



# **ORMAT TECHNOLOGIES, INC.**

## INVESTOR PRESENTATION

SEPTEMBRE 2024



# 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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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 filed with the SEC on February 23, 2024, and from time to time, in Ormat’s quarterly reports on Form 10-Q that are filed with the SEC.

## 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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# INTRODUCTION



# A LEADING RENEWABLE ENERGY PROVIDER

WITH A PROVEN TRACK RECORD  
IN GEOTHERMAL AND ENERGY STORAGE

Over

**55**

Years of  
experience

Own & Operate

**1.4<sub>GW</sub>**

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

**~1,600**

Employees

**\$829<sub>M</sub>**

2023 revenues

**\$482<sub>M</sub>**

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

**\$124<sub>M</sub>**

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

CD4, Mammoth Complex, NV, USA, 65MW



# OUR BUSINESS SEGMENTS

**80%**

Of 2023  
Revenues



## ELECTRICITY

Develop, build, own and operate geothermal, solar and recovered energy-based (REG) power plants

Primary customers include utilities, CCA and municipalities

**16%**

Of 2023  
Revenues



## PRODUCT

Design, manufacture and sell equipment for geothermal and REG power plants

Provide EPC and O&M services for geothermal and REG power plants

**4%**

Of 2023  
Revenues



## ENERGY STORAGE

Growing to establish leading position in the U.S. storage sector

Provides ancillary services and capacity to grid operators



# 2024 HIGHLIGHTS



**136MW**

New capacity added in  
H1 2024



Electricity – 16MW

Organic and M&A 100MW<sup>1</sup>

Storage – 20MW



**187MW**

Electricity under  
construction &  
development



Geothermal – 125MW

Solar – 62MW



**435MW/1,240MWh**

Energy storage  
under construction &  
development



Texas – 220MW/440MWh

PJM – 20MW/20MWh

CA – 195MW/ 780MWh



**397M**

Capital raised in H1  
2024<sup>2</sup>

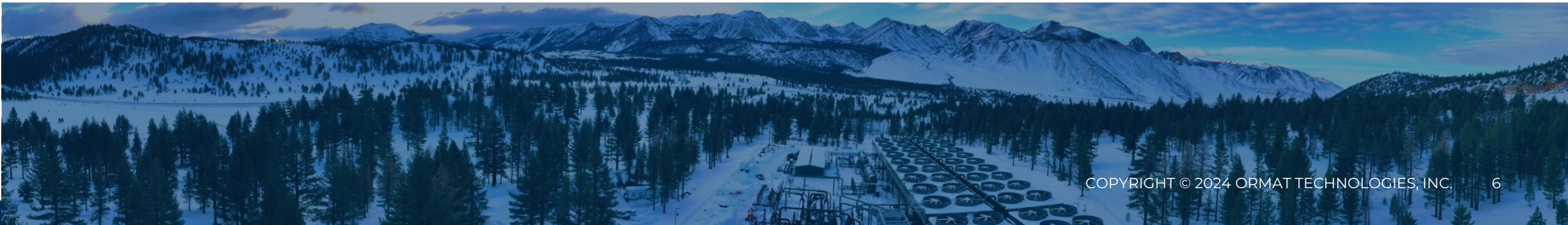


\$232M corporate debt

\$165M project finance  
long term

1. Closed in January 2024

2. Total average interest rate of 6.60%



# MAINTAINING A STRONG CAPITAL POSITION

## TO SUPPORT ACCELERATED GROWTH



**Access to multiple sources of liquid capital**

**\$292M**

**Expected CapEx  
for Q3-Q4 2024<sup>1</sup>**

**\$653.8M**

**Total  
liquidity<sup>3</sup>**



**Expanded convertible bonds by \$45.5  
million through new issuance subsequent  
to quarter end<sup>4</sup>**

**4.2x**

**Net debt to  
Adj. EBITDA<sup>2</sup>**

**47%**

**Net debt to  
capitalization<sup>2</sup>**

- (1) For details on CapEx please see appendix slides
- (2) For key financial results and non-GAAP financial measures reconciliation please see the appendix slides
- (3) Cash, cash equivalents, restricted cash and available lines of credit as of June 30, 2024
- (4) The bond itself cannot be converted to equity. If the convert is in the money, the additional interest can be paid by either cash or shares at our choice.

