ORMAT TECHNOLOGIES, INC.
FOURTH QUARTER AND YEAR-END 2018 EARNINGS CALL

FEBRUARY 27, 2019



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SAFE HARBOR STATEMENT

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:

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- 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, electricity generation, and other operational performance metrics, including statements about "target" or "targeted" amounts for 2020 growth (MW) or 2022 operational performance metrics such as growth (MW), revenue by segment, segment breakdown and domestic/international geographic breakdown, among others. All of these and other forward-looking statements made in or during the course of this presentation are made only as of the date hereof and Ormat undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. Forward-looking statements about "target" or "targeted" amounts represent current goals of Ormat's management and are neither estimates of Ormat's actual results nor financial projections or forecasts that have been prepared in accordance with Securities and Exchange Commission ("SEC") rules or guidelines adopted by the American Institute of Certified Public Accountants. These forward-looking statements are not intended to be a guarantee of future results, but instead constitute Ormat's current expectations based on assumptions that Ormat currently believes are reasonable. You are cautioned not to place undue reliance on the expectations, projections and other forward-looking statements made in or during the course of this presentation as actual future results and developments may differ materially from such expectations, projections and forward-looking statements due to a number of risks, uncertainties and other factors, many of which are beyond Ormat's control.

These risks, uncertainties and other factors include, but are not limited to, the risks, uncertainties and other factors described in Ormat Technologies, Inc.'s Form 10-K/A filed with the SEC on June 19, 2018 and from time to time, in Ormat's quarterly reports on Form 10-Q that are filed with the SEC.

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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 .

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FOURTH QUARTER AND FULL YEAR 2018 PREPARED REMARKS

- Q4 and FY 2018 highlights: Isaac Angel, CEO
- Financial overview: Doron Blachar, CFO
- Operations & business updates: Isaac Angel, CEO
- Q & A

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Q4 AND YE 2018 HIGHLIGHTS

($ millions, except per share amounts)	Q4 2018	Q4 2017	% Change	FY 2018	FY 2017	% Change
Revenues						
Electricity	138.3	128.0	8.0%	509.9	465.6	9.5%
Product	49.7	37.9	31.3%	201.7	224.5	(10.1%)
Other	2.4	0.5		7.6	2.7	179.4%
Total Revenues	**190.5**	**166.4**	**14.5%**	**719.3**	**692.8**	**3.8%**
Gross margin (%)						
Electricity	54.0%	42.8%		41.5%	42.7%	
Product	32.2%	28.7%		30.3%	32.2%	
Other	7.9%	(304.6%)		(29.2%)	(98.3%)	
Gross margin (%)	**47.7%**	**38.7%**		**37.6%**	**38.7%**	
Operating income	68.0	48.4	40.5%	185.1	205.0	(9.7%)
Net income attributable to the Company's shareholders	18.2	64.6	(71.8%)	98.0	132.4	(26.0%)
Diluted EPS	0.36	1.27	(71.7%)	1.92	2.61	(26.3%)
Adjusted Net income attributable to the Company's stockholders[1]	21.3	64.6	(67.0%)	106.1	155.2	(31.7%)
Diluted Adjusted EPS	0.42	1.27	(66.9%)	2.08	3.06	(31.9%)
Adjusted EBITDA	113.2	87.4	29.4%	368.0	343.8	7.0%

(1) A reconciliation of Adjusted EBITDA, Adjusted Net income attributable to the Company's stockholders and diluted Adjusted EPS is provided in the appendix slide

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FINANCIAL RESULTS

DORON BLACHAR, CFO

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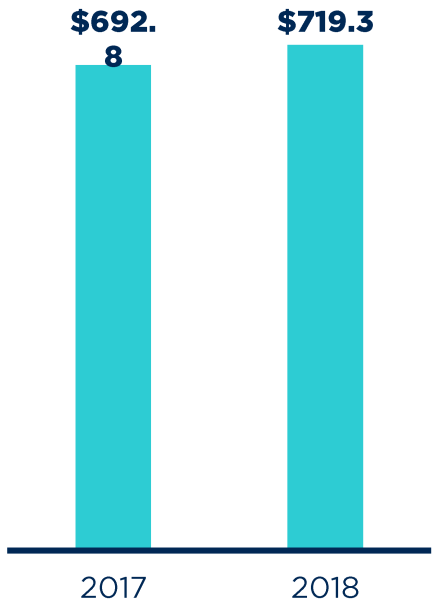
FY 2018 - TOTAL REVENUES

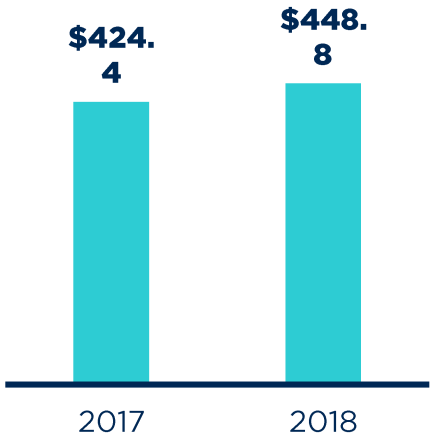
Total revenues

+$26.5M (3.8%)

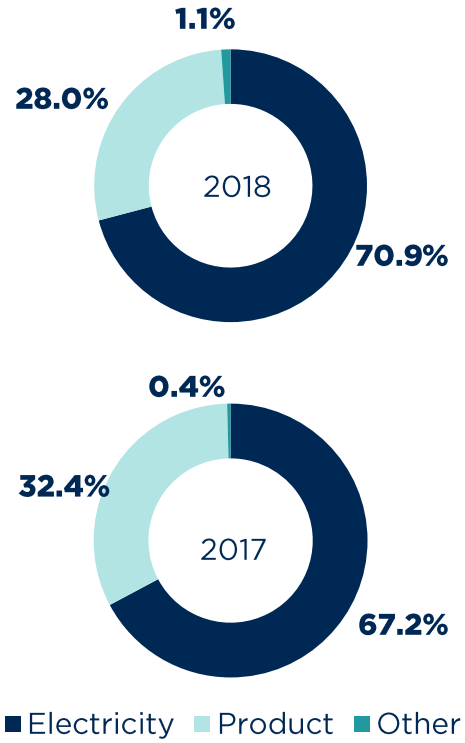


Total cost of revenues

+24.5M (5.8%)



Segment contribution



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FY 2018 - ELECTRICITY SEGMENT

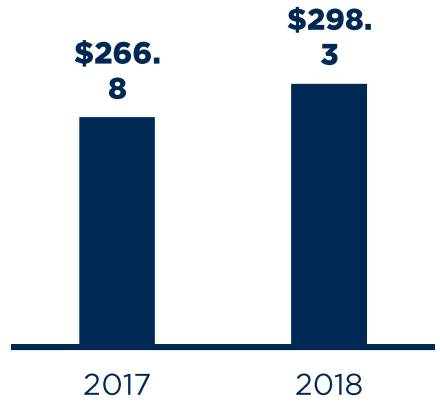
Revenues

+$44.3M (9.5%)



Cost of revenues

+$31.4M (11.8%)



The increase in revenues was primarily attributable to:

- $34.4M - commencement of Platanares power plant in Sept. 2017
- $21.4M - consolidation of USG which was acquired on April 24, 2018
- $15.7M - commencement of Tungsten Mountain power plant in Dec. 2017
- Commencement of 11 MW Plant 1 expansion project in the Olkaria III complex in Kenya in June 2018
- higher energy rates under the new Ormesa 1 PPA commencing in December 2017

Partially offset by:

- A decrease in revenues at our Puna power plant following the Kilauea volcanic eruption on May 3, 2018
- A decrease in generation at some of our power plants that mainly due to maintenance issues and high ambient temperature

