expect these measures will accelerate future growth



# SOLID FUTURE LAND POSITION TO MEET DEMAND



**700MW-1,000MW**  
Total Prospect Potential

**245MW-460MW**  
Potential for 2027-2028

**Potential**  
beyond 2028

**100%**  
w/ GIA

**155MW**  
Planned capacity  
2027-2028

**Future Potential**  
beyond 2028

**~70%**  
w/ GIA

# INCREASED PPA PRICES SUPPORT LONG-TERM PORTFOLIO GROWTH

PORTFOLIO PPA APPROACH TO STREAMLINE DEVELOPMENT

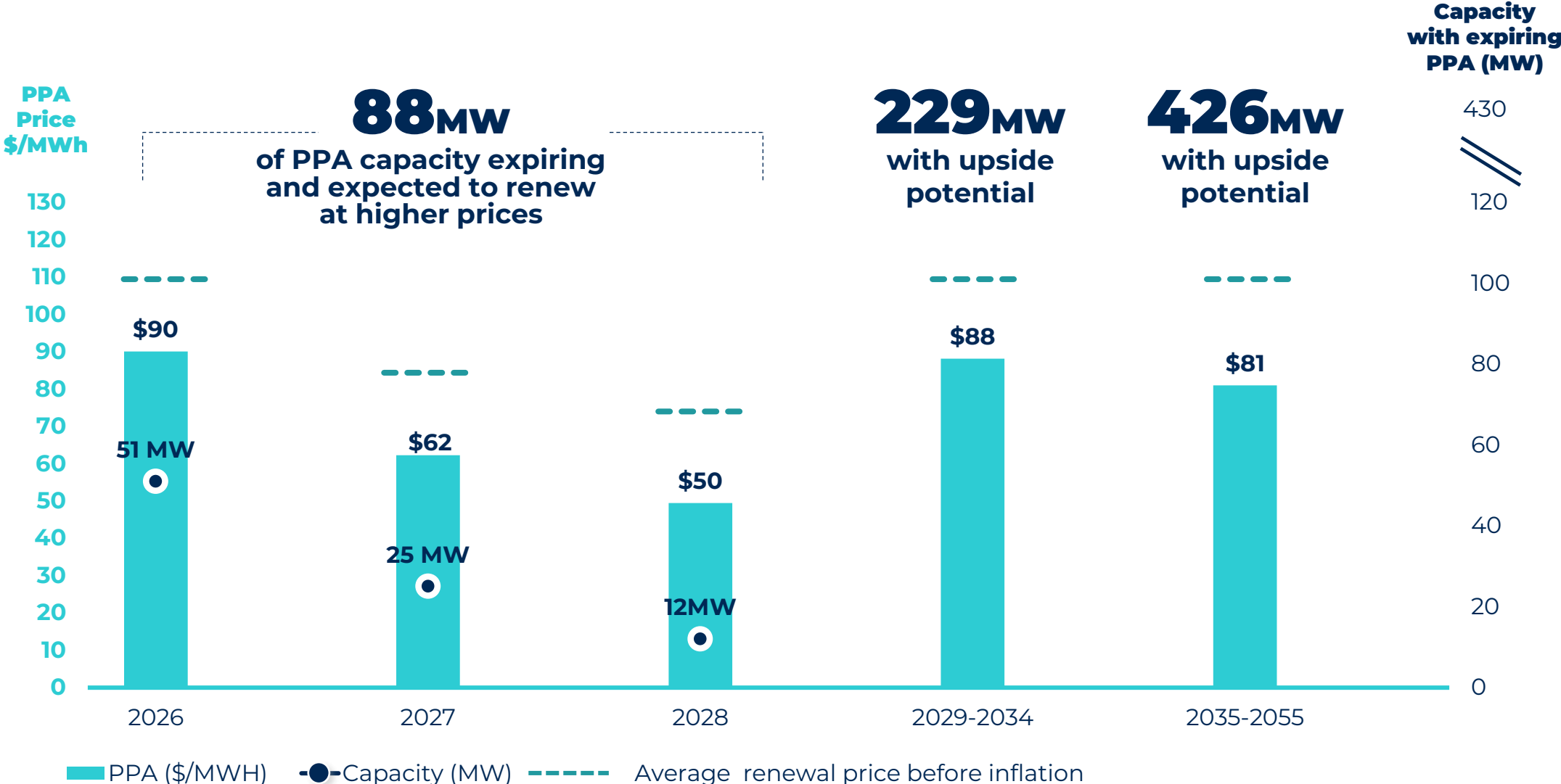
Over 200 MW portfolio PPA under negotiation



**GEOHERMAL PPA PRICING (MAINLAND US)**



# MAINLAND U.S. - GEOTHERMAL PPA EXPIRATIONS



# ILLUSTRATIVE MODEL

## Domestic Geothermal & solar

<b>GEOHERMAL SIZE:</b>	26MW
<b>SOLAR SIZE:</b>	7MW DC
<b>TERM</b>	25 years
<b>PTC</b>	PTC monetization assuming Tax Partnership transaction
<b>TOTAL CAPEX</b>	\$111M-\$124M
<b>AVG. ANNUAL REVENUE</b>	\$20.5M
<b>AVG. ANNUAL EBITDA</b>	\$14.5
<b>AVG. GROSS MARGIN</b>	49%
<b>AVG. EBITDA MARGIN</b>	70%



**13%-15%**  
Post Tax  
Project IRR

**5-6 yrs.**  
PAYBACK  
PERIOD



ELECTRICITY SEGMENT

# GLOBAL GEOTHERMAL MARKET

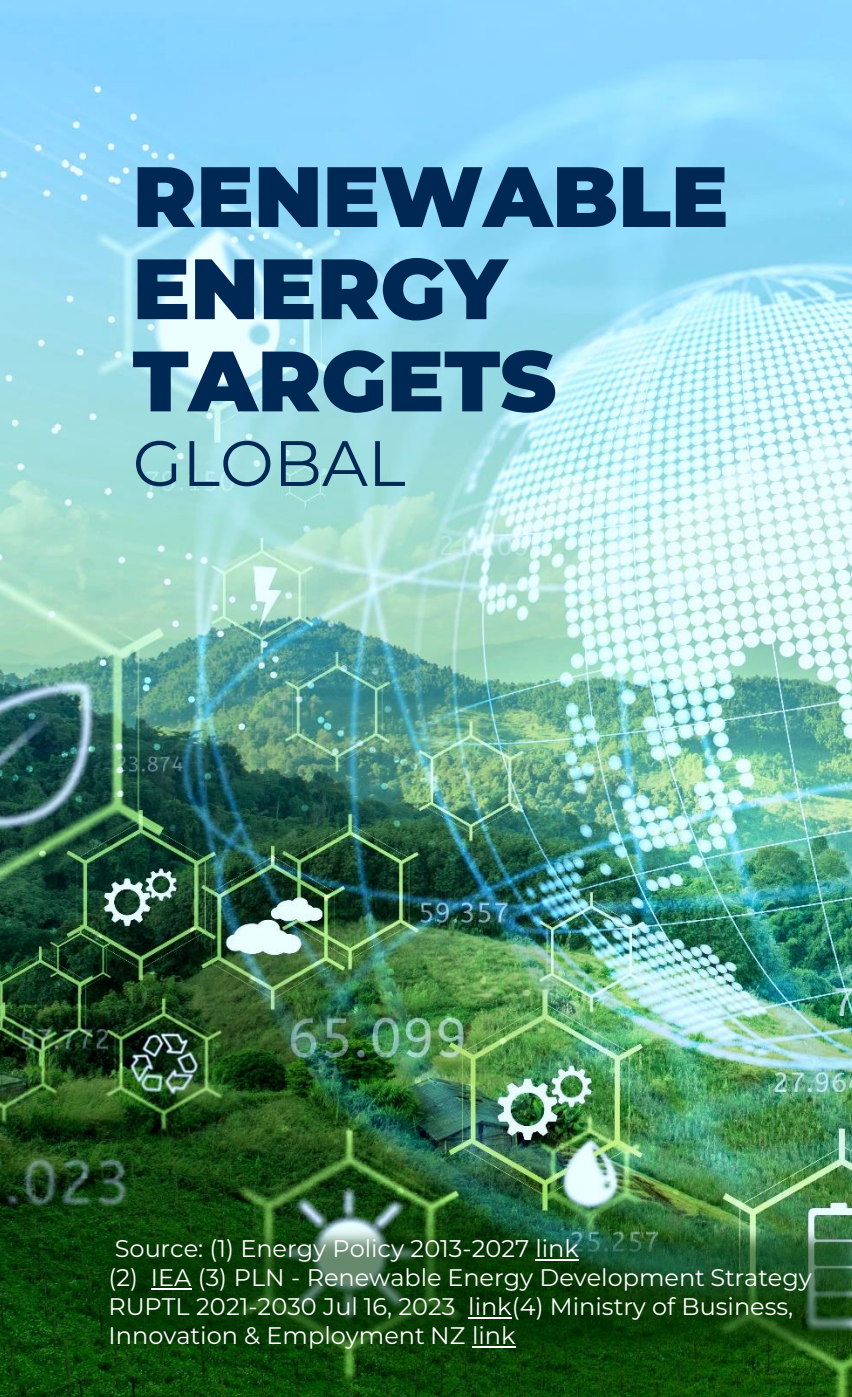


Olkaria Complex , Kenya 150 MW



# RENEWABLE ENERGY TARGETS

## GLOBAL



Source: (1) Energy Policy 2013-2027 [link](#) (2) IEA (3) PLN - Renewable Energy Development Strategy RUPTL 2021-2030 Jul 16, 2023 [link](#) (4) Ministry of Business, Innovation & Employment NZ [link](#)



### LATAM & CARIBBEAN

#### Guatemala

80% renewable energy target by 2027<sup>1</sup>

#### The Caribbean

Regional target of 47% renewable energy by 2027<sup>2</sup>

### APAC

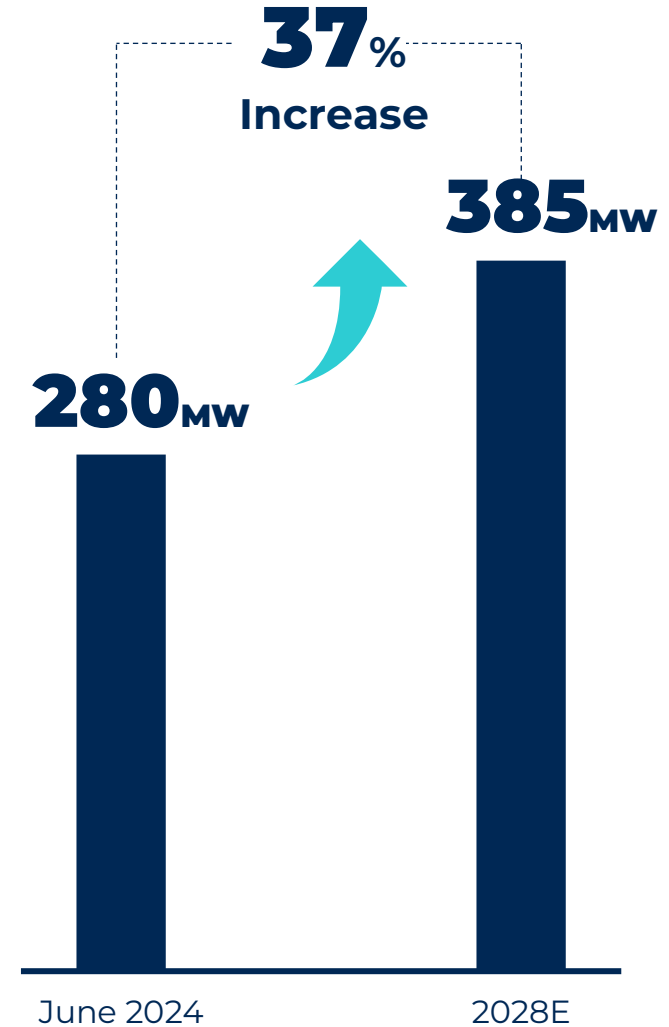
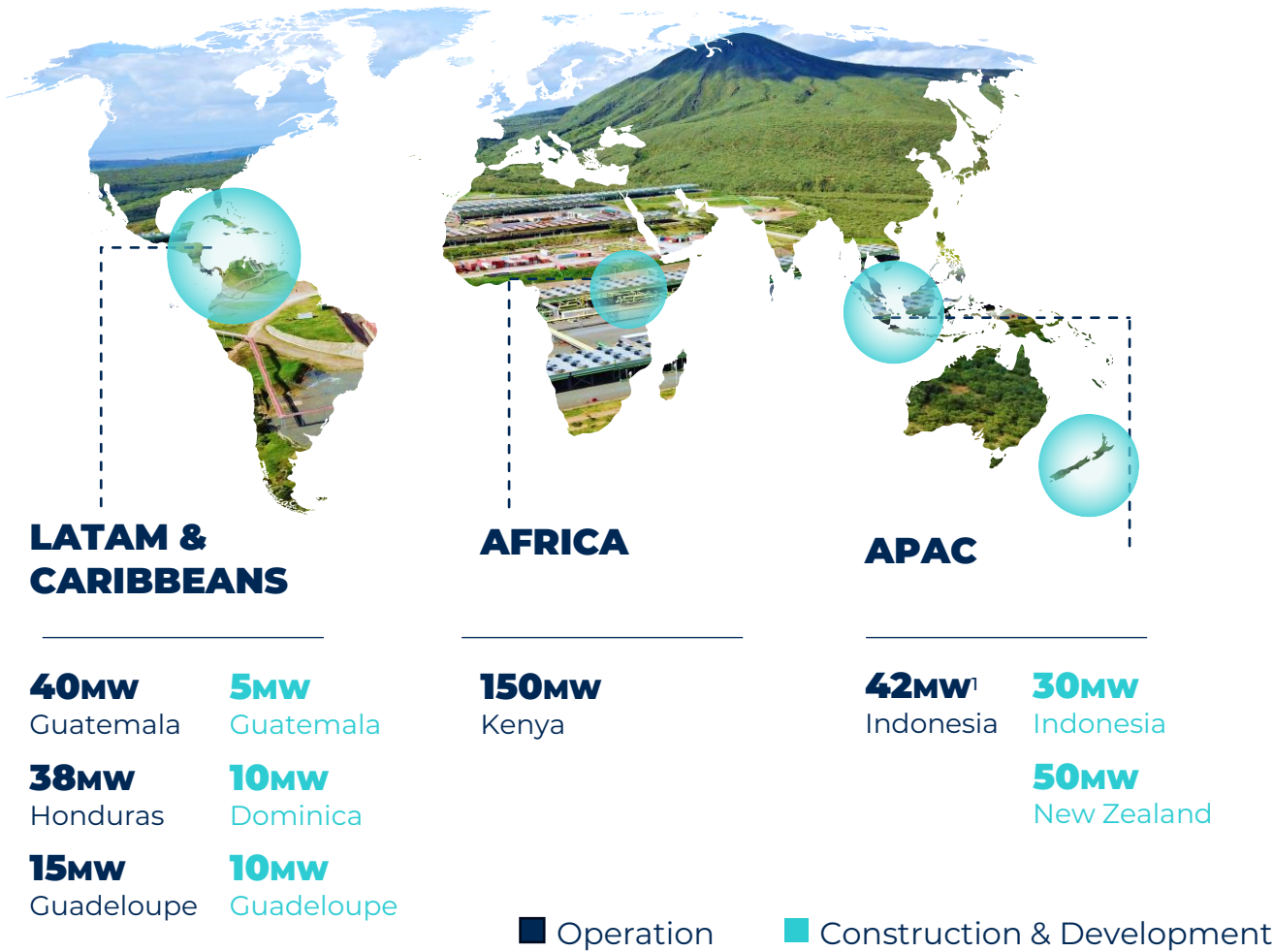
#### Indonesia