# ELECTRICITY

- Overview
- U.S. Geothermal Market
- New Zealand & Indonesia
- Growth Targets





# OVERVIEW

## Generates firm & flexible power



**1,230MW**

Geothermal,  
Solar PV & REG

**92%**

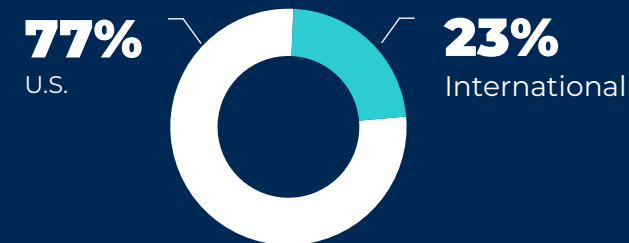
Geothermal assets;  
with the highest  
capacity factor of any  
renewable resource

**15yrs.**

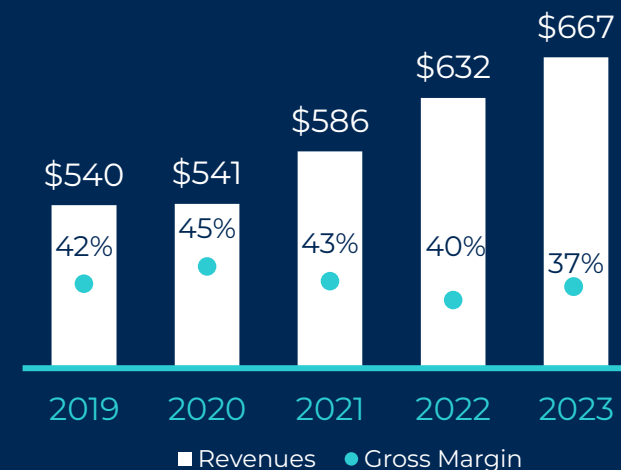
Weighted average  
PPA<sup>2</sup> life supports  
cash visibility

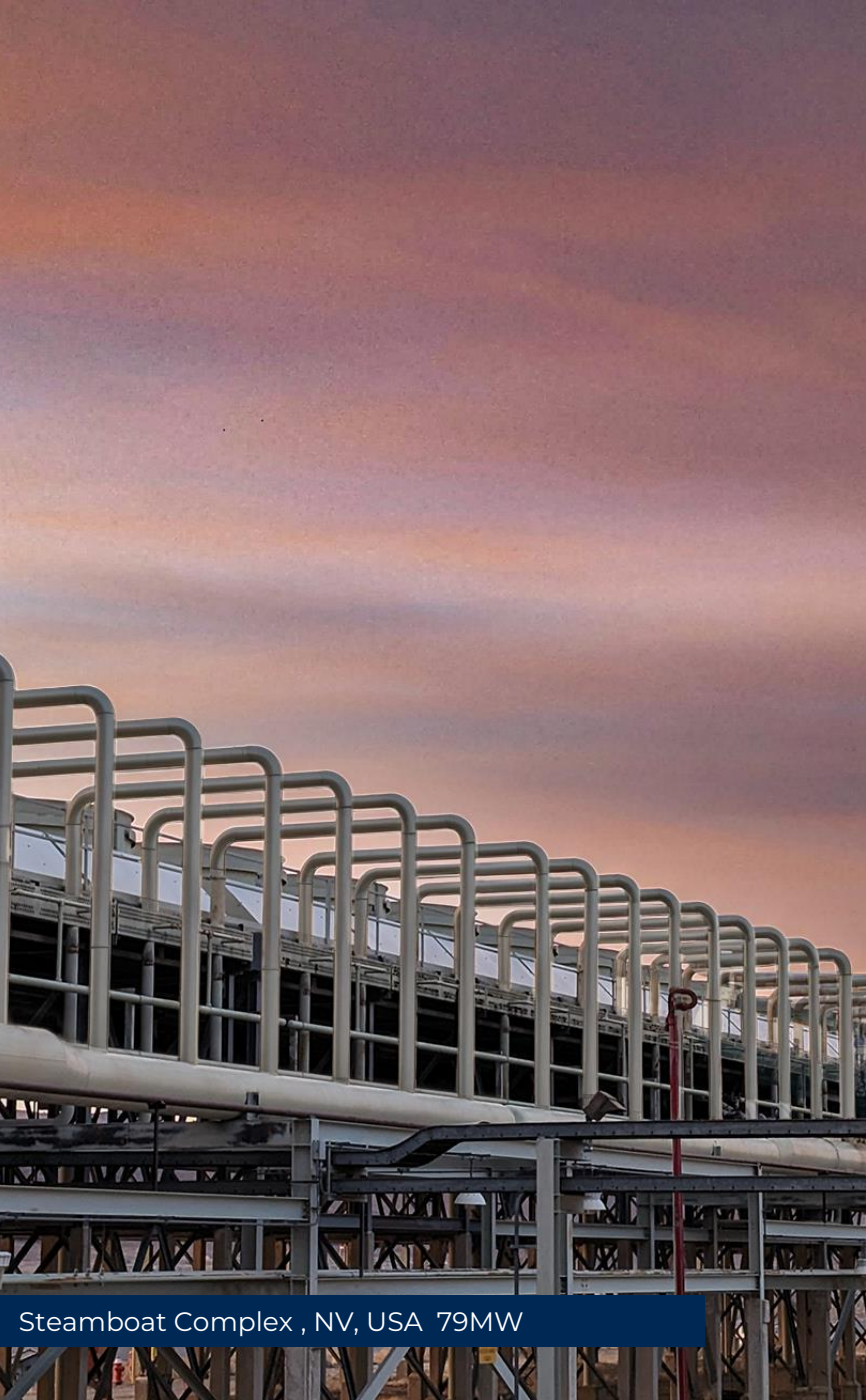
(1) In the Sarulla complex, we include our 12.75% share only  
(2) Including re-contracting under the SCPPA Portfolio PPA and amended HELCO PPA.