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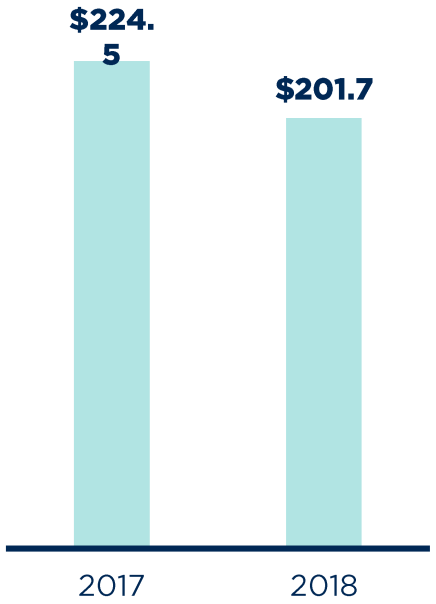
FY 2018 - PRODUCT SEGMENT

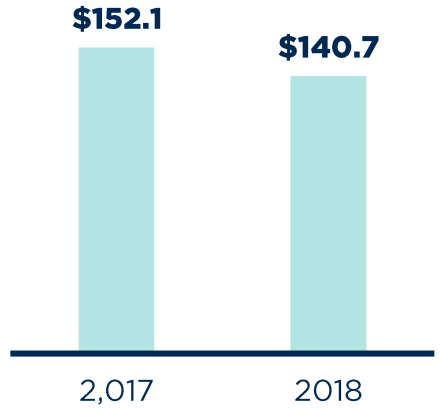
Revenues

-$22.7M (-10.1%)



Cost of revenues

-$11.4M (-7.5%)



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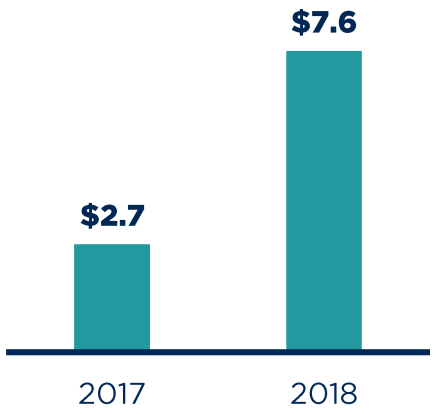
FY 2018 - OTHER SEGMENT

Revenues

+$4.9M (179.4%)



Cost of revenues

+$4.5M (82.1%)



The Other segment includes revenues from the provision of energy storage demand response and energy management services by our Viridity business following the acquisition of substantially all of the business and assets of Viridity Energy, Inc. on March 15, 2017

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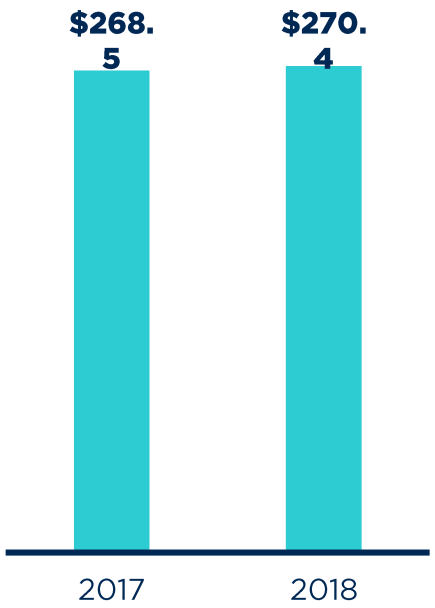
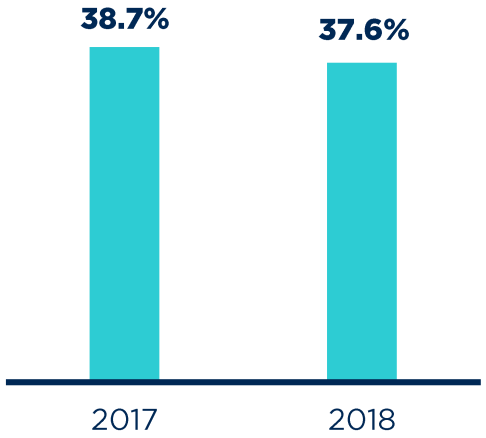
YE 2018 - TOTAL GROSS PROFIT AND MARGIN

Gross profit



Gross margin



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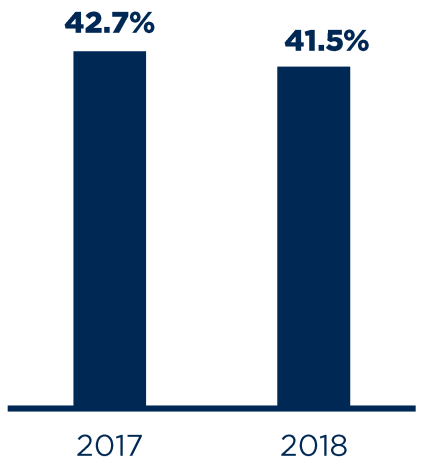
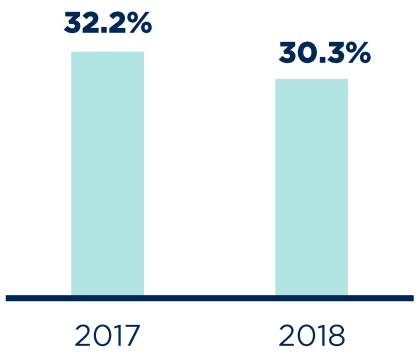
YE 2018 –GROSS MARGIN BY SEGMENT

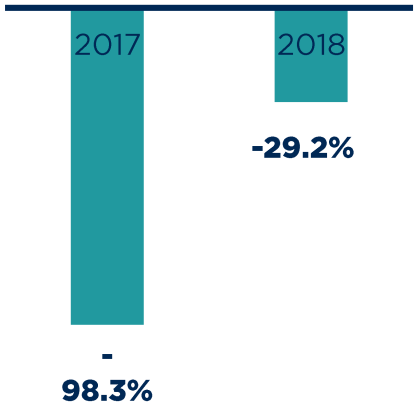
Electricity gross margin



Product gross margin



Other gross margin



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YE 2018 - SELLING AND MARKETING, AND GENERAL AND ADMINISTRATIVE EXPENSES

Selling and marketing expenses

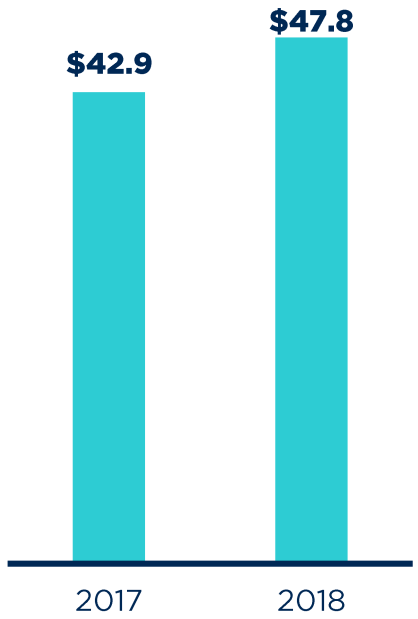
+$4.2M (26.9%)



- This increase was primarily due to $5.0M termination fee paid to NV Energy related to the termination of the Galena 2 PPA

General and administrative expenses

+$4.9M (11.4%)



- The increase was primarily attributable to:
- Increase in associated with our identification of a material weakness and restatement related to taxes
- Expenses related to USG acquisition and storage business

Offset by

- $10.3 million adjustment of earnout related to the acquisition of our Viridity business

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YE 2018 - OPERATING INCOME



The decrease was primarily attributable to:

- Decrease in our Product segments gross margin
- $5.0M termination fee of Galena 2 PPA
- Increase in general and administrative expenses
- Goodwill impairment charge related to the acquisition of the Company's Viridity business.