3GW increase in geothermal by 2030 and Net zero emission target by 2060<sup>3</sup>

#### New Zealand

100% renewable energy goal by 2030<sup>4</sup>

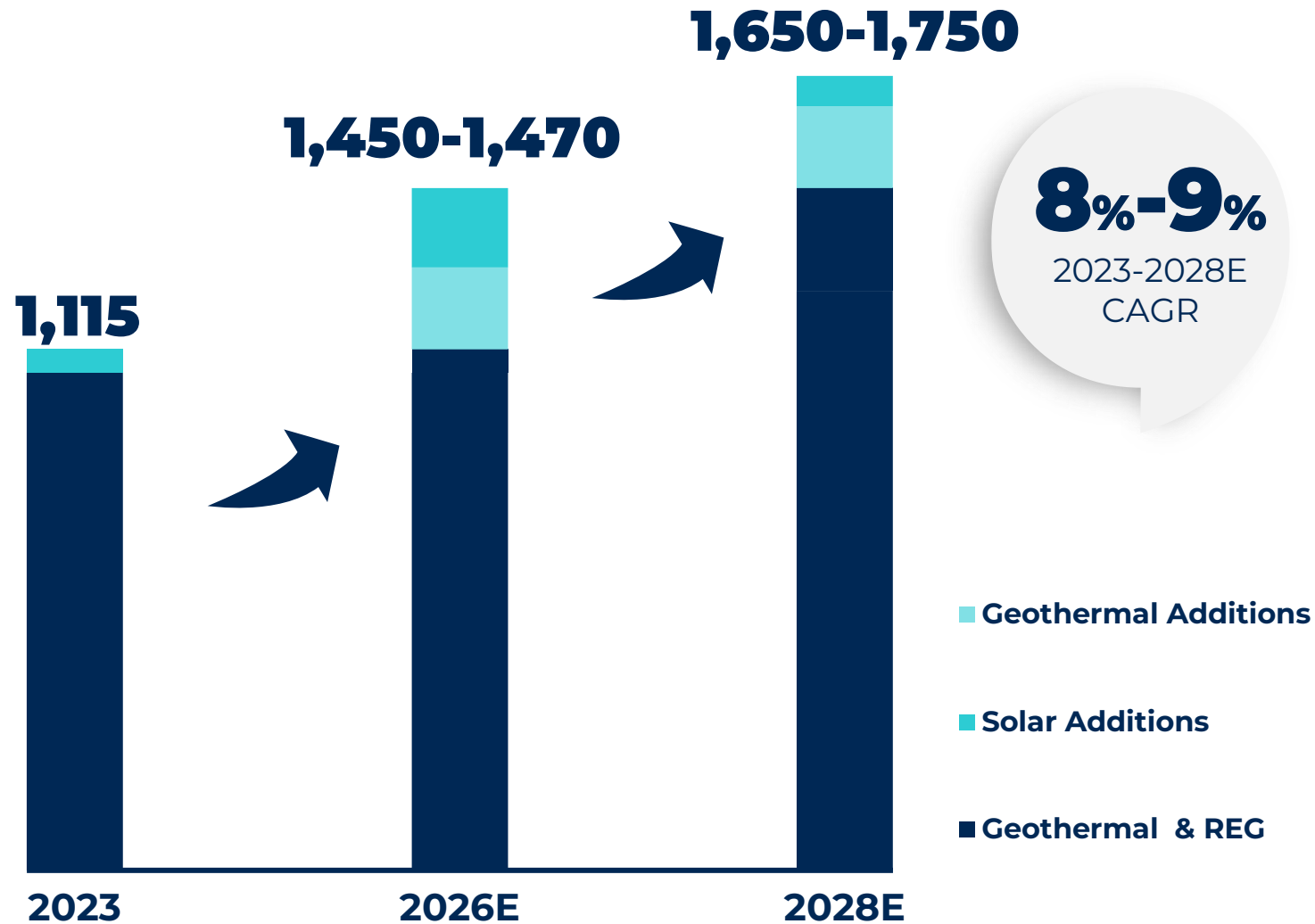
# FORECASTED GLOBAL PORTFOLIO GROWTH



(1) In the Sarulla complex, Indonesia we include our 12.75% share only.

# ELECTRICITY SEGMENT- SUMMARY

## GROWTH TARGETS (MW)





# TRANSFORMING ENERGY STORAGE **INTO A HIGHER GROWTH BUSINESS SEGMENT**

OFER BENYOSEF | EVP ENERGY STORAGE AND  
BUSINESS DEVELOPMENT

# THE KEYS TO ACCELERATING GROWTH

## ENERGY STORAGE



**STRONG  
GROWING  
DEMAND**



**SUPPORTIVE  
REGULATION**



**MARKET DYNAMICS  
ENABLING HIGH  
RETURNS**



**ROBUST  
GROWING  
PIPELINE**



**EXECUTION  
CAPABILITIES**



**STRONG  
FINANCIAL  
POSITION**

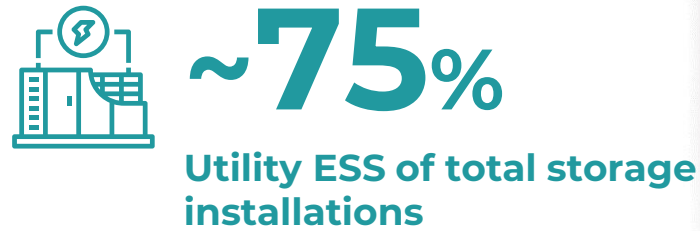
**FAVORABLE MARKET  
CONDITIONS**

**COMPANY'S UNIQUE  
CAPABILITIES**

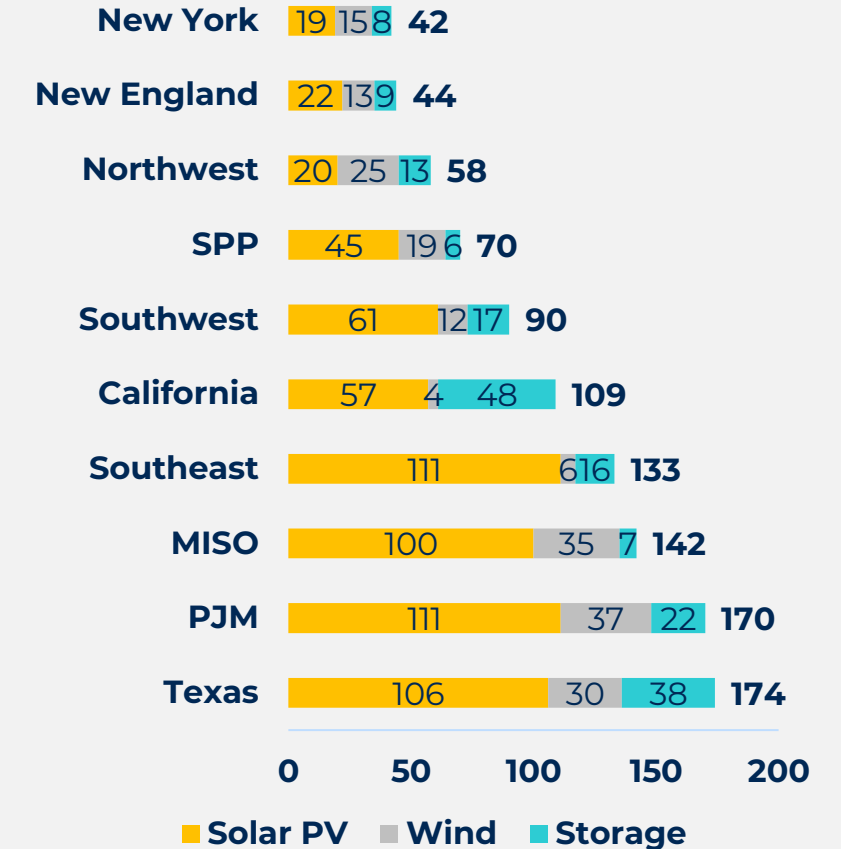


THE CONTINUOUS DEPLOYMENT OF  
INTERMITTENT RENEWABLES  
**WILL BE SUPPORTED BY STORAGE**

**U.S energy market forecasted  
transformation by 2035<sup>1</sup>:**



**Forecasted cumulative clean  
energy installations 2024-2035<sup>1</sup>**  
**GW**



(1) Source: BloombergNEF Clean Energy Market Outlook, May 2024

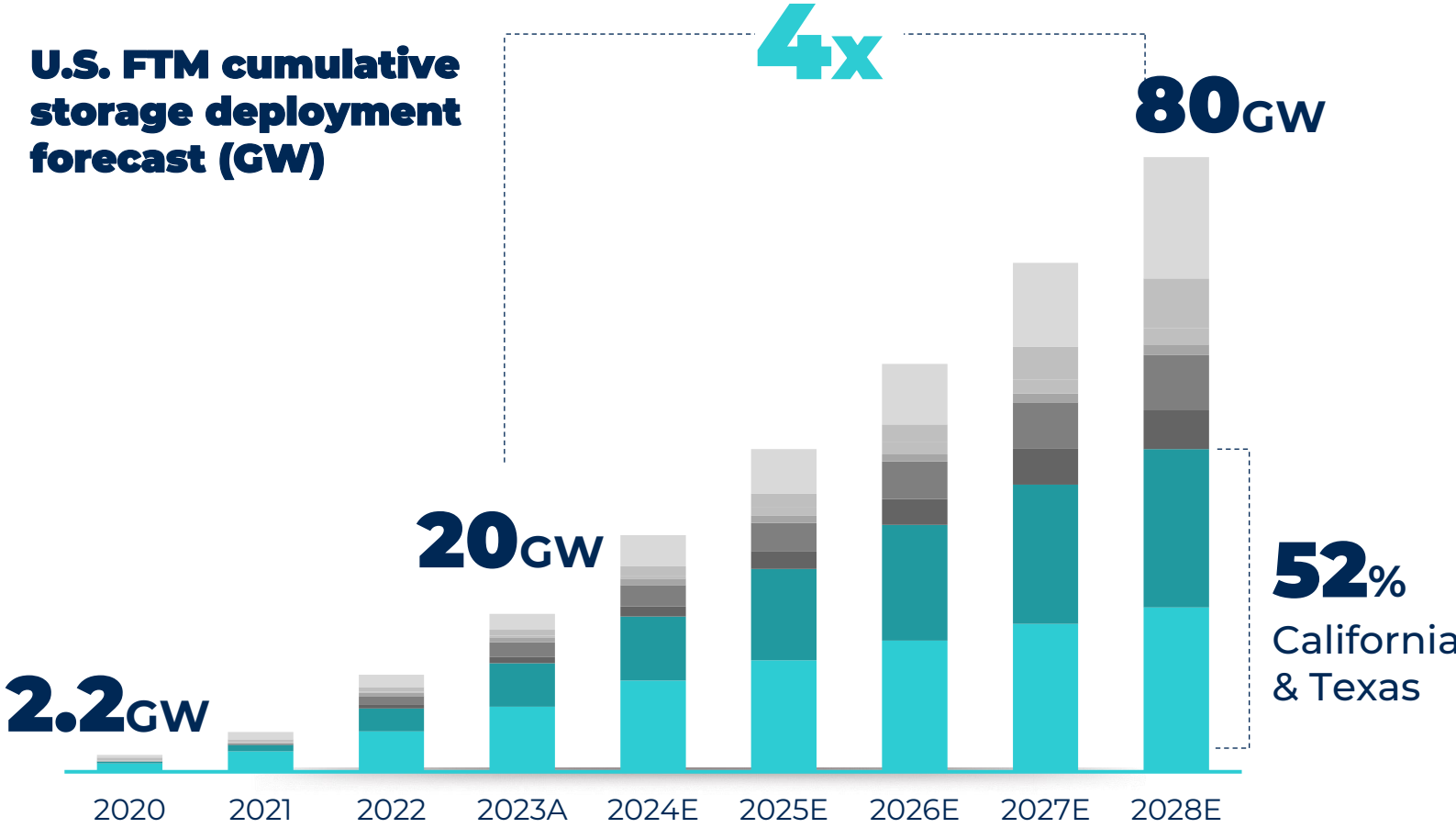




# STEEP GROWTH TRAJECTORY

California & Texas continue to lead the growth

**U.S. FTM cumulative storage deployment forecast (GW)**



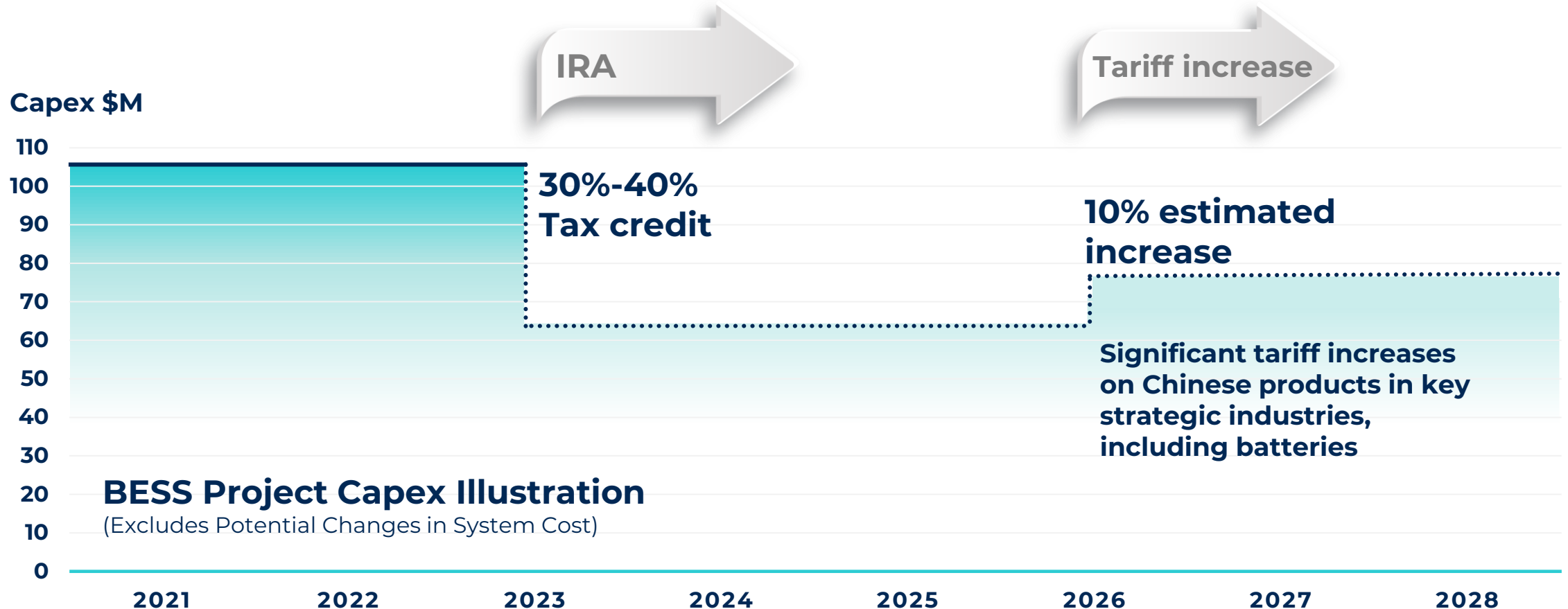
■ California 
 ■ Texas 
 ■ Nevada 
 ■ Arizona 
 ■ Hawaii 
 ■ New York 
 ■ PJM (& NJ) 
 ■ All Others

Source: Wood Mackenzie U.S. energy storage monitor Q1 2024



# IMPACTS OF IRA AND EXPECTED TARIFF INCREASES

**FOR THE FIRST TIME:** IRA EXPANDS ITC TO INCLUDE STANDALONE ENERGY STORAGE  
**30%-40% ITC , allows for Tax credit monetization**