## Diversified portfolio



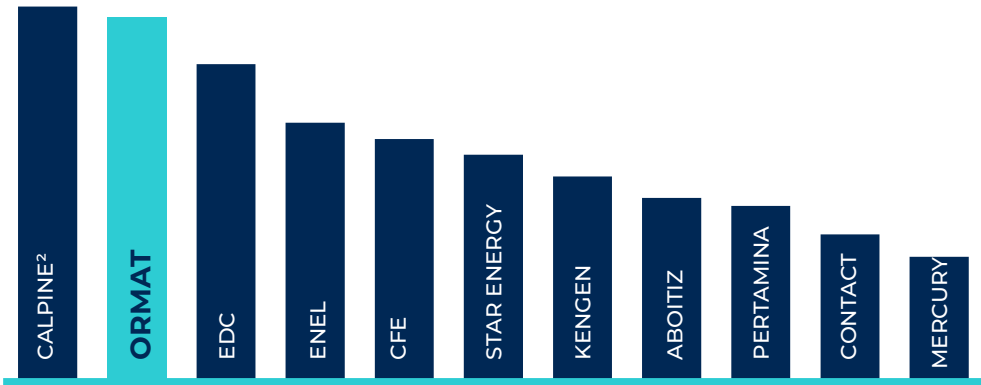
## Growing Profitable portfolio<sup>3</sup>





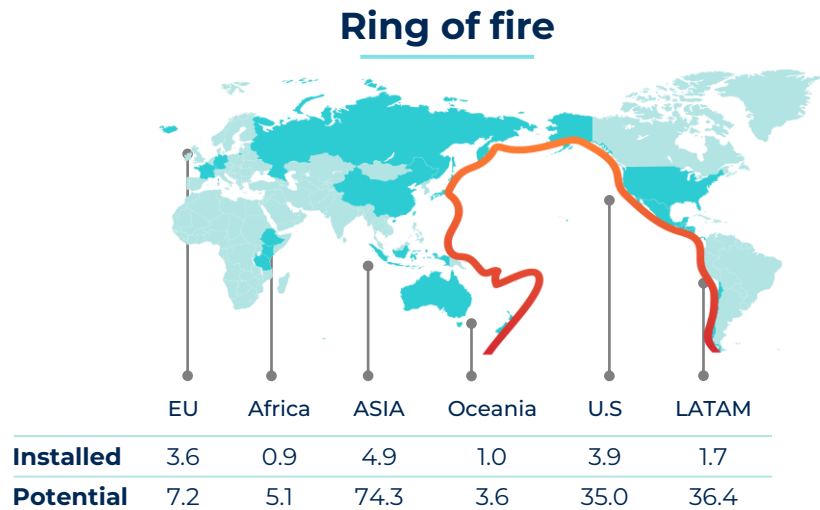
# GEO THERMAL MARKET

**2<sup>nd</sup>**  
Largest geothermal owner & operator<sup>1</sup>



**~16.3GW**  
Global installed geothermal capacity<sup>1</sup>

**10x**  
Global potential vs. installed<sup>1</sup>



(1) Source of above charts: ThinkGeoEnergy - “Geothermal Market Analysis from March 2024 by Alexander Richter; Data is presented at gross installed capacity; Ormat internal database.  
(2) Calpine includes Geyser Power Co data