- Offset by:
  - Increase in the Electricity segment gross profit

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YE 2018 - OPERATING INCOME (LOSS) BY SEGMENT

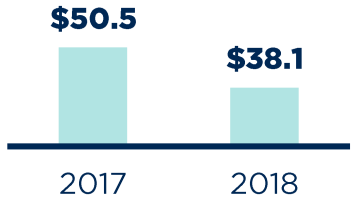
Electricity segment

-$2.1M (-1.3%)



Product segment

-$12.4M (-24.6%)



Other segment

-$5.4M (-171.5%)



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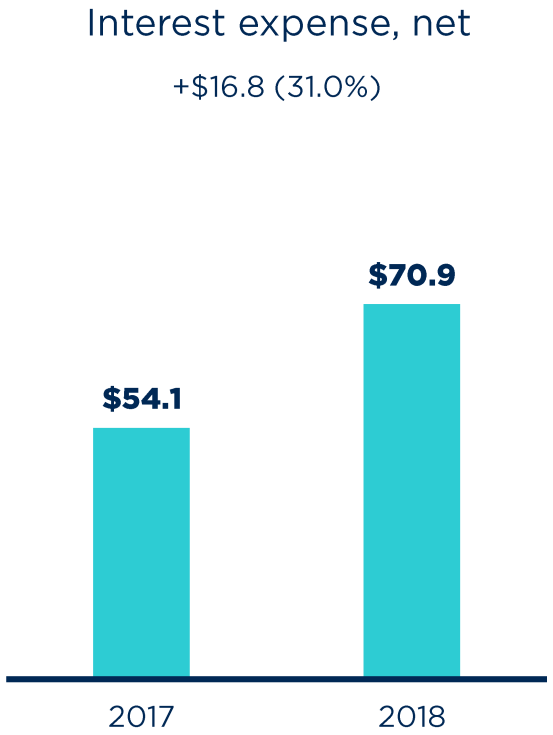
YE 2018 - INTEREST EXPENSE, NET



This increase was primarily attributable to

- Acquisition of USG - interest expense associated with approx. $100M loans of USG
- $4.5M increase in interest expense related to the sale of tax benefits
- Higher interest expense as a result of the $100.0M of proceeds from a senior unsecured loan received on March 22, 2018 and of higher expenses related to net proceeds from revolving credit lines with commercial banks to support our capital expenditures
- A decrease of $3.5M in interest capitalized to projects
- Interest expense related to $114.7M limited recourse loans from OPIC to finance the Honduras power plant

Offset by

- Lower interest expense as a result of principal payments of long-term debt

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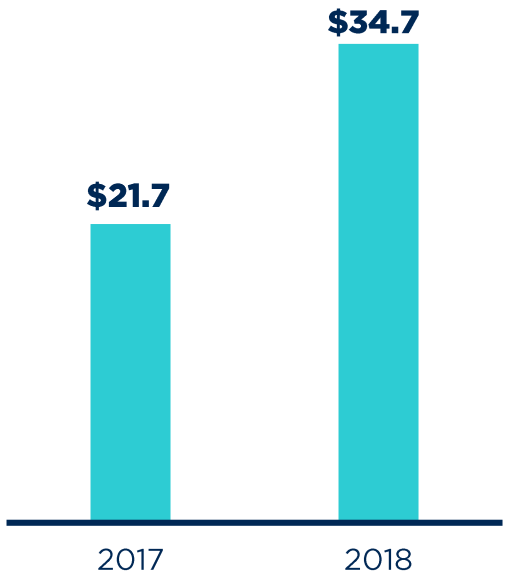
YE 2018 - INCOME TAX PROVISION



Our annual effective tax rate, excluding mainly the impact of the valuation allowance release in 2018 is approximately 42%.

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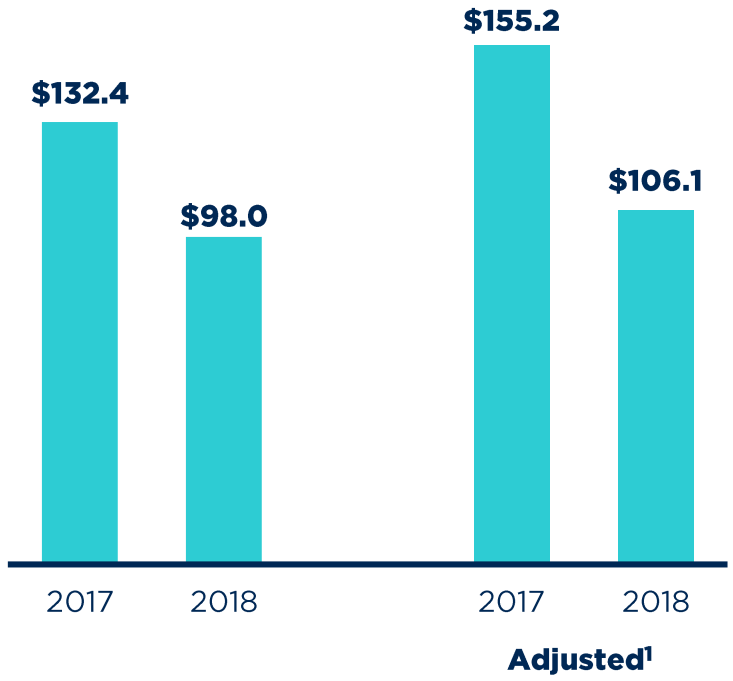
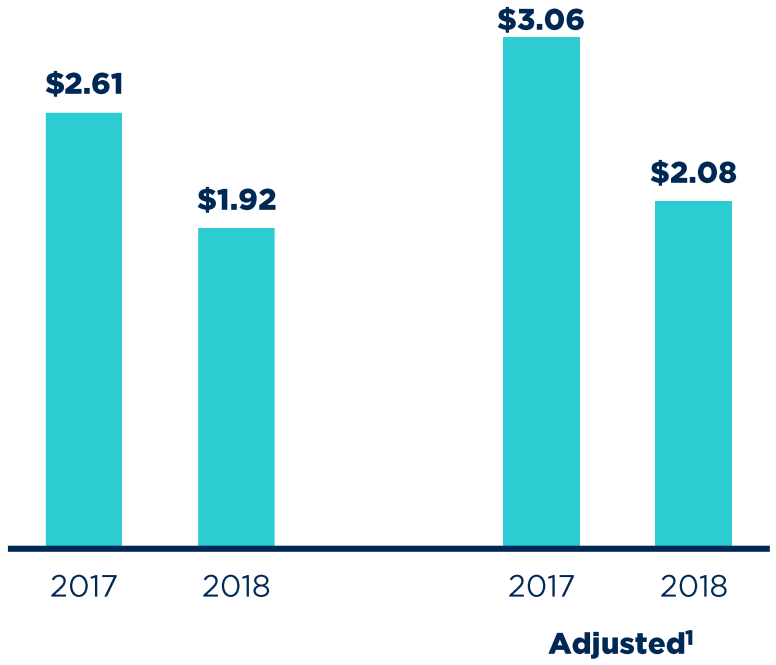
YE 2018 - NET INCOME ATTRIBUTABLE TO THE COMPANY'S STOCKHOLDERS & EPS

Net Income attributable to the Company's Stockholders ($M)



EPS[2]



(1) Adjusted net income attributable to the company's shareholders for YE 2018 excludes the termination fee of $5M or $0.10 per diluted share and a $3.1M or $0.06 per diluted share related to goodwill impairment charge, net of earnouts associated with our Viridity acquisition; Adjusted Net income attributable to the company's shareholders for YE 2017 excludes $1.9M or $0.04 per diluted share, attributable to a one-time make whole premium paid in connection with the prepayment of certain loans (OFC Senior Secured Notes and the DEG loan) and $20.9M or $0.41 per diluted share related to one time tax expense.