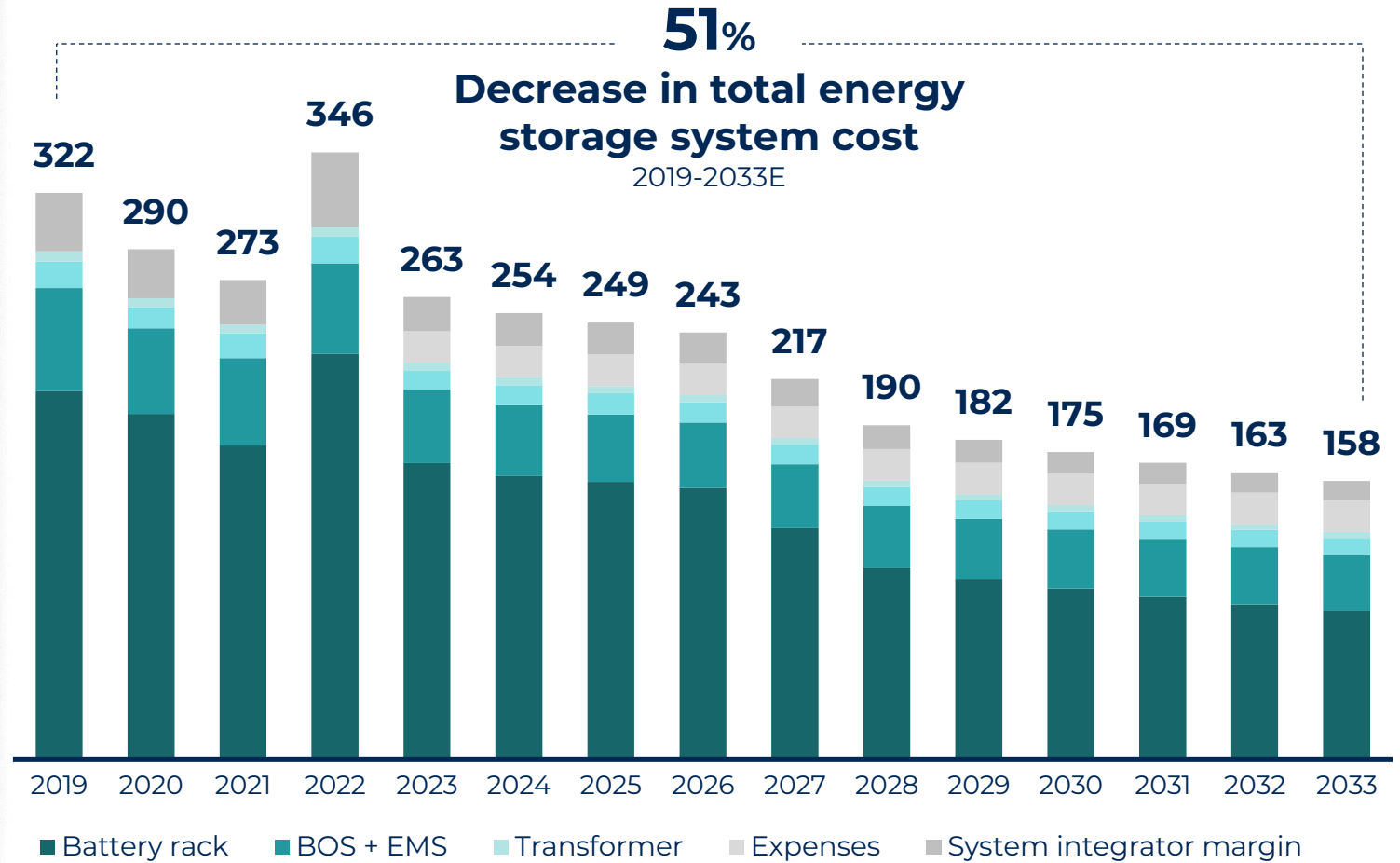
# EQUIPMENT COSTS

Equipment costs are falling, but disruptions expected by 2026 due to tariff increases

Domestic manufacturing potential: Increased battery supply, production, and capacity

## Equipment costs are falling 4-hour Energy Storage System Cost by component

Real 2023 \$/kWh



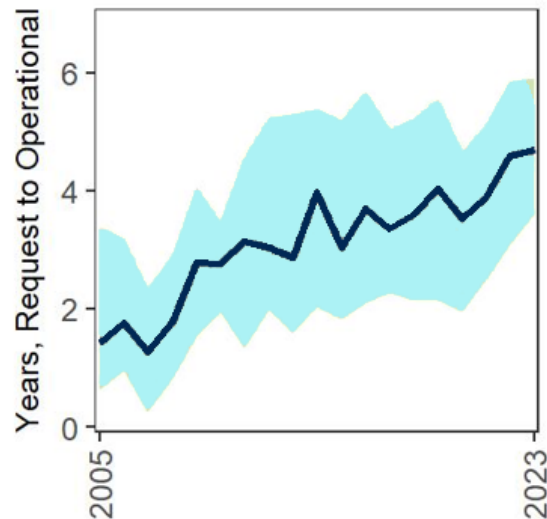
# PPA PRICING TRENDS

SHIFT FROM MERCHANT TO  
CONTRACTED AGREEMENTS,  
**REDUCING MARKET RISK**



# INTERCONNECTION WAIT TIMES ON THE RISE

From **<2 years** (2000-2007)  
to **~5 years** (2018-2023)



## FERC ORDER 2023

Address clogged  
Interconnection queues  
Nationwide

Existing rules incentivized speculative interconnection requests, leading to **unprecedented levels of projects stuck in interconnection queue backlogs and commercial uncertainty**

We anticipate that speculative players will phase out, leading to consolidation and the dominance of larger players

# ORMAT'S GROWTH IN STORAGE



**ROBUST  
GROWING  
PIPELINE**



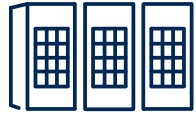
**EXECUTION  
CAPABILITIES**



**STRONG  
FINANCIAL  
POSITION**



# ORMAT'S GROWTH IN STORAGE PORTFOLIO



**190MW/318MWh**  
Current operating portfolio

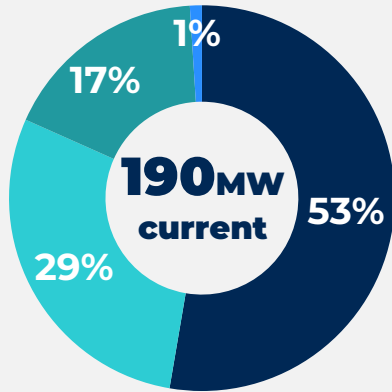


**335MW/1,040MWh**  
Under construction:  
online by YE 2025



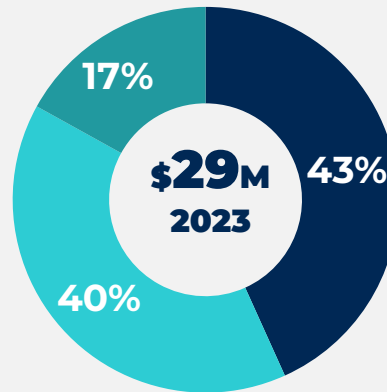
**3.5GW/12.2GWh**  
Pipeline

CURRENT PORTFOLIO BREAKDOWN BY REGION



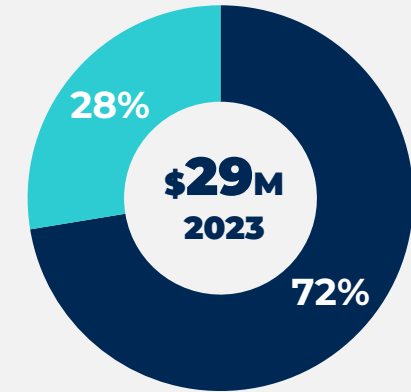
■ PJM ■ CAISO ■ ERCOT ■ ISONE

2023 REVENUES BREAKDOWN BY REGION



■ East Coast ■ CAISO ■ ERCOT

2023 REVENUES BREAKDOWN BY TYPE



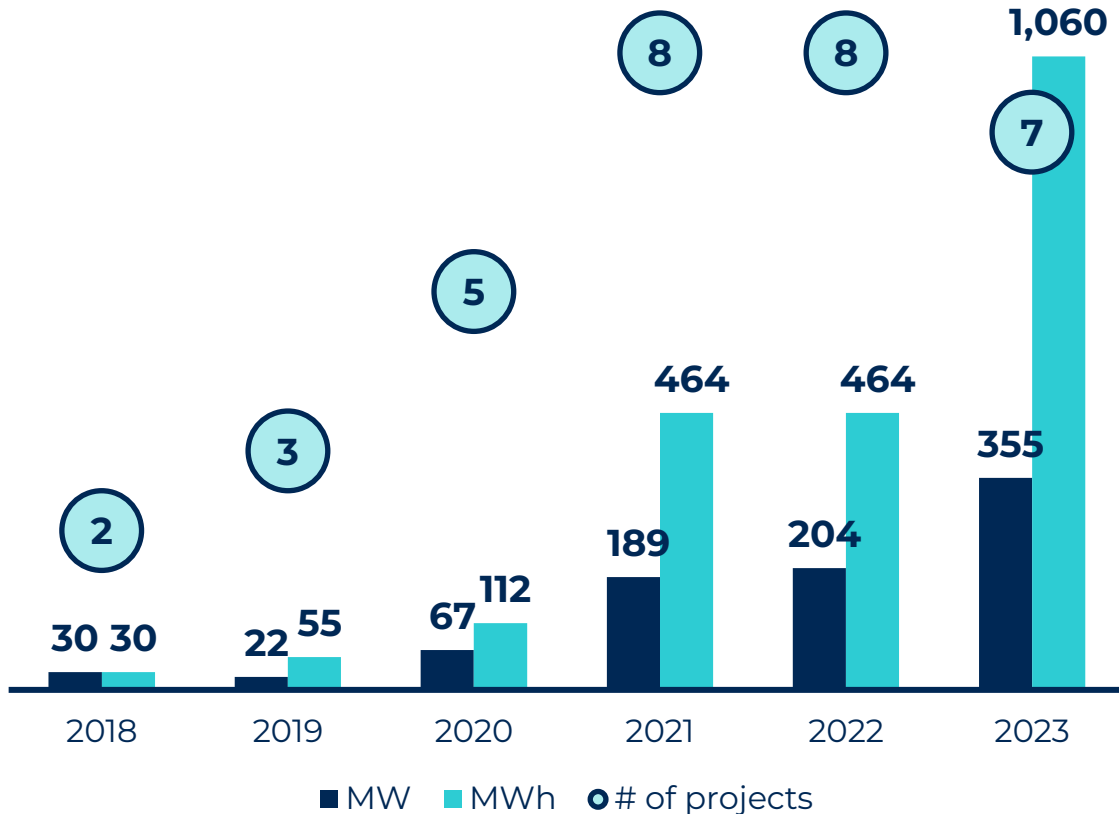
■ Merchant ■ Contracted



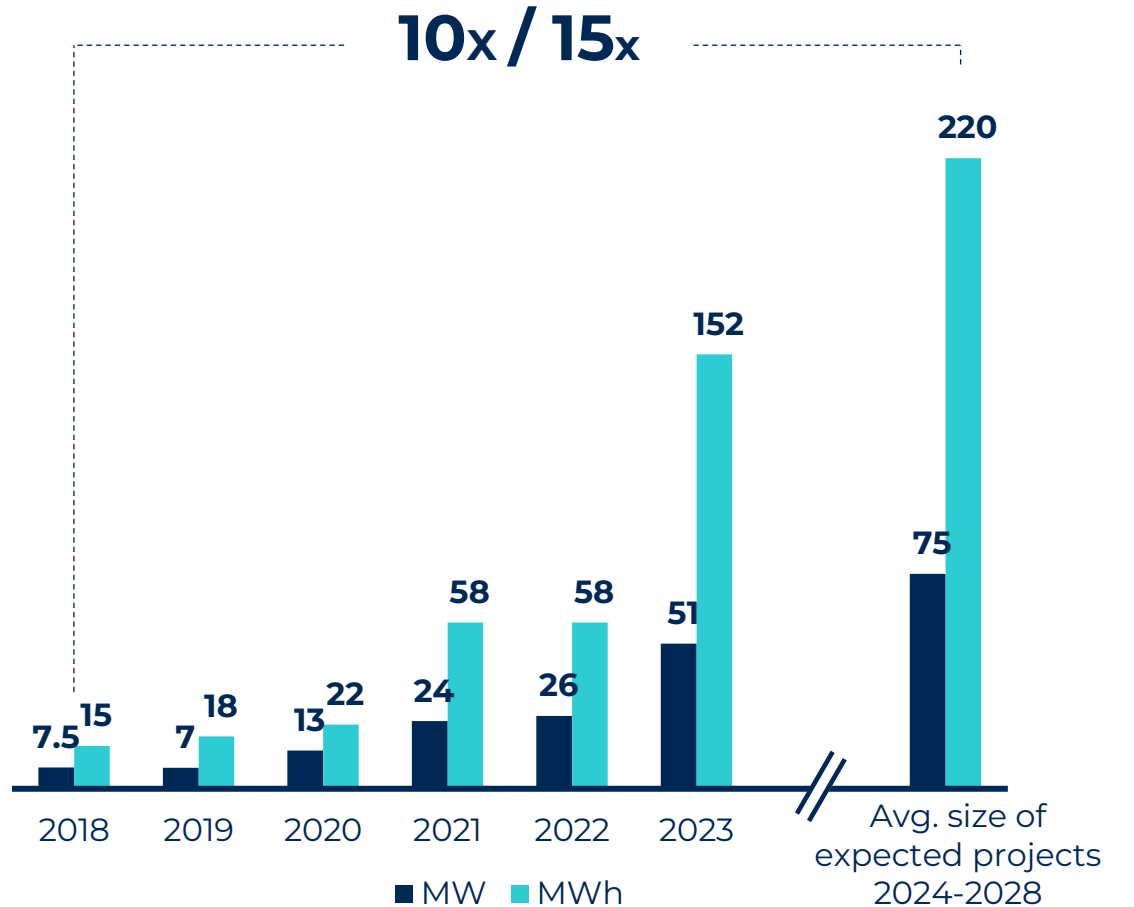
# ORMAT'S GROWTH IN STORAGE

## TRANSITIONING TO LARGER PROJECTS

### Projects under construction (MW/MWh)



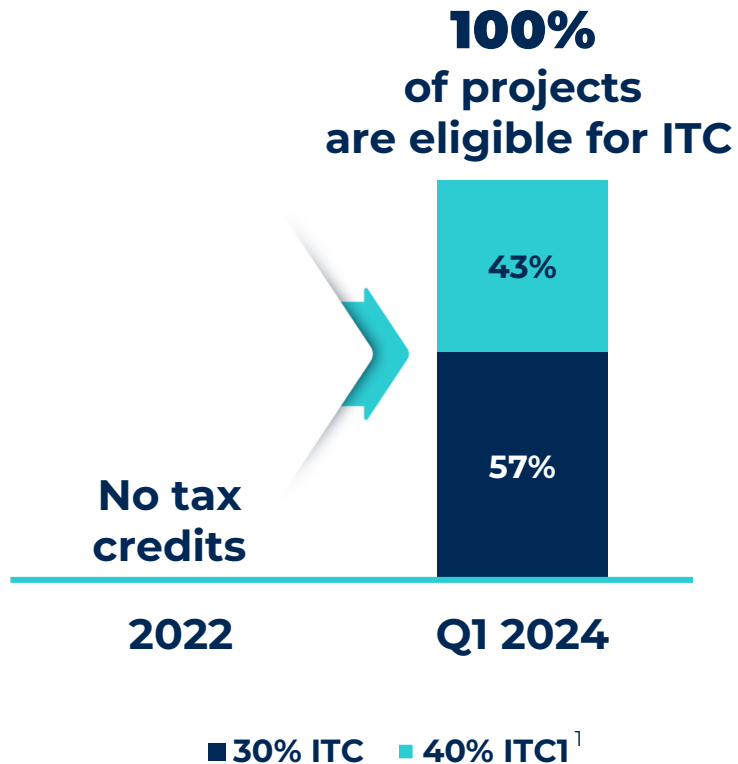
### Average project size



# ORMAT'S GROWTH IN STORAGE

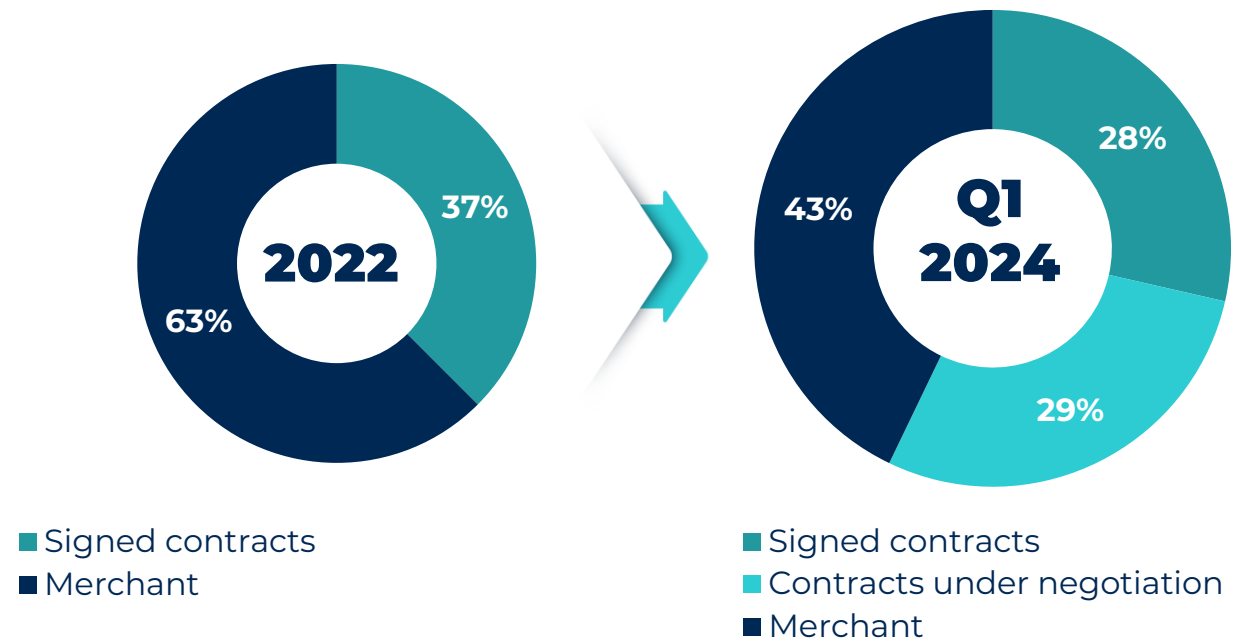
## TRANSITIONING TO A STABLE, PROFITABLE PORTFOLIO

### ITC eligibility for projects under construction



(1) based on 10% adder for Energy Community

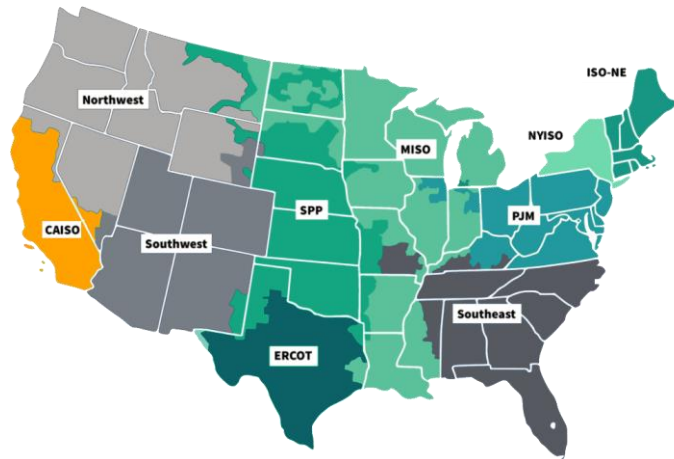
### Projects under development (MW) by contract status and type



# ORMAT'S STORAGE PIPELINE

## 3.5GW / 12.2 GWh

Potential capacity breakdown by region<sup>1</sup>



**California**  
2,105MW/  
8,420MWh



**Southwest**  
500MW/  
2,000MWh



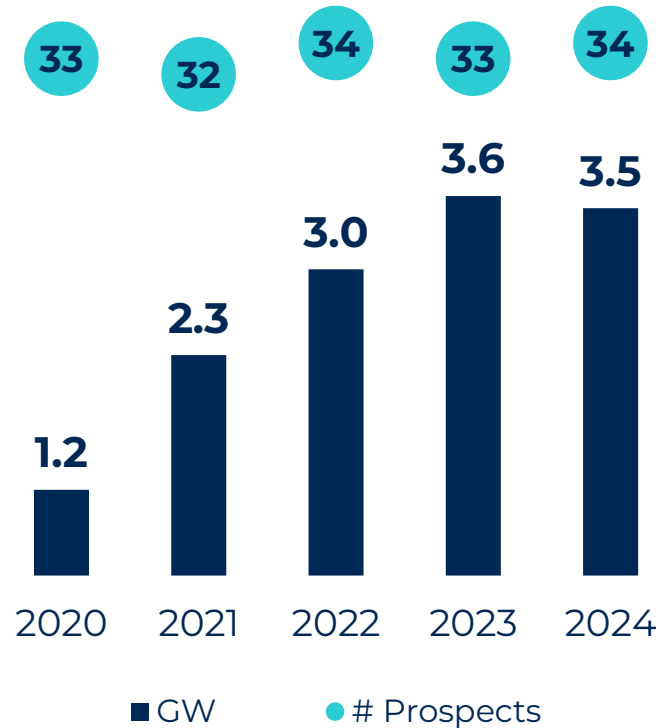
**Texas**  
505MW/  
1,010MWh



**East Coast**  
395MW/  
1,380MWh



## Pipeline Development in GW and No. of Prospects

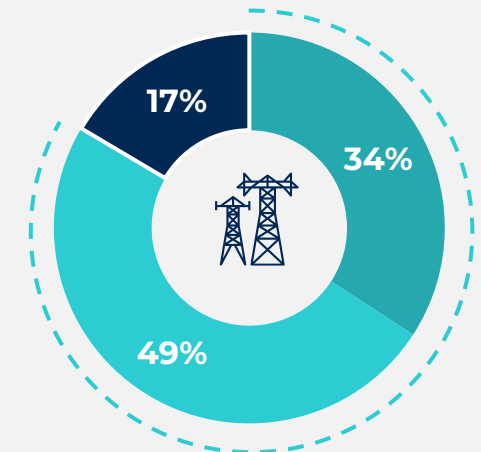


## 84%

of the pipeline has  
GIA or in the queue

### Breakdown by status

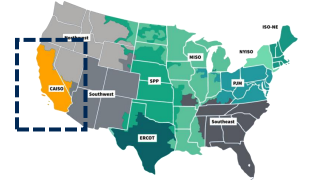
■ GIA ■ Queue ■ Pre submission



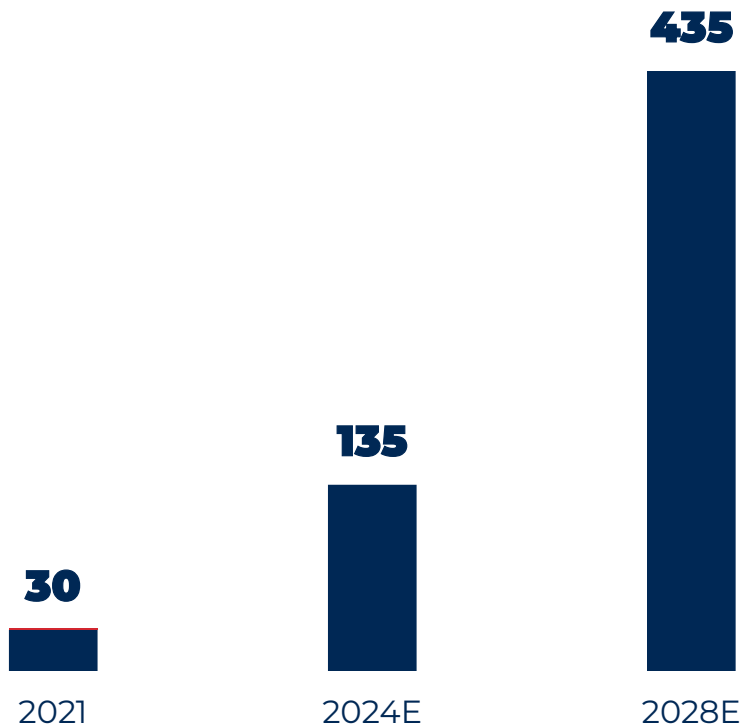
<sup>1</sup>) East coast region includes PJM, ISO-NE, GA. Southwest region includes SPP, AZ, NM, CO  
GIA - Generator Interconnection Agreement



# CAISO MARKET<sup>1</sup>



## ORMAT'S GROWTH TARGET (MW)<sup>1</sup>



## REVENUES BREAKDOWN BY TYPE

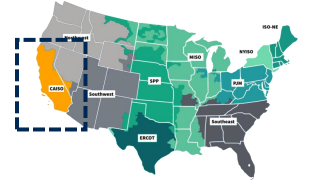


(1) CAISO- California Independent System Operator



# CAISO MARKET<sup>1</sup>

## ILLUSTRATIVE (BESS) MODEL



### 4 HOURS, STAND ALONE BESS, CAISO

SIZE	100MW/400MWh
TERM	20 Years
ITC	30%-40%
Total CAPEX <sup>2</sup>	\$110-\$120M
Avg. Annual Revenue	\$19M – \$20M
Avg. Gross Margin	33%-37%
Avg. EBITDA Margin	72%-74%



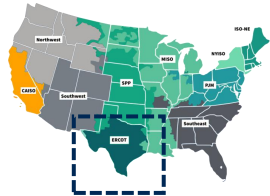
**9.5%-12.6%**  
IRR - ITC Transfer

**11.3%-15.2%**  
IRR - ITC Tax Equity

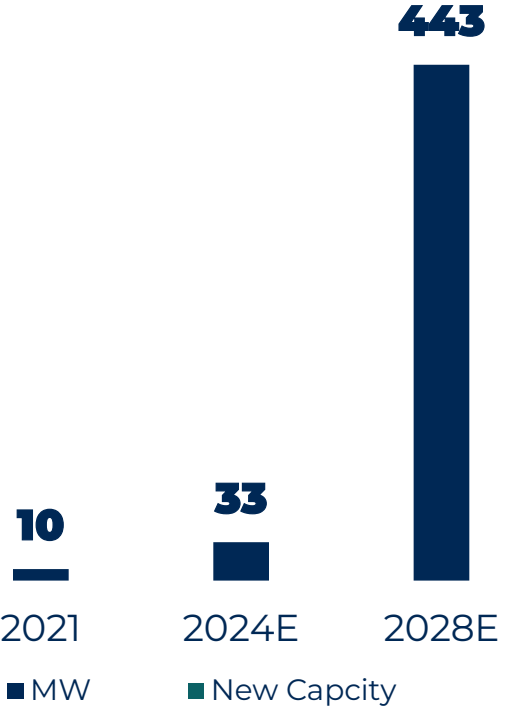
**5-7 yrs.**  
payback  
period

(1) CAISO- California Independent System Operator

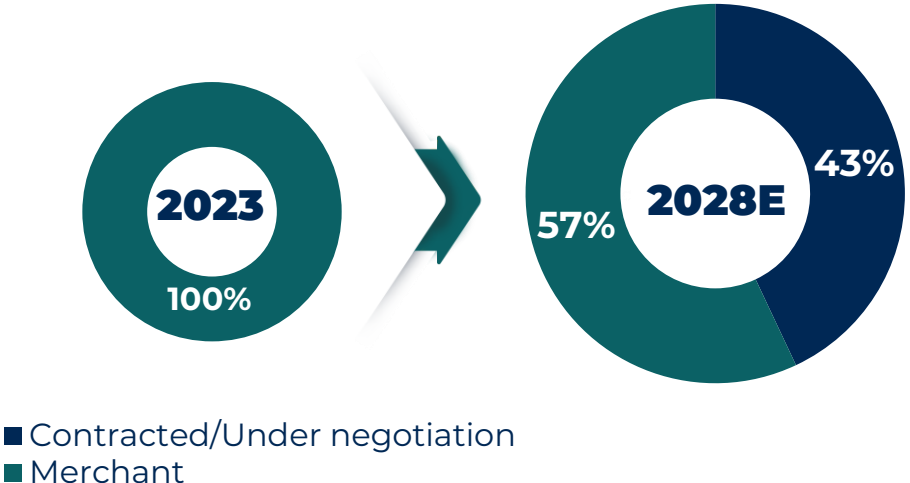
# ERCOT MARKET<sup>1</sup>



## ORMAT'S GROWTH TARGET (MW)



## EXPECTED REVENUES BREAKDOWN BY TYPE



## REGIONAL TRENDS

### “REAL TIME CO OPTIMIZATION”<sup>2</sup>

2025/2026 ERCOT to implement “real time co-optimization” regime

Ancillaries and energy will be sold in real time in 5-minute intervals in addition to “day ahead”

### MOVING TO 5-7 YEARS TOLLING AGREEMENTS

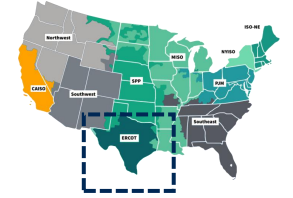
2023/2024 – increasing demand for fixed price agreement mainly by local traders

(1) ERCOT - Electric Reliability Council of Texas



# ERCOT MARKET<sup>1</sup>

ILLUSTRATIVE (BESS) MODEL



## 2 HOURS, STAND ALONE BESS, ERCOT

SIZE	100MW/200MWh
TERM	19 Years
ITC	30%-40%
Total CAPEX <sup>2</sup>	\$70-\$80M
Avg. Annual Revenue	\$11.0M – \$11.5M
Avg. Gross Margin	31%-32%
Avg. EBITDA Margin	68%-69%



**9.5%-9.8%**  
IRR - ITC Transfer

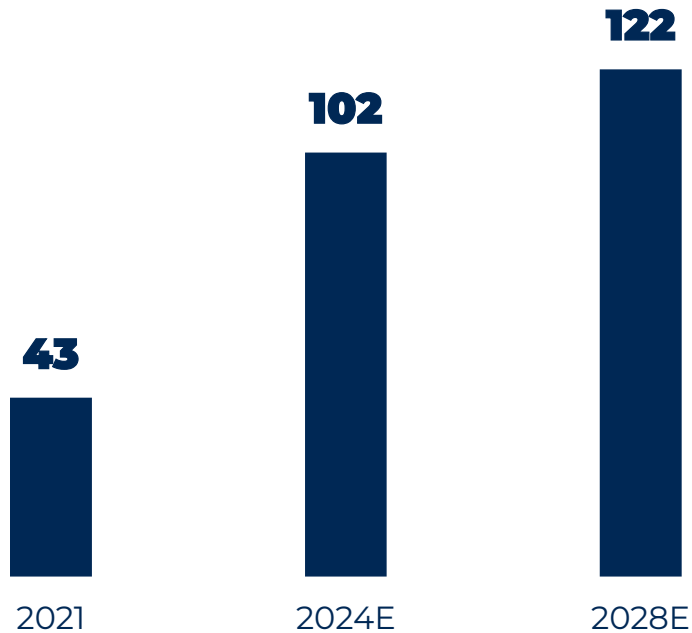
**7-8yrs.**  
payback  
period

**11.2%-12.1%**  
IRR - ITC Tax Equity

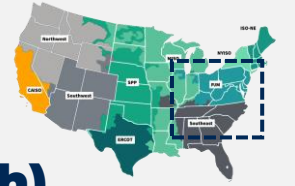
(1) CAISO- California Independent System Operator

# EAST COAST MARKET<sup>1</sup>

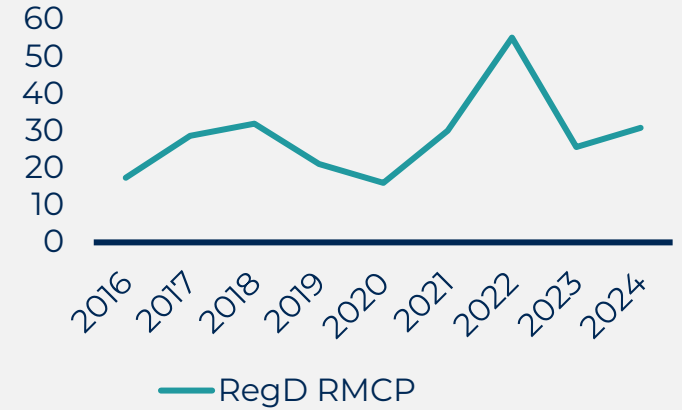
## ORMAT'S GROWTH TARGET (MW)



(1) East coast market includes PJM, ISO-NE, NYISO and VT.