(2) Weighted average number of shares used in computation of earnings per share (diluted, in millions) attributable to the Company's stockholders is 51.0 for YE 2018 and 50.8 for YE 2017

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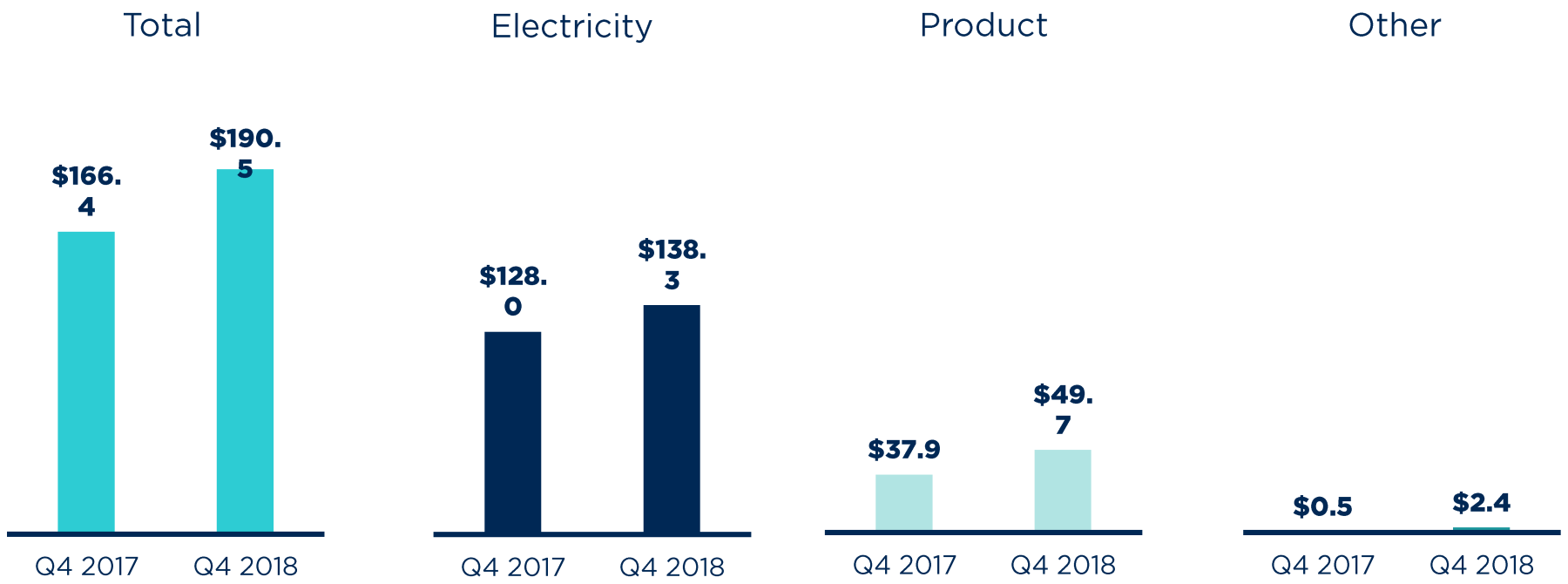
FOURTH QUARTER 2018 REVENUES



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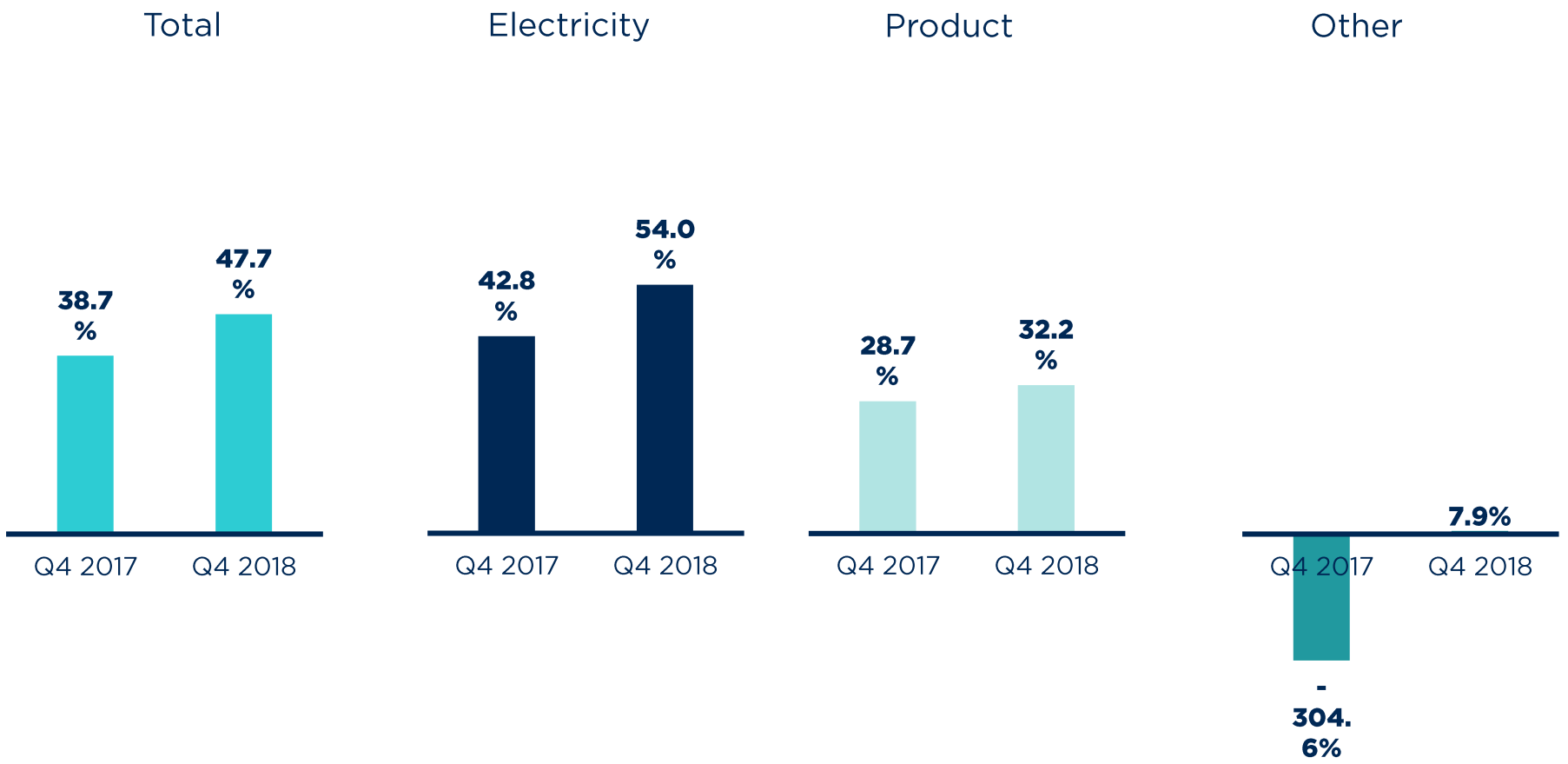
FOURTH QUARTER 2018 GROSS MARGIN



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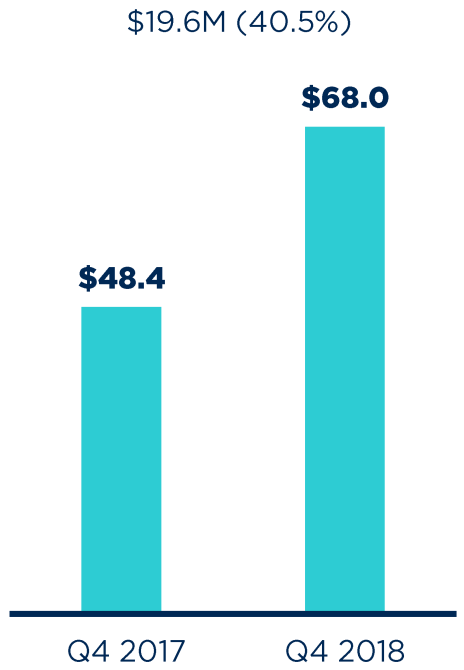
FOURTH QUARTER 2018 OPERATING INCOME



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FOURTH QUARTER 2018 INCOME BEFORE INCOME TAXES AND EQUITY IN LOSSES OF INVESTEES ($M)

+$8.3M (20.7%)