## PRICES (\$/MWh)



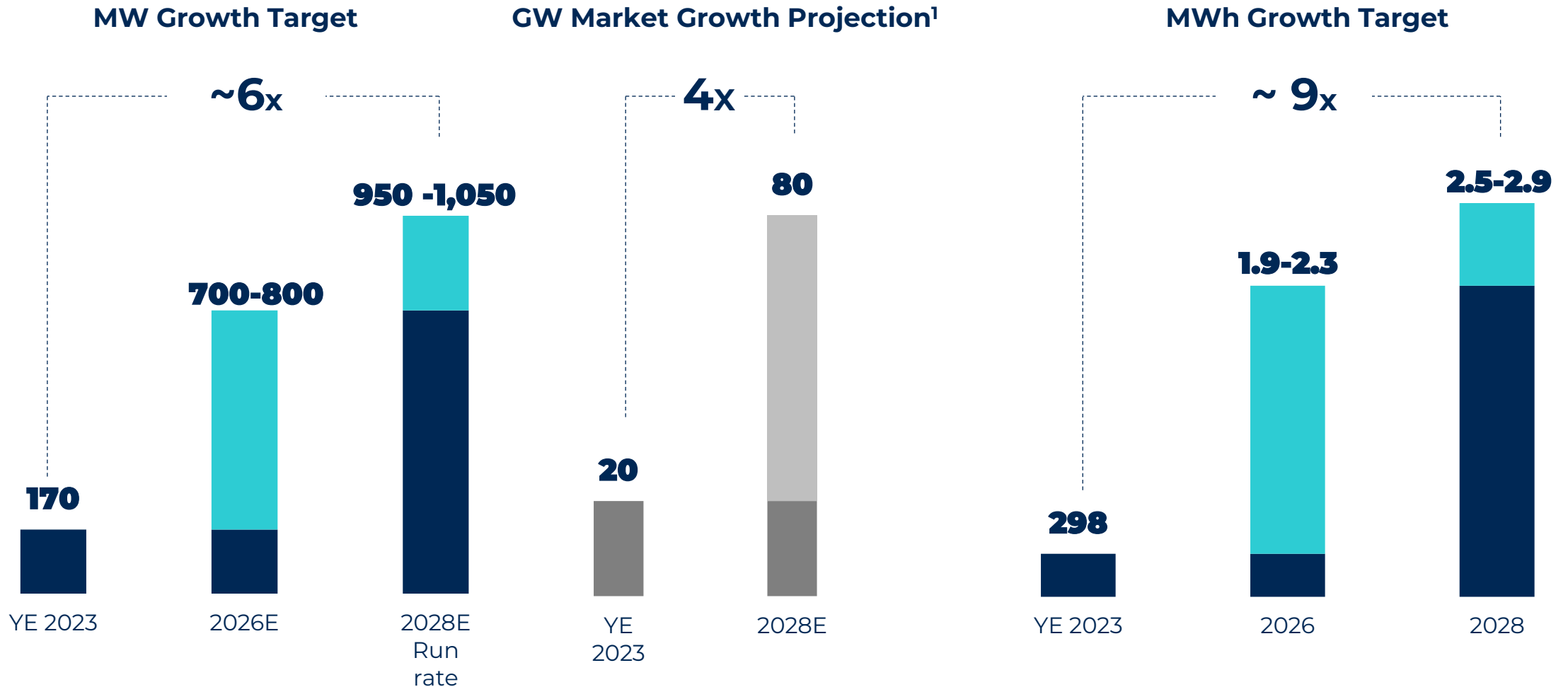
## REG D

Fast-oscillation regulation signal, designed for resources with high ramp rates and limited duration, mainly BESS



# ORMAT GROWTH TARGETS

PIPELINE HAS INTERCONNECTION AGREEMENT



(1) Source: Wood Mackenzie U.S. energy storage monitor Q1 2024



# PATHWAY TO ENHANCED GROWTH AND MARGINS

## REVENUES TARGETS

(\$M)  
~5.5x

**\$155-\$165**

**\$29**



**2023**



**2028E  
Run  
Rate**

## GROSS MARGIN TARGETS

**6%**

2023

**20%-25%**

2024E-2028E

## ADJ. EBITDA MARGIN TARGETS

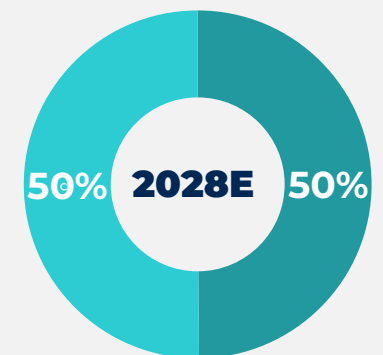
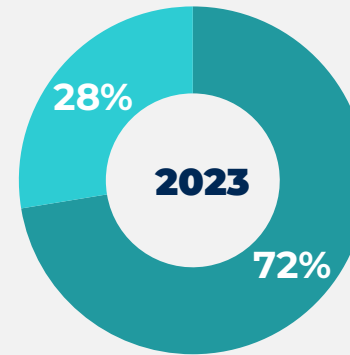
**34%<sup>(1)</sup>**

2023

**~60%**

2024E-2028E

## TARGETING A BALANCED REVENUE MIX



■ Merchant ■ Contracted

(1) See appendix for reconciliation of non-GAAP financial measures.



# KEY TAKEAWAYS

**01** **STRONG GROWING DEMAND**

**04** **HIGHER PROFITABILITY**

**02** **SUPPORTIVE REGULATION**

**05** **LARGER PROJECTS WITH  
REDUCED CAPEX**

**03** **CAPEX REDUCTION**



# INNOVATION AND ESG

DORON BLACHAR, CEO

# DRIVING INTERNAL AND EXTERNAL INNOVATION



**NEW  
TECHNOLOGIES**



**CVC**



**EGS**

# CONSTANTLY INNOVATING WITH CUTTING-EDGE TECHNOLOGIES

IN OUR INDUSTRY AND BEYOND



## In- house “startups” for potential future growth

Mechanical long duration energy storage

CO2 gas liquification at ambient temperatures

Vapor absorption refrigeration cycle



## Internal innovation and open innovation

Innovation ecosystem, contributing to both incremental improvements and groundbreaking advancements

Utilizing **AI** in our operations to improve efficiency



NEW TECHNOLOGIES



# CORPORATE VC

Focus on technologies with the potential to create:

**01** New growth engines

**02** Enhance existing business

## DISRUPTIVE TECH:

Renewable & Waste Heat

Geothermal Subsurface

Water Technologies

## NEW TECH MARKETS

Energy Storage

Hydrogen Technologies

Carbon Capture



**ORMAT**  
NEW VENTURES

Leveraging Ormat's capabilities to boost startup valuation

Securing long-term commercial agreements alongside direct investments



CVC



# ENHANCED GEOTHERMAL SYSTEMS

**40<sub>GW</sub>**

Conventional  
Estimated potential



**5,500<sub>GW</sub>**

Next generation  
Estimated potential



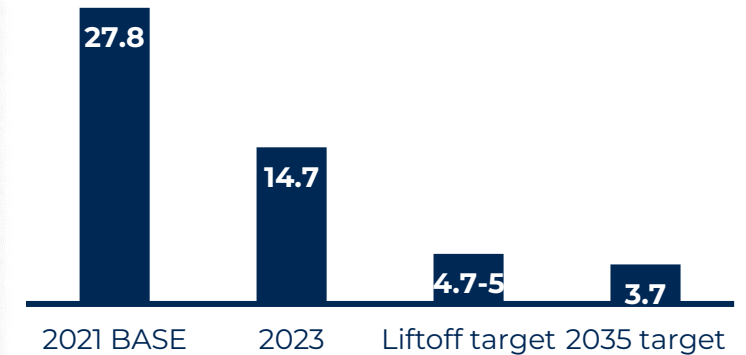
## DOE:

Next-gen technologies boost U.S. geothermal energy to 90 GW by 2050, expanding resource potential to 5,500 GW



EGS

## Potential cost reduction, \$M/MW



### Challenges:

- Heat Removal from Hot Rock
- High costs
- Fracking has negative connotations

### Advantages

- Fewer environmental concerns due to lack of hot springs
- Can access areas with heat but no permeability



# ESG UPDATE

## Zero emission project growth

## By 2028:

Avoids ~1M tCO<sub>2</sub> annually

45% increase in avoided emissions

## Board diversity

Increased female representation to 44%

## Reporting

Preparing to new SEC regulation and alignment to TCFD requirements





# MAINTAINING OUR MARKET LEADERSHIP IN THE PRODUCT SEGMENTS

ASSI GINZBURG | CFO

# LEVERAGING PRODUCT SEGMENT FOR ELECTRICITY SEGMENT GROWTH



Manufacturing and supply chain control ensures quality and timelines



Efficient power plant maintenance and troubleshooting



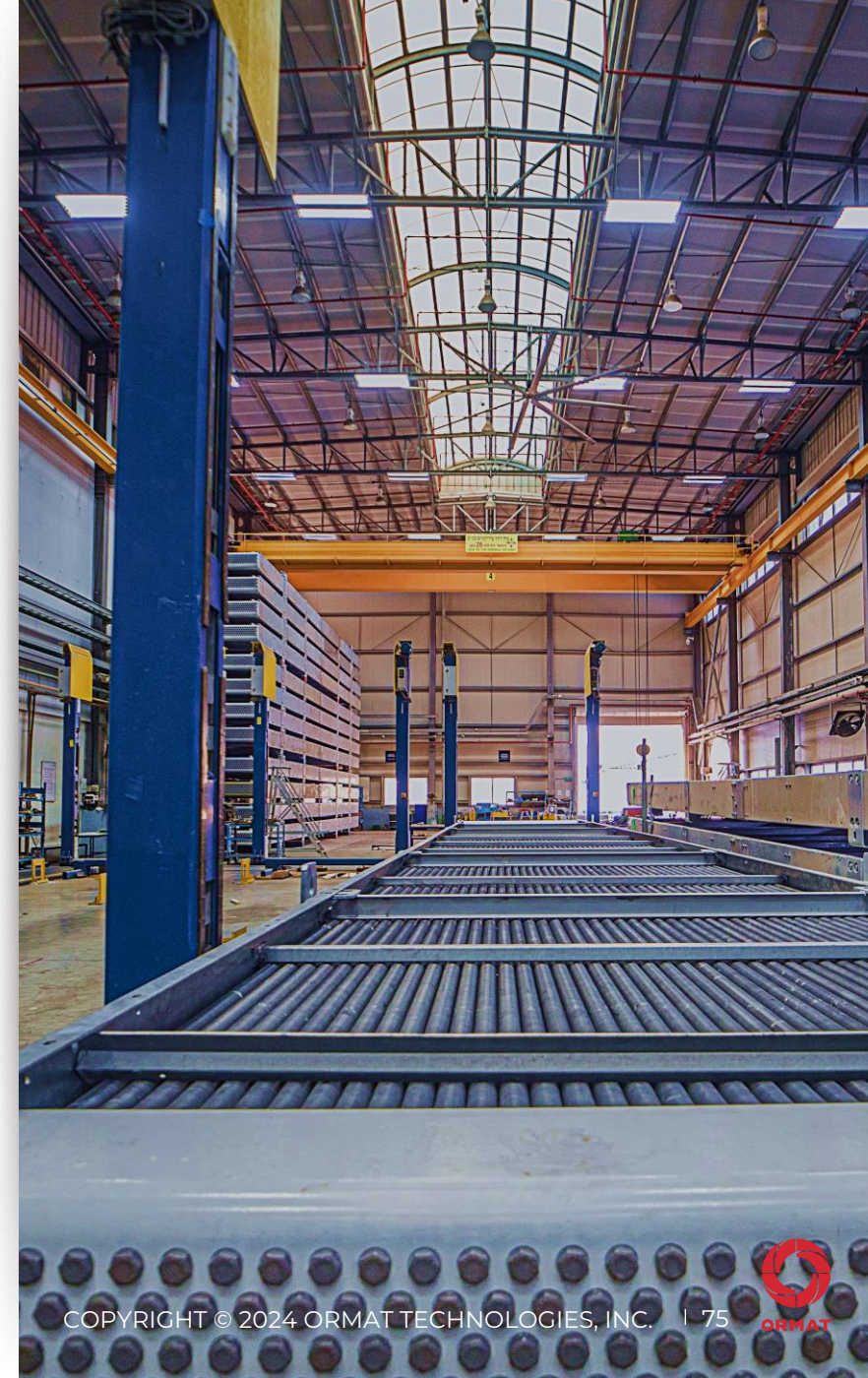
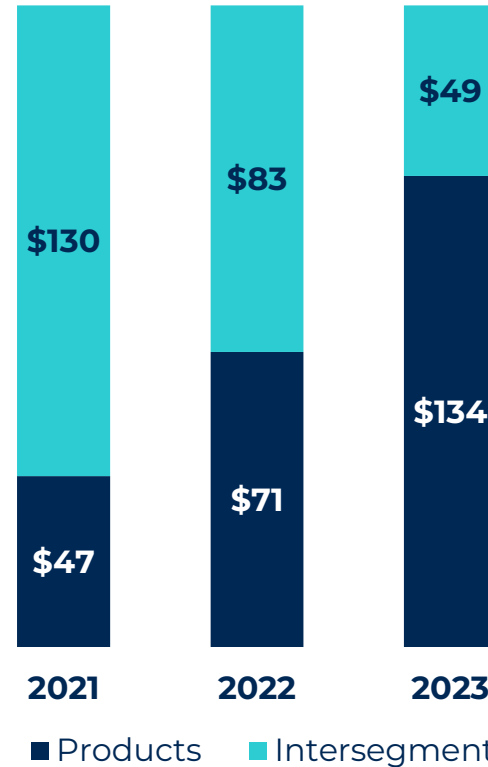
Accelerated project timelines and reduced costs



Incorporating latest technologies and best practices

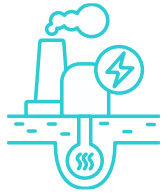
## PRODUCT SEGMENT AND INTER-SEGMENT REVENUES

PROPORTIONS AND AMOUNT (\$M)