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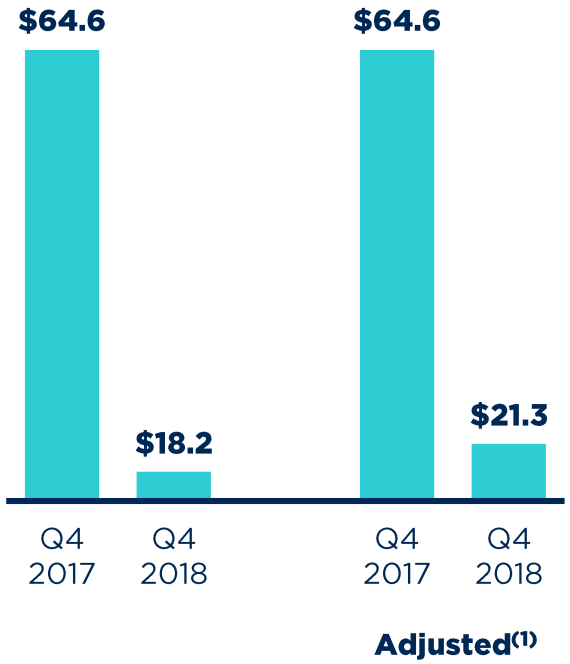
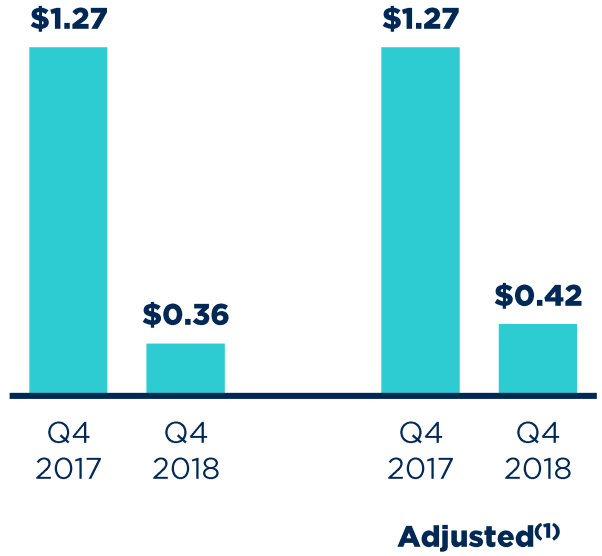
FOURTH QUARTER 2018 NET INCOME ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS AND EPS

Net income attributable to the Company's shareholders

-$46.4M (71.8%)



Earnings per share



(1) For reconciliation see appendix

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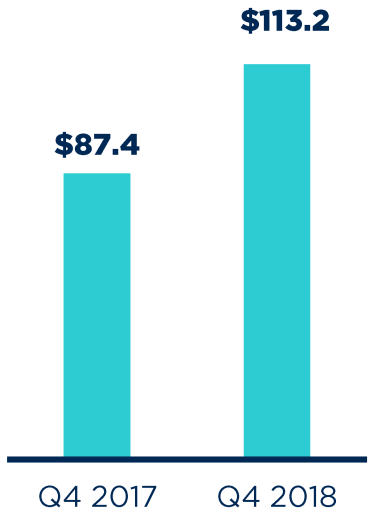
FOURTH QUARTER 2018 ADJUSTED EBITDA[1] ($M)

Total adjusted EBITDA

$25.7M (29.4%)



	Q4 17	Q4 18
D&A[2]	31.6	32.6

Electricity segment

+$21.8M (27.3%)



	Q4 17	Q4 18
D&A[2]	29.0	31.2

Product segment

$6.1M (68.8%)



	Q4 17	Q4 18
D&A[2]	0.9	1.2

Other segment



	Q4 17	Q4 18
D&A[2]	1.7	0.4

(1) For EBITDA reconciliation see appendix
(2) D&A is excluding deferred financing costs

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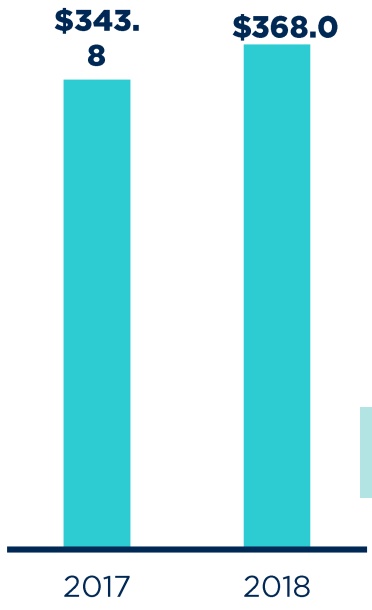
FY 2018 - ADJUSTED EBITDA[1] ($M)

Total adjusted EBITDA

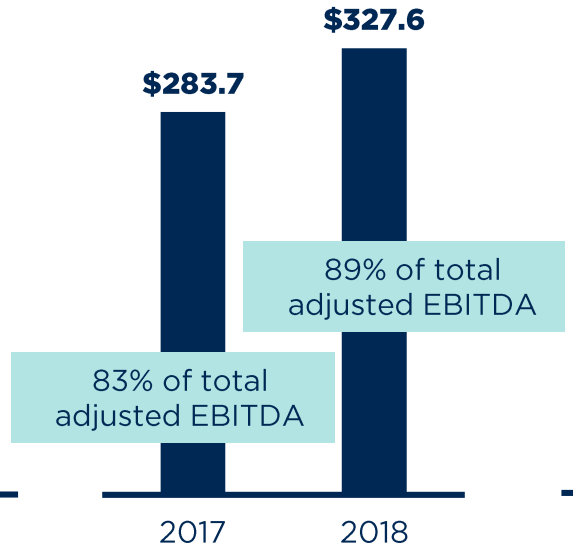
$24.1M (7%)



	YE 17	YE 18
D&A[2]	108.7	127.7

Electricity segment

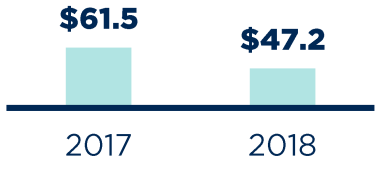
+$43.9M (15.5%)



	YE 17	YE 18
D&A[2]	103.5	121.7

Product segment

-$14.3M (-23.3%)



	YE 17	YE 18
D&A[2]	3.5	4.3

Other segment



	YE 17	YE 18
D&A[2]	1.8	1.7

(1) For EBITDA reconciliation see appendix
(2) D&A is excluding deferred financing costs

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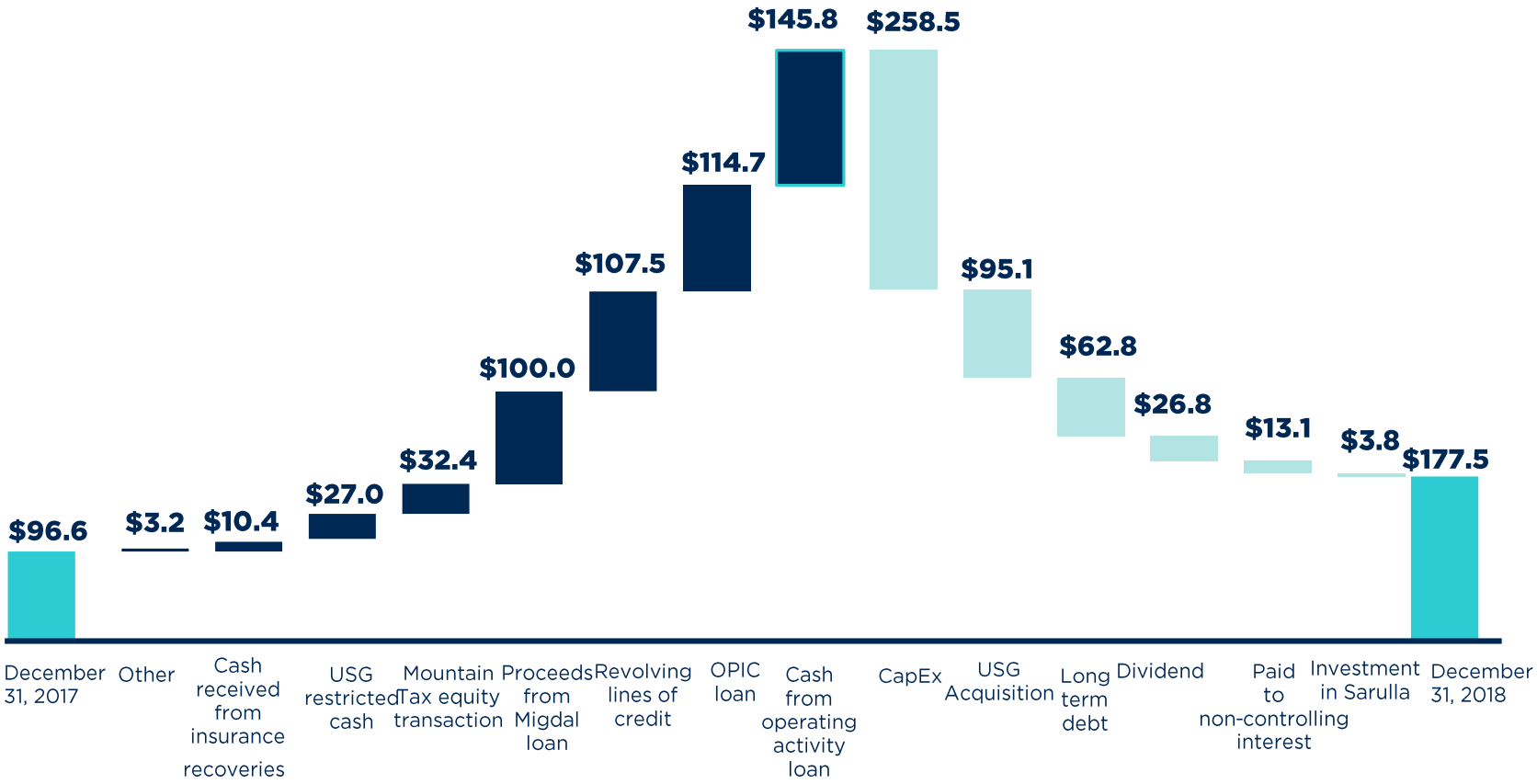
YE 2018 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH ($M)



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PAYMENT OF PRINCIPAL DUE BY PERIOD ($M)
AVERAGE INTEREST RATE: 5.0%

	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Year 2019
Long-term non-recourse debt & limited recourse debt	7.4	7.4	7.4	7.4	29.7
Senior Secured Notes (non-recourse) due 2033	7.8	9.6	4.8	11.3	33.5
Long-term loans (full recourse)	0.0	2.5	0.0	2.5	5.0
Total	**15.2**	**19.5**	**12.2**	**21.2**	**68.2**

	Remaining Total	2019	2020	2021	2022	2023	Thereafter
Long-term non-recourse debt & limited recourse debt	359.3	29.7	29.7	29.7	29.7	29.7	210.8
Senior Secured Notes (non-recourse)	417.9	33.5	34.1	25.2	25.7	41.0	258.4
Total non-recourse debt (58%)	**777.2**	**63.2**	**63.8**	**54.8**	**55.4**	**70.7**	**469.2**
Long-term Loans (full-recourse)	47.5	5.0	5.0	5.0	5.0	5.0	22.5
Senior Unsecured Bonds (full-recourse)	304.3	0.0	67.2	4.2	145.5	87.4	0.0
Total full-recourse debt (42%)	**351.8**	**5.0**	**72.2**	**9.2**	**150.5**	**92.4**	**22.5**
Total [1]	**1,129.0**	**68.2**	**136.0**	**64.0**	**205.9**	**163.1**	**491.7**

(1) Before classification of deferred financing costs in the amount of $18.5M
(2) We assume lines of credit are renewed

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2018 FINANCING ACTIVITY

- **Successfully raised $260M**
  - $114.7M for the 35 MW Platanares geothermal power plant in Honduras with OPIC
    - Additional $10M is expected during the first half of 2019
  - Raised $33.4M as part of Tungsten Mountain tax equity partnership. Additional $13M is expected to be received as paygo.
  - Raised $100MM of senior unsecured notes from Migdal
- **Working on new financing**
  - Olkaria III recent enhancement – in final stage of raising debt from DEG
  - Amergin storage projects

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OPERATIONS & BUSINESS UPDATES

ISAAC ANGEL, CEO

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DELIVERING GROWTH AND EXPANDING GEOGRAPHICAL FOOTPRINT

2018 portfolio growth summary:

115 MW
of new capacity

6
new power plants

2
new states - U.S.















(1) Ormat owns a 12.75% minority interest at Sarulla, which is accounted for under the equity method.

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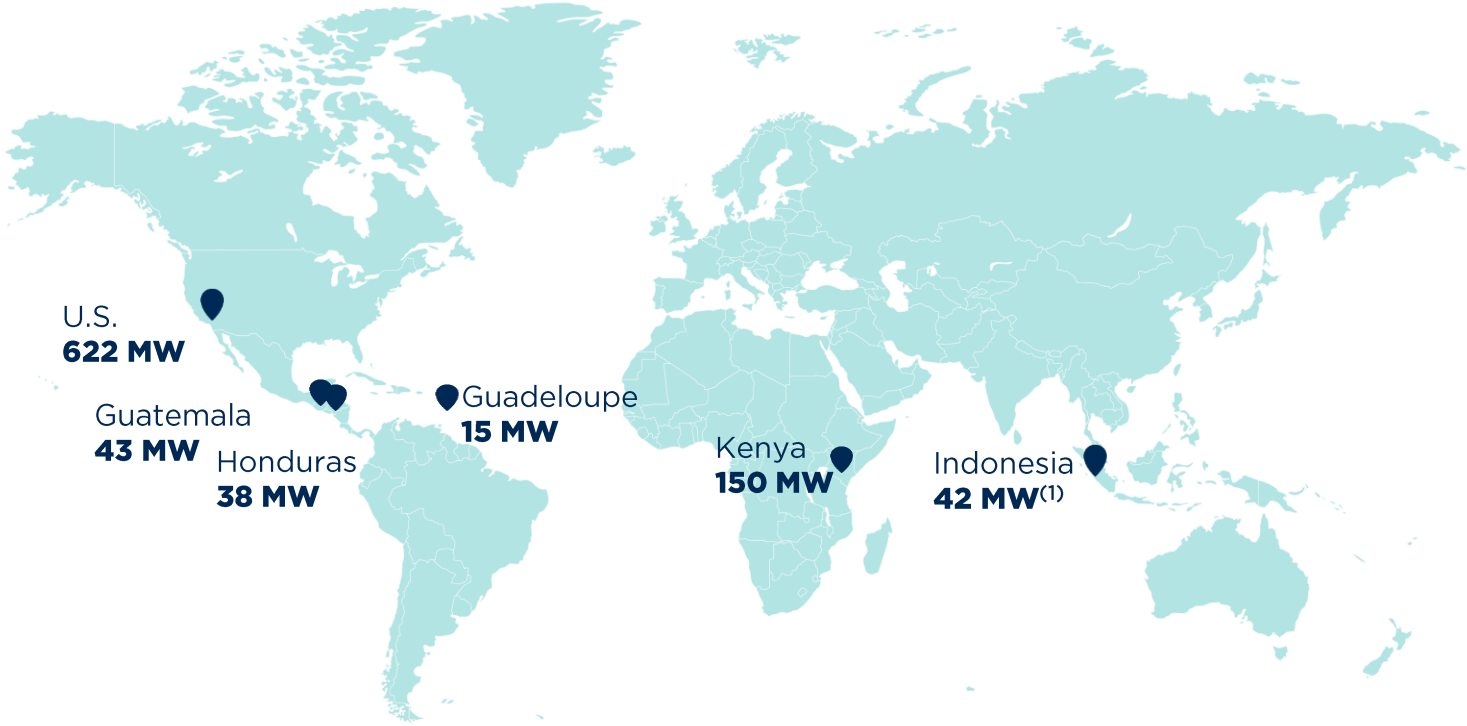
GLOBAL PORTFOLIO (910 MW)