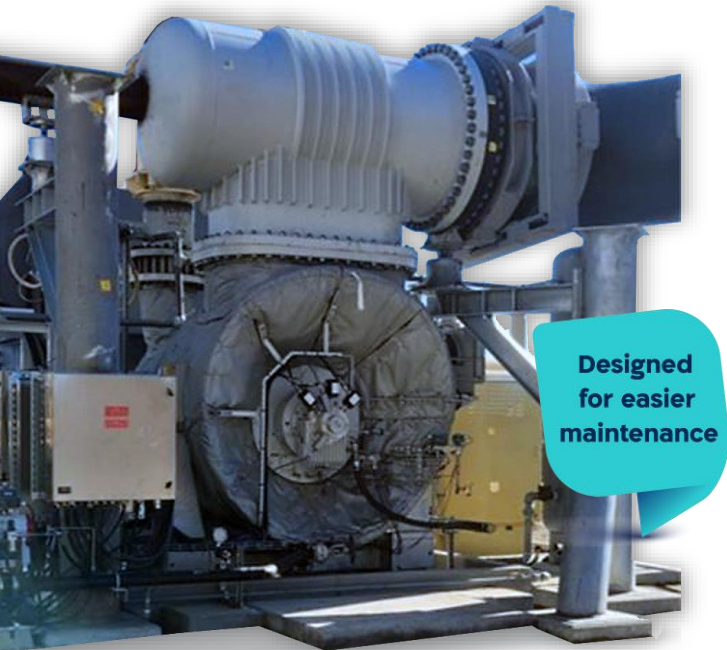


# IMPROVING OUR PRODUCT OFFERING

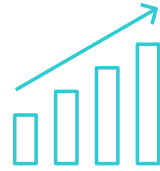
New improved turbines allow us to:



Compete with the steam turbine industry



Designed for easier maintenance



Expand our product segment revenues

**50**

Largest shaft power of up to **50 MW**

**10**

**10 years** potential longevity of mean time between planned maintenance

**7**

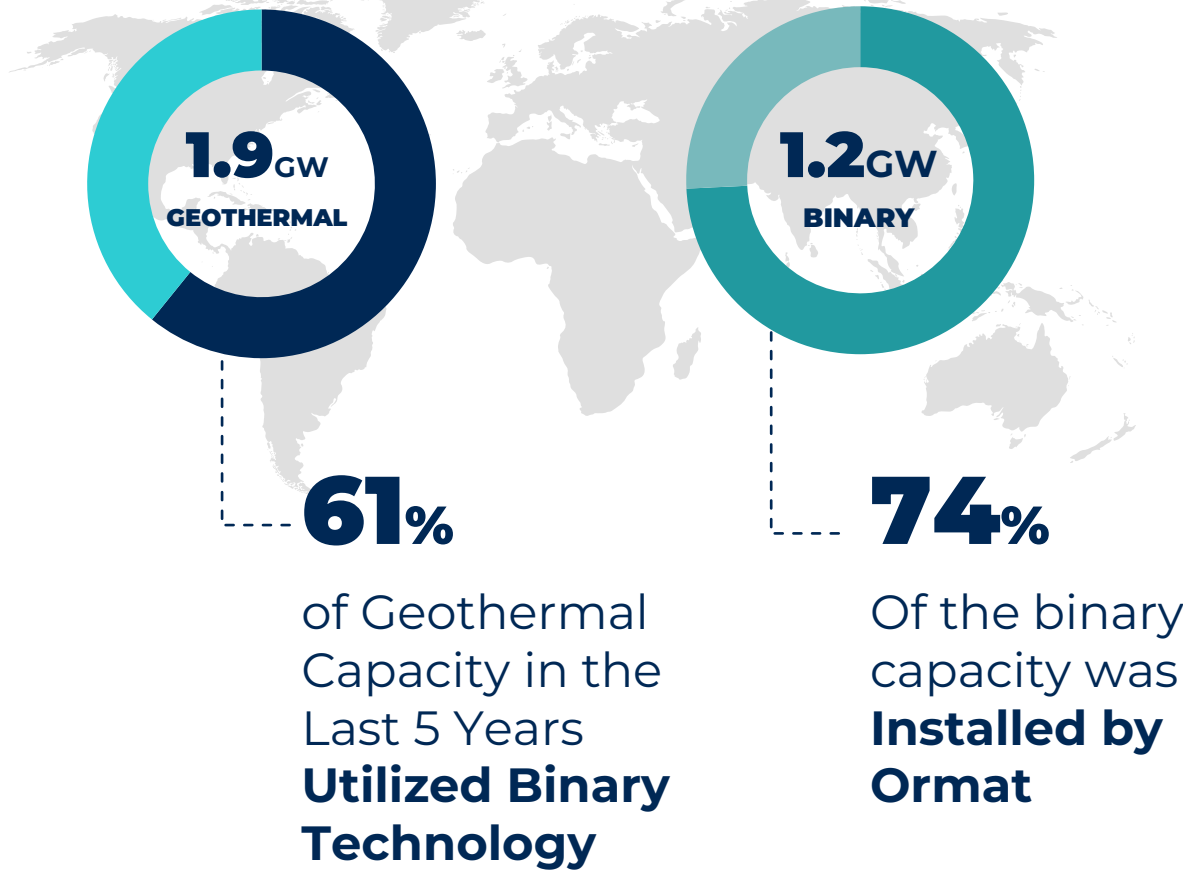
Turbine rotor supports up to **7** stages

**NEW TUBES MANUFACTURING LINE:**  
Reduce costs and timeline



# ORMAT: THE DOMINANT FORCE IN THE BINARY GEOTHERMAL INDUSTRY

## GEOTHERMAL NEW CAPACITY IN THE LAST 5 YEARS



01

**Utilizing wide range of resource temperatures**  
expands the variety of usable geothermal sites.

02

**Environmental Benefits**  
closed-loop system minimizes greenhouse gas emissions and reduces the impact on local water resources

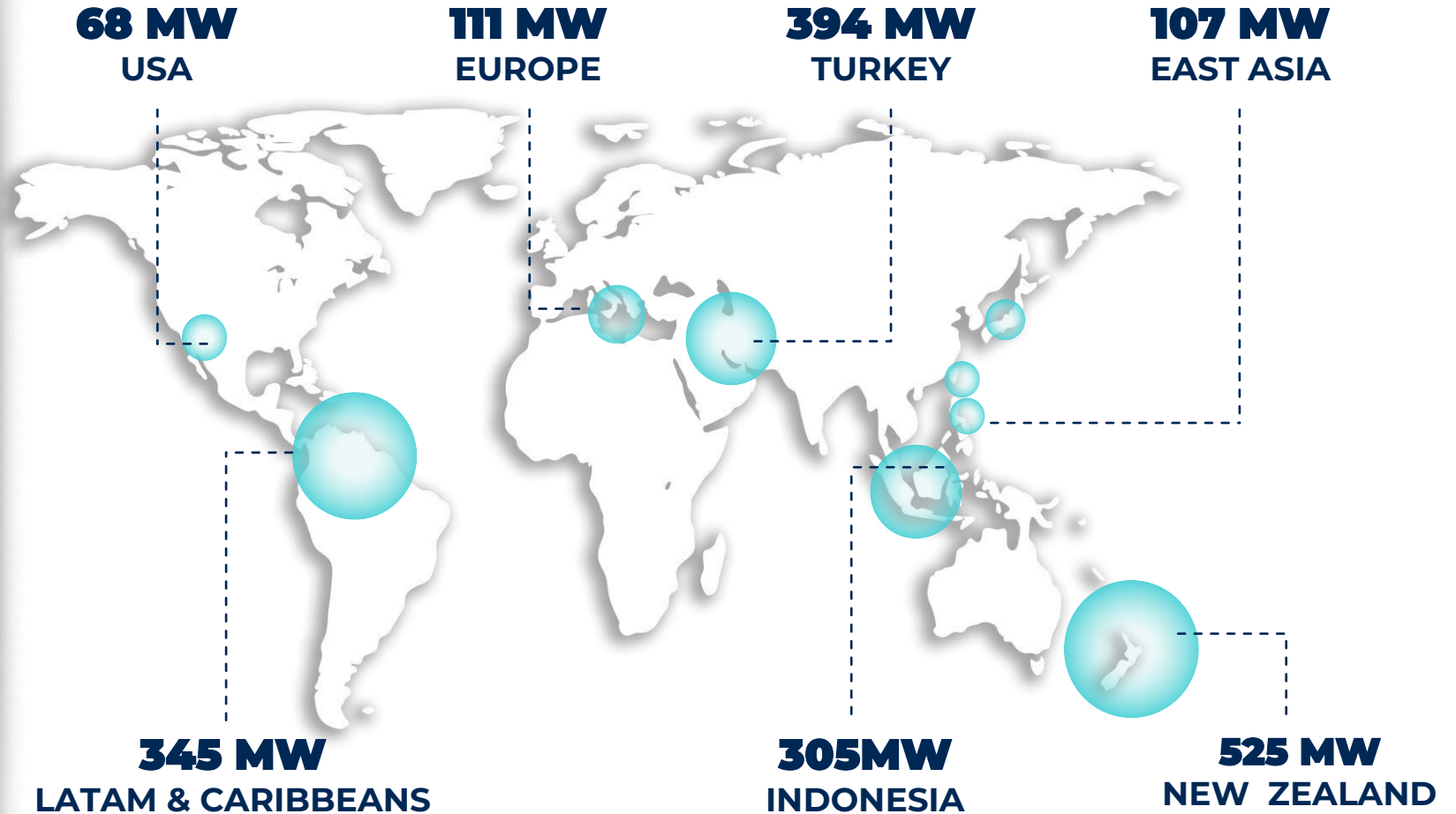
03

**Scalability**  
can be built on a smaller scale and then expanded as needed

# MARKET OVERVIEW

# 1.8 GW

OF BINARY GEOTHERMAL CAPACITY TO BE DEVELOPED IN NEXT 5 YEARS



Source of above charts: ThinkGeoEnergy - "Geothermal Market Analysis YE 2023" by Alexander Richter from November 2023; Data is presented at gross installed capacity; Ormat internal database.



# MARKET OPPORTUNITY: **NEW ZEALAND**



**#5**

Globally in Installed  
Geothermal Capacity<sup>1</sup>

**~400MW**

of NZ geothermal capacity  
was supplied by Ormat - ~40%  
market share

**525MW**

Under development  
in the next 5 yrs.

**100%**

Net Zero carbon  
emission target by 2050

Sources: (1) As of YE 2023 [thinkgeoenergy](https://www.thinkgeoenergy.com)

**New geothermal resource management  
plan established for Rotorua**

TAOM, NZ 28MW

**Eastland Group raises capital to support  
geothermal projects in New Zealand**

**Contact Energy Expects 95%  
Renewable Generation by Mid-2027**

**Green Fire announces partnership for  
geothermal in New Zealand and Canada**

**Fast-track consenting approved for  
Taheke geothermal project**



# MARKET OPPORTUNITY: INDONESIA



## 305MW

### Potential for product segment 2024 to 2027

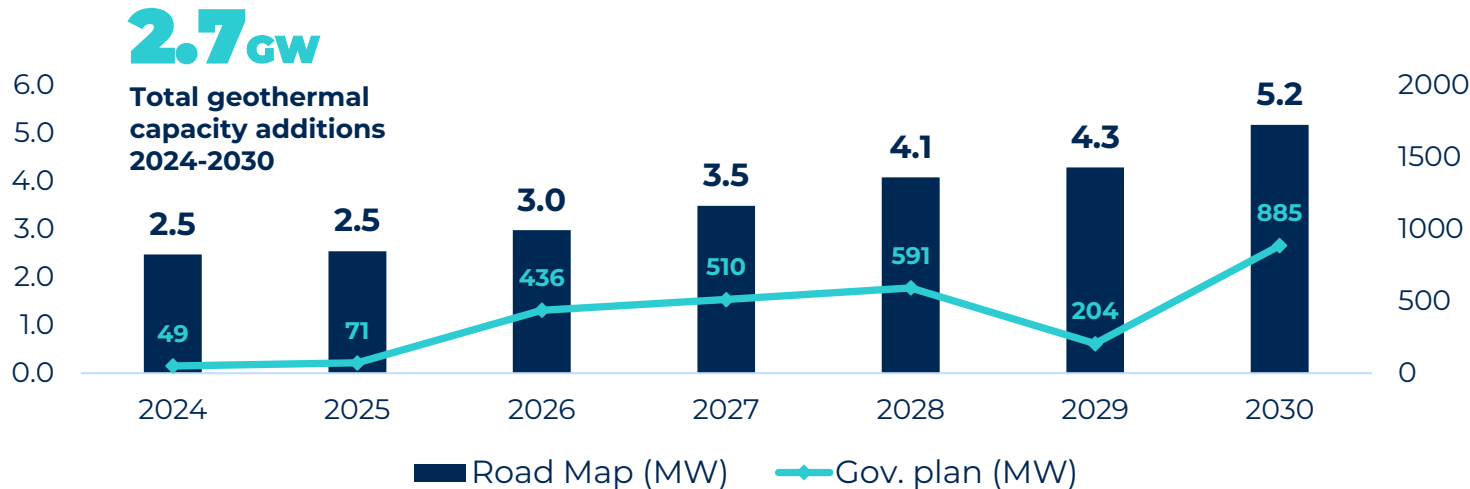
No Drilling needed by developer  
Brine Bottoming Unit &  
Low-Pressure Wells Unit