- Main generating capacity adjustments taking advantage of a higher performing resource at:
  - McGinness Hills - adjusted to 140 MW from 138 MW
  - Brady – adjusted to 26 MW from 22 MW
  - USG acquired assets – adjusted to 44 MW from 38 MW
  - Platanares – adjusted to 38 MW from 35 MW

- Main generating capacity reductions due to lower performance of the resource at:
  - Heber Complex- adjusted to 81 MW from 89 MW
  - Steamboat Complex - adjusted to 65 MW from 70 MW

(1) Ormat owns 12.75% minority interest at Sarulla, which is accounted under the equity method

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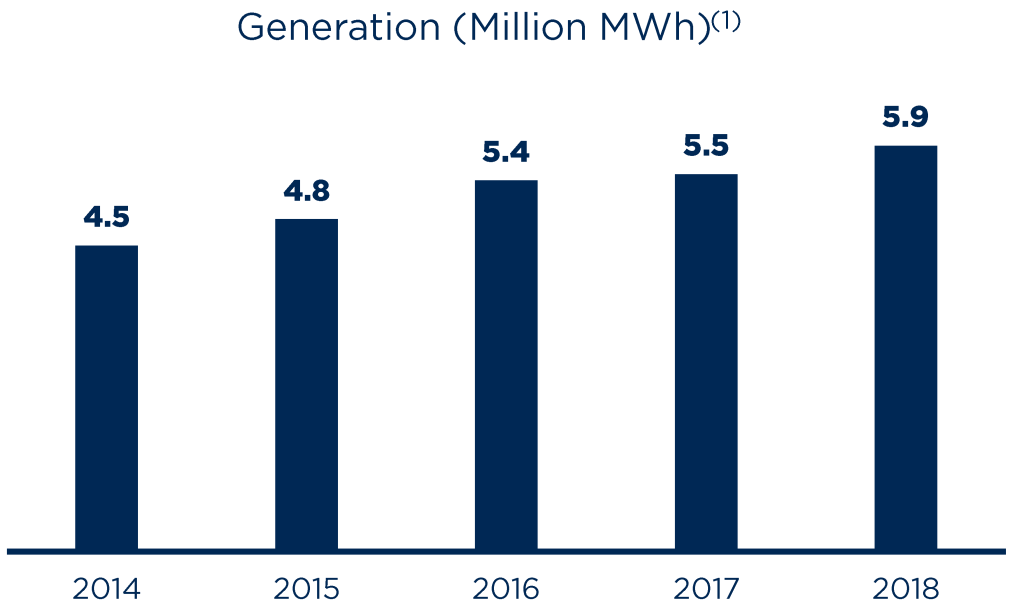
GENERATION – 6.9% INCREASE YEAR OVER YEAR

- **6.9% increase year over year**
  - 2018 generation was positively affected by Platanares, Tungsten Mountain, Olkaria III plant 1 expansion, and USG power plants;
    - Partially offset by a decrease in generation due to :the outage related to Puna shutdown



(1) Ormat owns 12.75% minority interest at Sarulla, which is accounted under the equity method. We include in our portfolio our share in Sarulla's three phases, however its generation **is not** included in the chart above

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UPDATE ON PUNA PLANT IN HAWAII

- **Working rapidly to resume operation of our Puna power plant following the Kilauea volcano erupted**
  - Access road to the site - completed
  - Mobilizing of a workover rigs from the mainland to Hawaii - completed
  - Drilling of new fresh water well - completed
  - Removing the plugs from the production wells – in process
  - Mobilizing a large rig to the island to enable drilling additional wells if required – in process
  - Building the electrical substation – expected early Q4 2019
- **State of Hawaii and the Hawaiian utility, expressed their commitment to pursue all that is required to meet our target to operate Puna by the end of 2019**
- **Operation of Puna power plant by the end of 2019, is subject to successful results we receive from the geothermal wells and from the plant equipment**

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UPDATE ON PUNA PLANT IN HAWAII

- **Insurance Update**
  - Property Insurance
    - All insurers accepted our claim and started to pay the costs to rebuild the destroyed items including the substation
  - Business Interruption
    - Some insurers accepted that coverage starts at May 2018 and paid so far approximately $12 million that were recorded in Q4 2018
    - Still in discussions to reach an understanding with rest of our insurers to start paying for the business interruption as of May 2018

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GROWTH PLAN

- Added 115 MW YTD from organic growth and acquisition
- Expect adding between 127 MW and 142 MW by the end of 2021(1)
- Continue to look for M&A opportunities

Project	Projected Capacity	Expected COD	PPA
U.S - Tungsten Solar	7 AC MW	Q1 2019	v
U.S - Steamboat Hills Enhancement	19 MW	2020	v
Tungsten 2	15 MW	2020	v
Wister Solar	20 MW	2020	v
Guadeloupe- Bouillante	10 MW	2021(2)	TBD
Heber Complex	11 MW	2021	v
Carson Lake	10-15 MW	2021	v
North Valley	30-40 MW	2021	v
Steamboat Solar	5 AC MW	2021	v

(1) MW growth target is based on existing prospects and business development plans as of February 26, 2018
(2) Bouillante projected COD is subject to PPA execution

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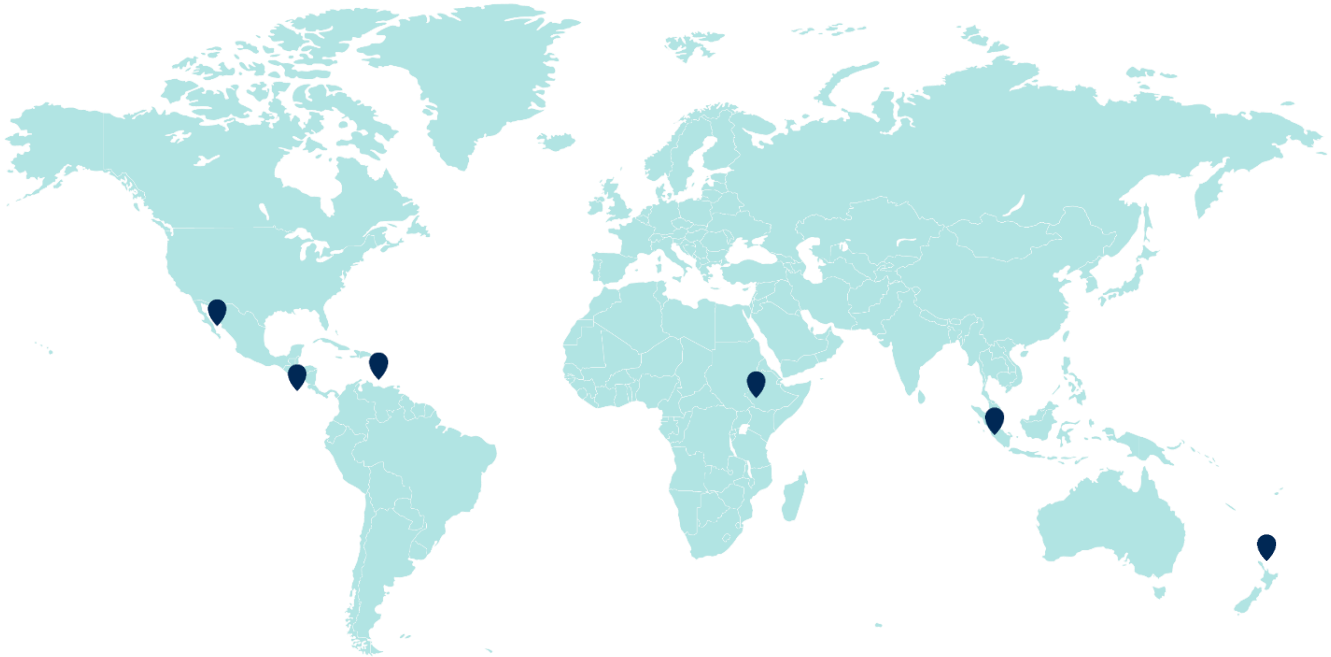
DEVELOPMENT AND EXPLORATION PIPELINE TO SUPPORT FUTURE GROWTH