## +1GW

### Potential for electricity & product segment 2026 TO 2030

Drilling needed by developer

### Planned Geothermal Capacity Additions by 2030<sup>1</sup>



(1) Indonesian Government - a NEW GEOTHERMAL ROADMAP, April 2024



Committed to Renewables  
in achieving Net Zero by  
2060

New Tariff Regime and  
incentives for geothermal

Open to 100% foreign-owned  
geothermal business sector



# PROVIDING CARBON-FREE POWER PLANTS IN GROWING MARKETS



**01**

**Offering premium solution that provides zero-emission geothermal power plant**

**02**

**Increase demand from New Zealand and Indonesia creates potential for the segment**

**03**

**Innovated improved technology to be installed in our customer's power plants**



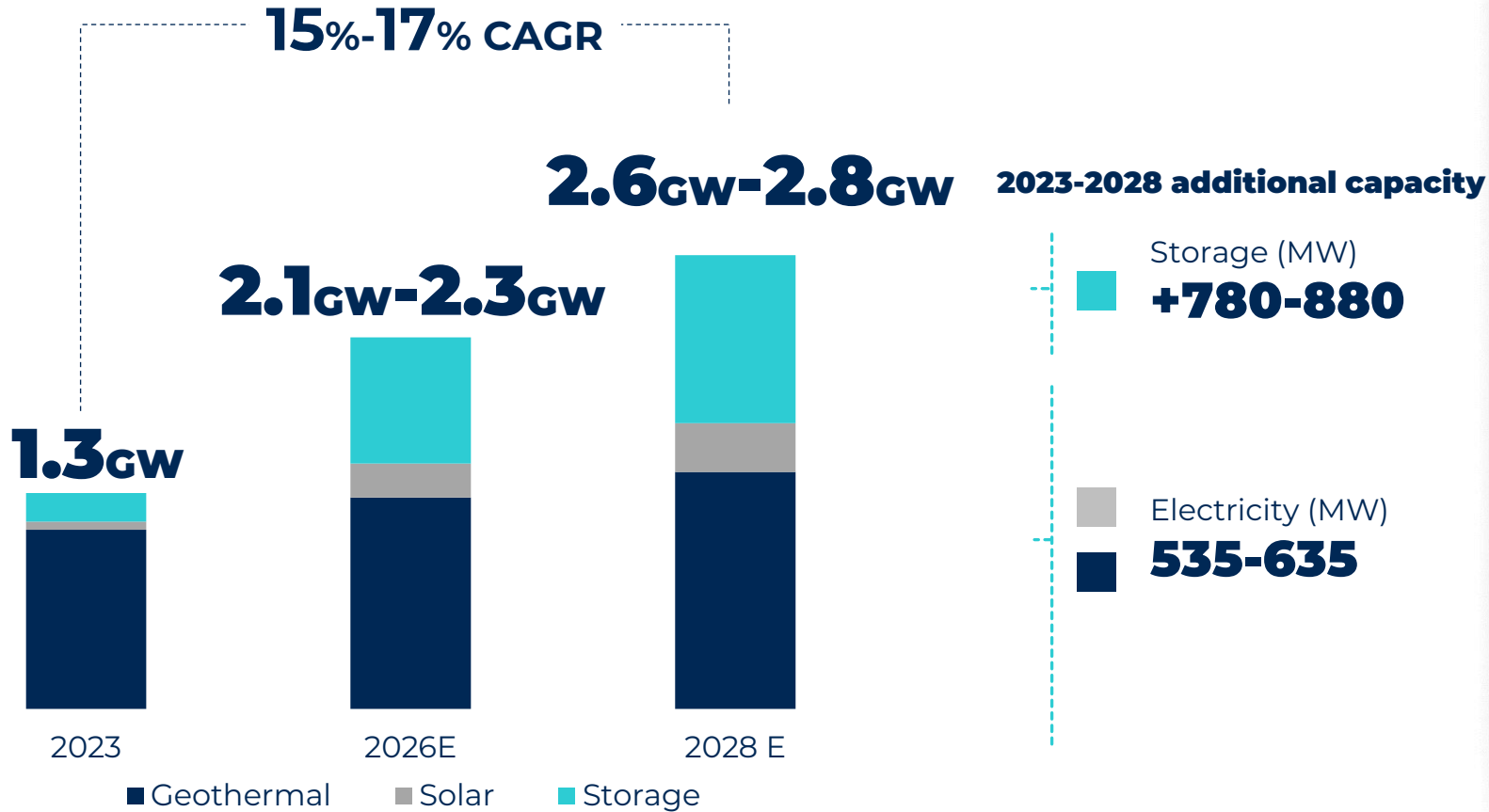
**FINANCIAL RESILIENCE  
AND STRONG BALANCE SHEET**

**POWERING OUR GROWTH**

ASSI GINZBURG | CFO

# FINANCIAL ASPECTS OF GROWTH PLAN

## INSTALLED CAPACITY GROWTH



## CAPITAL NEEDS

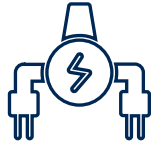


## CAPITAL STRUCTURE



# ATTRACTIVE RETURNS

## PROJECT RETURNS:



**13% - 15%**

Geothermal Post Tax Project IRR



**9.5% - 15.2%**

CAISO Storage Post Tax Project IRR



**9.5% - 12.1%**

ERCOT Storage Post Tax Project IRR



# ITC/ PTC BENEFITS

## Current ITC/PTC under IRA 2022

### Storage:

30%-50% ITC at COD by 2032

### Geothermal:

10 yrs. PTC at 27.5 \$/MWh

Expansions below 80% not qualifies  
Start of COD construction until 12.31.24

PTC value: 40-45% of total capex

## Proposed ITC/PTC

### Tech Neutral Zero emission projects

**Storage:** 30%-50% ITC

### Geothermal:

10 yrs. PTC at 28 \$/MWh

All expansions are included for projects with  
COD until minimum 2032 or later

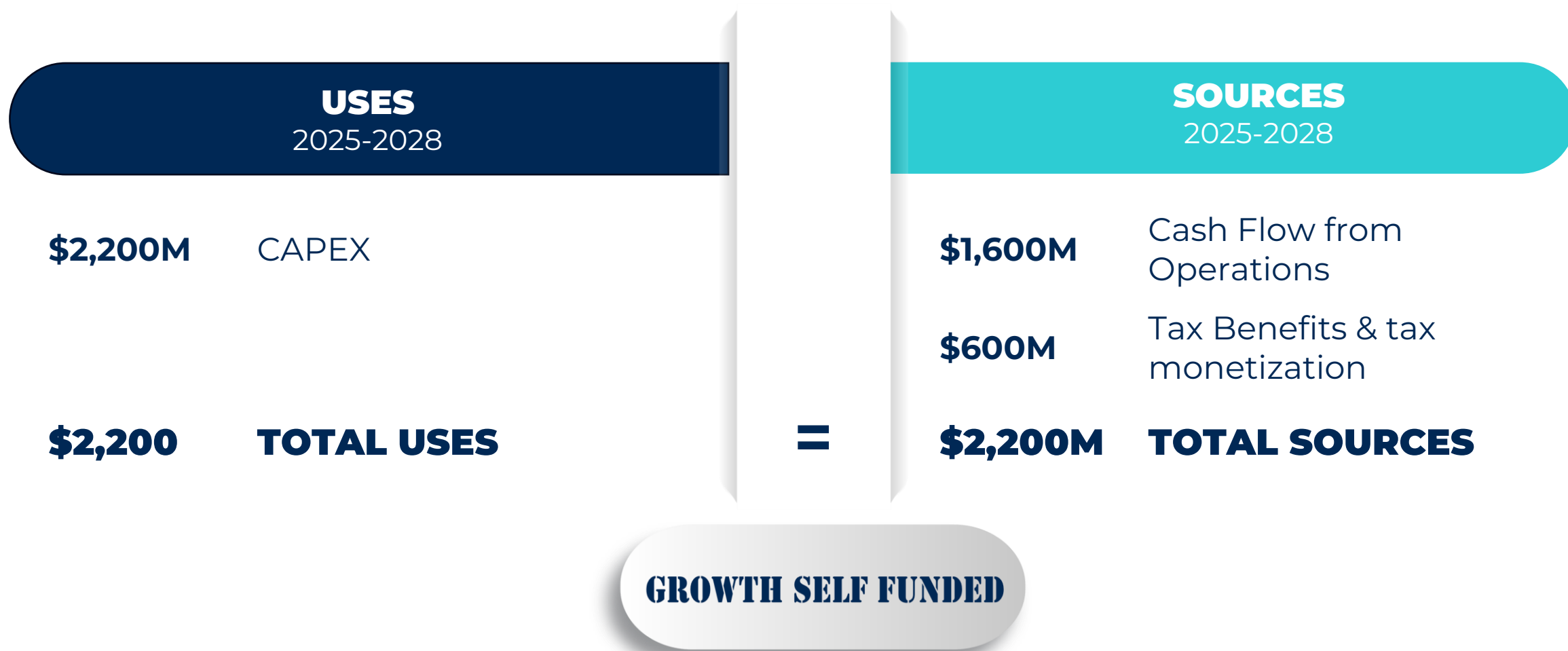
**\$364M PTC + \$229M ITC**

**Total tax benefits 2025-2028**

### Upside:

- Storage domestic content
- Geothermal domestic content
- Geothermal energy community
- Geothermal expansions

# BUILDING UPON OUR FINANCIAL STRENGTH

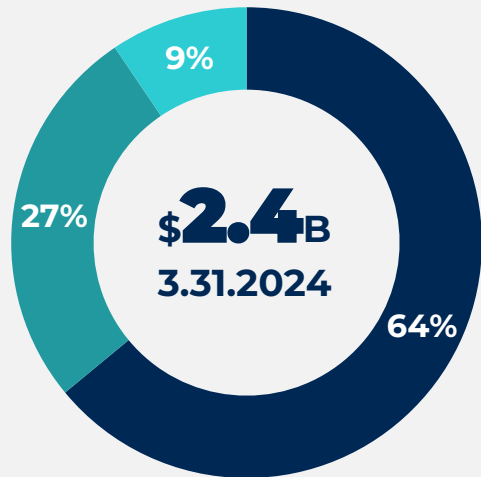


(1) Capital needs for 2025 until 2028 are based on MW growth target and on CapEx assumption of \$4.0M- \$4.5M per MW for geothermal and \$1.2-\$1.4 per MW for storage. 1% of CapEx needs is related to product capex.

(2) Dividend payments are excluded

# STRONG CAPITAL POSITION

## Total debt breakdown



- Corporate debt
- Project Finance
- Finance liability

**98%**  
Total debt  
in fixed rate  
3.31.2024

**4.57%**  
Average  
interest rate  
3.31.2024

**\$2.1B**  
Net Debt  
3.31.2024

**3.31.2024**

**45%**  
Net debt to  
capitalization

**4.1x**  
Net debt to  
EBITDA

**2028E**

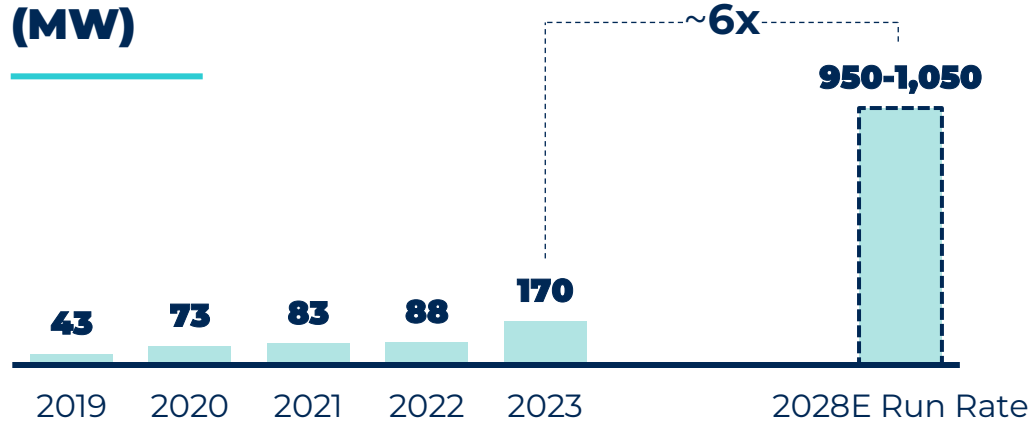
**45%- 46%**  
Net debt to  
capitalization

**~3.0x**  
Net debt to EBITDA  
(excludes M&A)

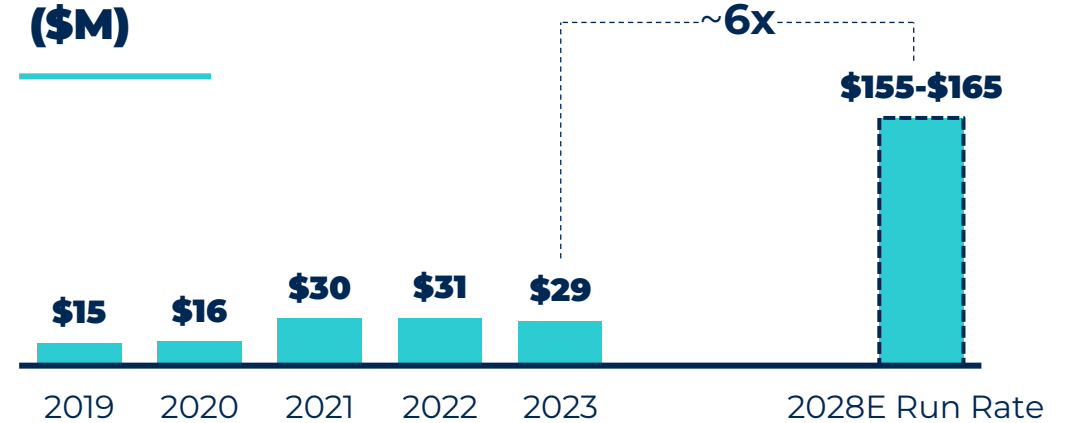


# ENERGY STORAGE PROFITABLE GROWTH

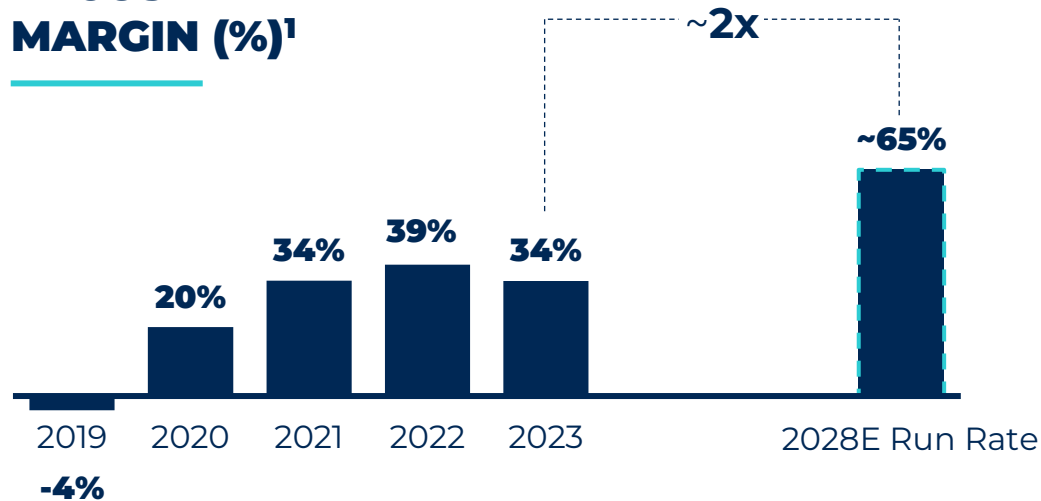
## DEPLOYMENT (MW)



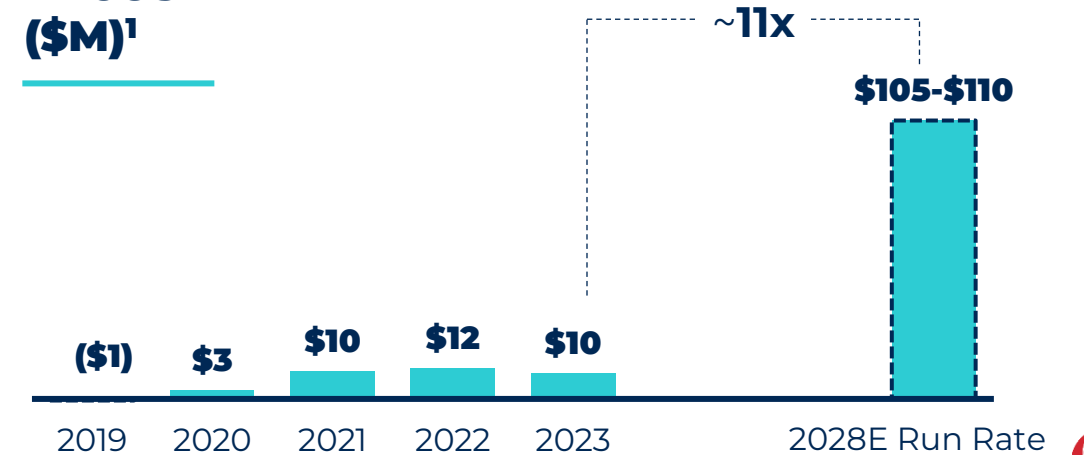
## REVENUE (\$M)