38 prospects under exploration and development to support our growth targets



U.S.		Central America & Caribbean		Africa		Asia Pacific	
Nevada	18 sites	Guatemala	2 sites	Ethiopia	4 sites	New Zealand	1 site
California	4 sites	Honduras	1 site			Indonesia	1 site
Oregon	3 sites	Guadeloupe	1 site				
Utah	2 sites						
New Mexico	1 site						

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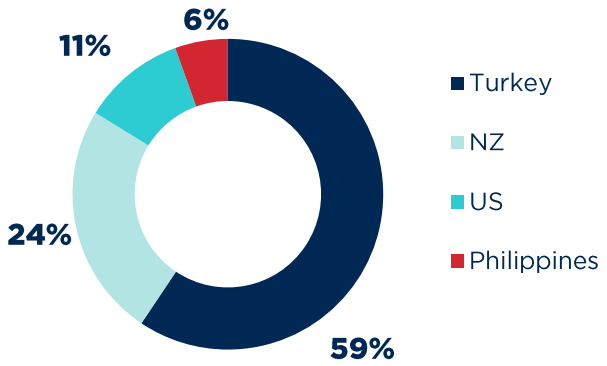
PRODUCT SEGMENT

- **Backlog of $ 216.8M as of February 26, 2019**
  - The backlog includes revenues for the period between January 1, 2019 and February 26, 2019
  - 96% Geothermal contracts
  - Signed new contract in Turkey for approx. $28 million
- **Backlog excludes contract that was agreed but not yet signed – approx. $60.0 million**



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ENERGY STORAGE

- **Two 20MW/20MWh utility scale energy storage systems in New Jersey**
  - One system is in operation
  - Second system is expected be operational during Q1 2019
- **New 10MW/12.5MWH system under construction in Georgetown, Texas**
  - provide frequency regulation and load shifting services to ERCOT

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CAPITAL NEEDS FOR THE REMAINDER 2019

Capital needs ($M)	
Construction & enhancements	$159
Maintenance CapEx (including drilling in Puna)	$57
Storage activity	$14
Exploration	$11
Manufacturing facility	$9
Total CapEx	**$250.0**
Long-term debt repayment	**$68**

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2019 GUIDANCE

2019 Revenue Guidance	($M)
Electricity revenues	530-540
Products revenues	180 – 190
Other revenues[1]	10-12
Total expected revenues	**720-742**

2019 Adjusted EBITDA	($M)
Adjusted EBITDA[2]	**370-380**

2019 guidance **excludes** any impact from Puna. operation or expected business interruption insurance proceeds that we pursue to receive during the 2019.

(1) "Other" segment reflect revenues from energy storage, demand response and energy management related revenue

(2) The Company provides a reconciliation of Adjusted EBITDA, a non-GAAP financial measure for the three and year ended December 31, 2018. However, the Company is unable to provide a reconciliation for its Adjusted EBITDA guidance range due to high variability and complexity with respect to estimating forward looking amounts for impairments and disposition and acquisition of business interests, income taxes including the tax impact of the repatriation of proceeds from sales in foreign jurisdictions and tax benefit or expense related to effects of the still evolving tax law reform in the United States and other non-cash expenses and adjusting items which are excluded from the calculation of Adjusted EBITDA

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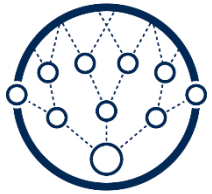
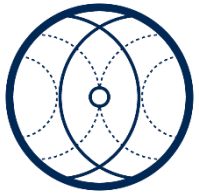
SUMMARY – CONTINUING EXECUTION



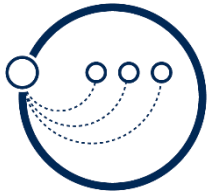
Improve efficiencies



Organic growth



Strategic M&A



New activities

electricity segment gross margin:

42%

Added approximately

77 MW

of organic growth

Three new power plants under the US Geothermal acquisition

38 MW

and future prospects

Increased electricity segment Adjusted EBITDA portion to:

89%

Commission in the last 12 months

3

storage projects in the US

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THANK YOU!

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RECONCILIATION OF EBITDA AND ADJUSTED EBITDA FOR THE THREE AND TWELVE MONTHS PERIODS ENDED DECEMBER 31, 2018 AND 2017 (UNAUDITED)

We calculate EBITDA as net income before interest, taxes, depreciation and amortization. We calculate Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, adjusted for (i) termination fees, (ii) impairment of long-lived assets, (iii) write-off of unsuccessful exploration activities, (iv) any mark-to-market gains or losses from accounting for derivatives, (v) merger and acquisition transaction costs, (vi) stock-based compensation, (vii) gain from extinguishment of liability, and (viii) gain on sale of subsidiary and property, plant and equipment. EBITDA and Adjusted EBITDA are not a measurement of financial performance or liquidity under accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America. EBITDA and Adjusted EBITDA are presented because we believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of a Company's ability to service and/or incur debt. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the three and twelve-months periods ended December 31, 2018 and 2017.

	Three Months Ended December 31		Twelve Months Ended December	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
Net income	$ 23,089	$ 68,087	$ 110,111	$ 147,109
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs)	21,576	12,860	69,950	53,154
Income tax provision	31,386	(28,329)	34,733	21,664
Adjustment to investment in uncosolidated company:				
our proportionate share in interest, tax and depreciation and amortization	(2,584)	(265)	9,184	(265)
Depreciation and amortization	32,749	31,652	127,732	108,693
EBITDA	$ 106,216	$ 84,005	$ 351,710	$ 330,355
Mark-to-market gains or losses from accounting for derivatives	830	(700)	2,032	(1,500)
Stock-based compensation	2,836	1,556	10,218	8,760
Gain on sale of subsidiary and property, plant and equipment	—	—	—	—
Insurance proceeds in excess of assets carrying value	—	—	(7,150)	—
Losse from extinguishment of liability	—	—	—	1,950
Goodwill impairment, net of earn out adjustments	3,142	—	3,142	—
Termination fee	—	—	4,973	—
Impairment of long-lived assets	—	—	—	—
Merger and acquisition transaction cost	120	760	2,910	2,460
Write-off of unsuccessful exploration activities	7	1,796	126	1,796
Adjusted EBITDA	$ 113,151	$ 87,417	$ 367,961	$ 343,821

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RECONCILIATION OF ADJUSTED NET INCOME FOR THE THREE AND TWELVE MONTHS PERIODS ENDED DECEMBER 31, 2018 AND 2017 (UNAUDITED)

Adjusted net income attributable to the Company's stockholders and Adjusted EPS are adjusted for one-time expense items that are not representative of our ongoing business and operations. 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 following table reconciles Net income attributable to the Company's stockholders and Adjusted EPS for the three and twelve-months periods ended December 31, 2018 and 2017.

	Three Months Ended Deceember 31		Twelve Months Ended December 31	
	2018	2017	2018	2017
	(in millions)		(in thousands)	
Net income attributable to the Company's stockholders	$ 18.2	$ 64.6	$ 98.0	$ 132.4
One-time termination fee		—	5.0	—
One-time prepayment fees	—	—		1.9
One-time Goodwill impairment charge net of earnouts	3.1		3.1	
One-time tax Expense	—	—	—	20.9
Adjusted Net income attributable to the Company's stockholders	$ 21.3	$ 64.6	$ 106.1	$ 155.2
Weighted average number of shares diluted used in computation of earnings per share attributable to the Company's stockholders:	50.9	51.1	51.0	50.8
Adjusted EPS	0.42	1.27	2.08	3.06

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