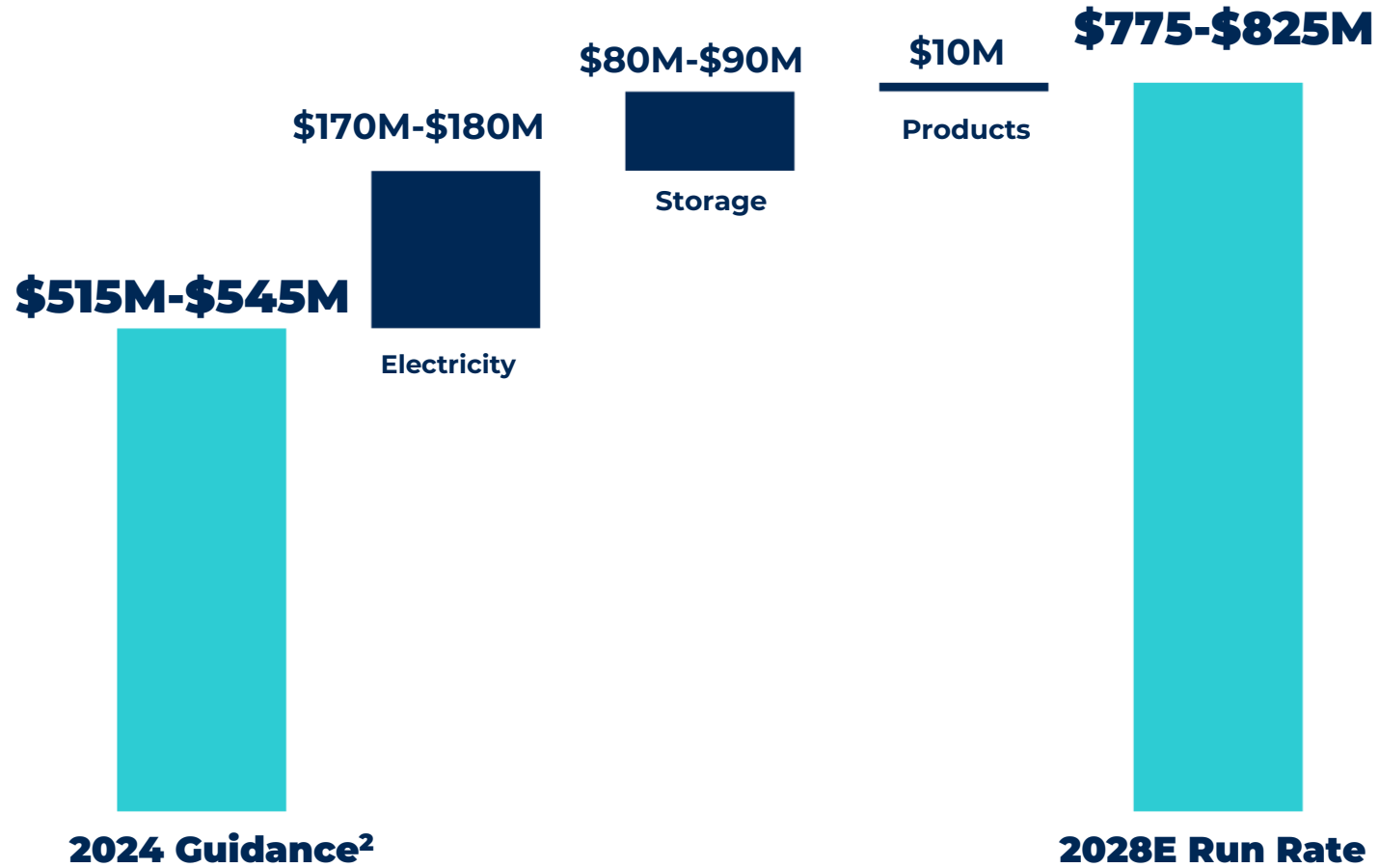
## ADJUSTED EBITDA MARGIN (%)<sup>1</sup>



## ADJUSTED EBITDA (\$M)<sup>1</sup>



# ADJUSTED EBITDA GROWTH<sup>1</sup>

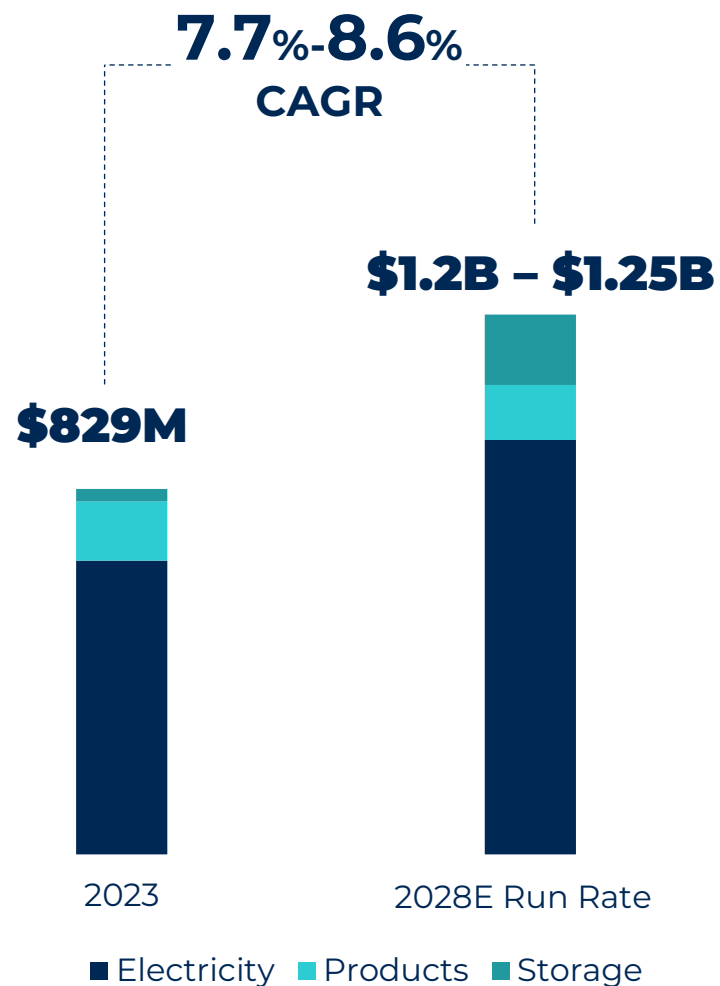


(1) See Safe Harbor.

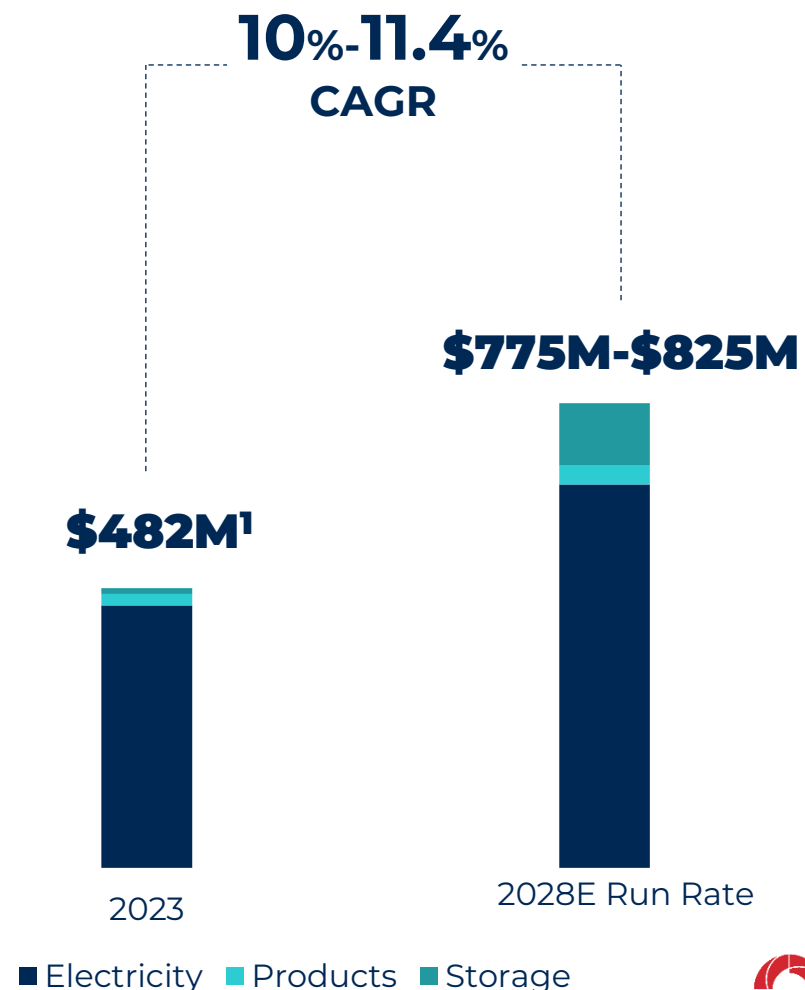


# FINANCIAL GROWTH TARGETS SUMMARY

## REVENUE TARGETS



## ADJUSTED EBITDA TARGETS



(1) See appendix for reconciliation of non-GAAP financial measures.



# KEY TAKEAWAYS

**01**

**ROBUST FINANCIAL**  
TO SUPPORT GROWTH PLAN  
AND M&A OPPORTUNITIES

**03**

**INCREASE PROFITABILITY**  
STORAGE MARGINS

**02**

**MAINTAIN STRONG  
LEVERAGE METRICS**

**04**

**GROWTH SELF-FUNDED**



# KEY TAKEAWAYS & Q&A

DORON BLACHAR, CEO

# ORMAT VALUE PROPOSITION IS: **BEYOND GREEN**



**PREMIUM  
SOLUTIONS**



**STRONG  
GROWTH  
CAPABILITIES**



**IMPROVED  
PROFITABILITY**

# PREMIUM SOLUTIONS

## Aligned with Industry Needs

Geothermal provides firm, flexible 24/7 power, and storage ensures grid stability and flexibility

## Strong Growth Potential

Driven by rising demand and backed by regulatory support

## Low Carbon Footprint Growth

Building geothermal, solar and energy storage that are expected to **avoid** close to a 1 million tCO<sub>2</sub> annually

# STRONG GROWTH CAPABILITIES

## Vertically Integrated

In-house development, design, manufacturing, construction, and financing capabilities throughout the value chain

## BD Track Record

Strong land position, robust energy storage pipeline, secured interconnection and transmission and streamlining permitting process

## Financial Strength

Strong financial position to accelerate growth, while maintaining strong leverage metrics

## M&A Capabilities

Robust M&A track record


# IMPROVED PROFITABILITY



**Elevated Post Tax  
Project IRR  
From geothermal  
& storage**



**Increase in storage  
margins and PPA  
pricing improving  
profitability**



**Balanced storage  
Portfolio with  
merchant and  
contracted  
revenue**

# COMMITTED TO CONTINUED PROFITABLE GROWTH



## ENERGY STORAGE TRANSFORMING INTO A HIGH-GROWTH SEGMENT

6x portfolio growth expected by YE 2028



## GROWING OUR ELECTRICITY SEGMENT

targeting 350 MW geothermal and 240 MW solar additions by YE 2028



## IMPROVED PROJECT RETURNS

higher PPA and Tolling agreements with IRA tax benefits



# THANK YOU

**COMMITTED TO CONTINUED  
PROFITABLE GROWTH**

IR@ORMAT.COM

# RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

## (DOLLARS IN THOUSANDS)

	Year Ended December 31,		
	2023	2022	2021
Net income	133,137	77,795	76,077
Adjusted for:			
Interest expense, net (including amortization of deferred financing costs)	86,898	84,326	80,534
Income tax provision (benefit)	5,983	14,742	24,850
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla	16,069	13,199	14,680
Depreciation, amortization and accretion	221,415	198,603	177,930
<b>EBITDA</b>	<b>463,502</b>	<b>388,665</b>	<b>374,071</b>
Mark-to-market gains or losses from accounting for derivative	(2,206)	1,613	741
Stock-based compensation	15,478	11,646	9,168
Make-whole premium related to long-term debt prepayment	-	1,102	-
Reversal of a contingent liability related to a business combination transaction	-	(1,829)	(418)
Impairment of long-lived assets	-	32,648	-
Allowance for bad debt related to February power crisis in Texas	-	115	2,980
Hedge losses resulting from February power crisis in Texas	-	-	9,133
Merger and acquisition transaction costs	1,234	675	5,635
Tender-related deposits write-off	-	-	134
Write-off of unsuccessful exploration activities	3,733	828	-
<b>Adjusted EBITDA</b>	<b>481,741</b>	<b>435,463</b>	<b>401,444</b>

We calculate EBITDA as net income before interest, taxes, depreciation, amortization and accretion. We calculate Adjusted EBITDA as net income before interest, taxes, depreciation, amortization and accretion, adjusted for (i) mark-to-market gains or losses from accounting for derivatives, (ii) stock-based compensation, (iii) merger and acquisition transaction costs, (iv) gain or loss from extinguishment of liabilities, (v) cost related to a settlement agreement, (vi) non-cash impairment charges; (vii) write-off of unsuccessful exploration activities; and (viii) other unusual or non-recurring items. We adjust for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance. We believe that presentation of these measures will enhance an investor's ability to evaluate our financial and operating performance. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under accounting principles generally accepted in the United States, or U.S. GAAP, and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net earnings as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. Our Board of Directors and senior management use EBITDA and Adjusted EBITDA to evaluate our financial performance. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do. Starting in the fourth quarter of 2022, we include accretion expenses related to asset retirement obligation in the adjustments to net income when calculating EBITDA and adjusted EBITDA. The presentation of EBITDA and adjusted EBITDA includes accretion expenses for the twelve months ended December 31, 2023, 2022 and 2021 however, the prior year has not been recast to include accretion expenses as the amounts were immaterial.

The table above reconciles net income to EBITDA and Adjusted EBITDA for the twelve months period ended December 31, 2023, 2022, 2021.

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# RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO THE COMPANY'S STOCKHOLDERS AND ADJUSTED EPS

	Twelve-Months Ended December 31,	
	2023	2022
<b>(in millions, except for EPS)</b>		
<b>GAAP Net income attributable to the Company's stockholders</b>	<b>124.4</b>	<b>65.8</b>
Impact of changes in the Finance Law in Kenya	(7.4)	-
Impairment of long-lived assets	-	25.8
Tax asset write-off in Sarulla, our unconsolidated company	1.0	-
Write-off of unsuccessful exploration activities	2.9	0.7
M&A costs	1.0	0.5
Reversal of earn-out	-	(1.4)
Make-whole premium related to repayment of long-term debt	-	0.8
<b>Adjusted Net income attributable to the Company's stockholders</b>	<b>122.0</b>	<b>92.2</b>
<b>GAAP diluted EPS</b>	<b>1.49</b>	<b>0.85</b>
Impact of changes in the Finance Law in Kenya	(0.12)	-
Impairment of long-lived assets	-	0.46
Tax asset write-off in Sarulla, our unconsolidated company	0.02	-
Write-off of unsuccessful exploration activities	0.05	0.01
M&A costs	0.02	0.01
Reversal of earn-out	-	(0.03)
Make-whole premium related to repayment of long-term debt	-	0.01
<b>Diluted Adjusted EPS</b>	<b>2.04</b>	<b>1.63</b>

We calculate Adjusted Net Income and Adjusted Diluted EPS as Net Income Attributable to the Company's Stockholders and Diluted EPS, respectively, adjusted for costs that are unusual or non-recurring in nature. We adjust for these factors as they may be non-cash or unusual in nature and/or are not factors used by management for evaluating operating performance. We believe that presentation of these measures will enhance an investor's ability to evaluate our financial and operating performance. The use of Adjusted Net income attributable to the Company's stockholders and Adjusted EPS is intended to enhance the usefulness of our financial information by providing measures to assess the overall performance of our ongoing business. The tables reconcile Net income attributable to the Company's stockholders and Adjusted EPS for the three- and twelve-month periods ended December 31, 2023, and 2022.

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

December 31, 2023

<b>Cash and cash equivalents, marketable securities and Restricted cash (in millions \$)</b>	
Cash and cash equivalents	196
Restricted cash and cash equivalents	92
<b>Total cash and cash equivalents, marketable securities and Restricted cash (in millions \$)</b>	<b>288</b>
current portion:	
Short term revolving credit lines with banks (full recourse)	20
Commercial paper	100
Limited and non-recourse	57
Full recourse	117
Finance liabilities	5
<b>Total current portion of long-term debt:</b>	<b>299</b>
Long-term debt, net of current portion:	
Limited and non-recourse:	447
Full recourse	698
Finance liabilities	221
Convertible senior notes	423
<b>Total long-term debt, net of current portion:</b>	<b>1,789</b>
<b>Total Debt</b>	<b>2,088</b>
Full recourse	1,358
Limited and non-recourse	505
Finance liability	226
<b>Total Debt</b>	<b>2,088</b>
<b>Net Debt (in millions)</b>	<b>1,801</b>
Total Equity	2,441
<b>Net Debt to Capitalization (Total Equity) (%)</b>	<b>42%</b>
Net Debt (in millions)	1,801
Adjusted EBITDA (in millions)	482
<b>Net Debt to Adjusted EBITDA<sup>1</sup> (x)</b>	<b>3.7x</b>

(1) Reflects LTM Adjusted EBITDA.