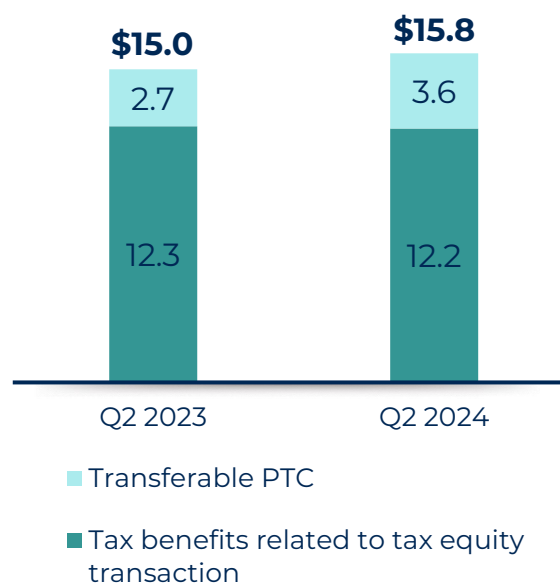


# REGULATORY BOOST

## FINANCIAL IMPACT OF IRA

### Q2 2024

#### Income attributable to sale of tax benefits(\$M)



#### Income tax (provision) benefit(\$M)

\$6.2 million was recorded

### 2024 outlook

#### Income tax (provision) benefit(\$M)

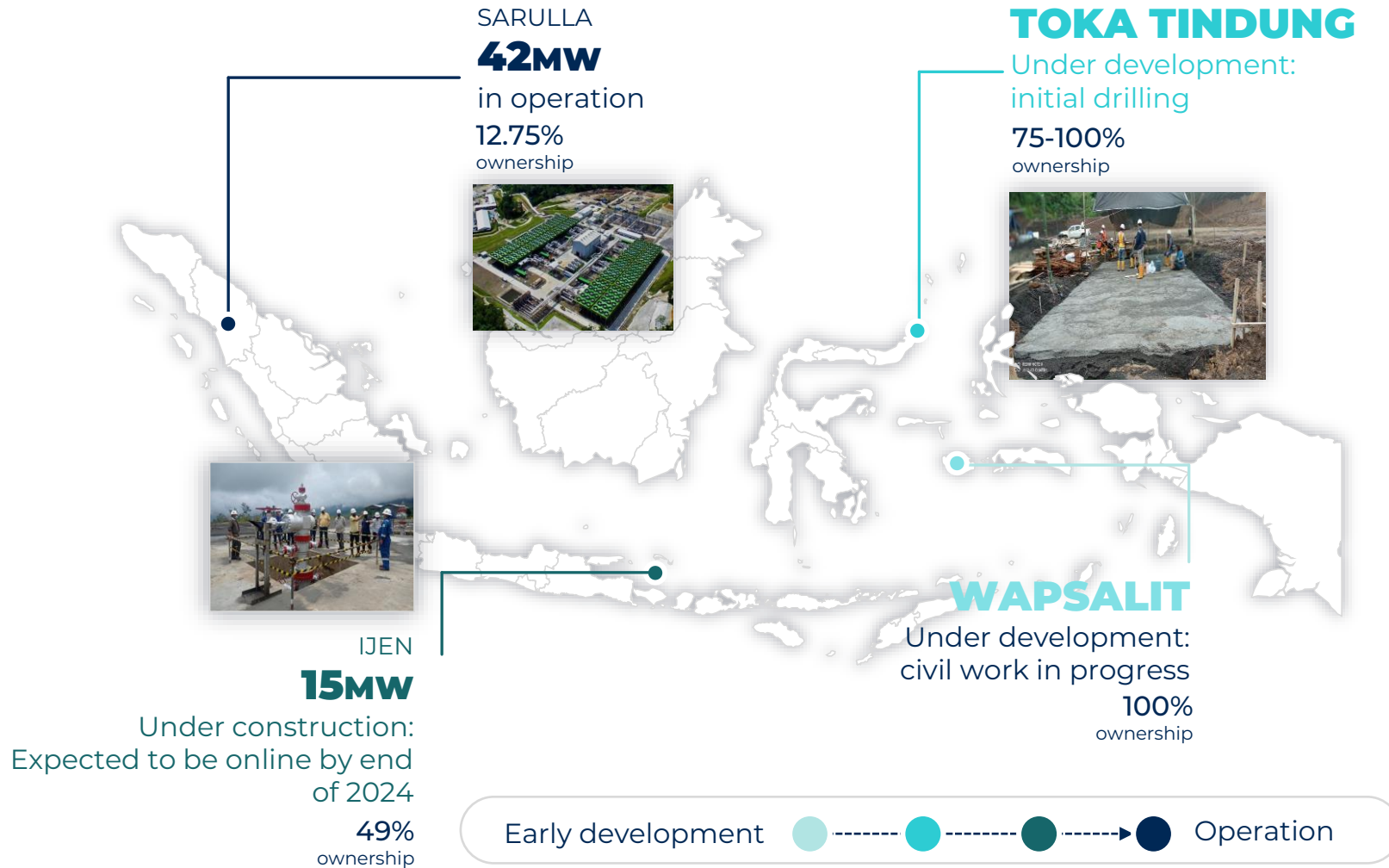
Expecting **\$38** million benefit on an **annual basis** that will be recorded proportionally throughout the year.

#### Cash proceeds from tax benefits(\$M)

Expecting approx. **\$125** million on **annual basis** for both tax equity transactions and PTC/ITC transferable



# DEVELOPMENT IN INDONESIA



Sources: (1) By GDP (2) By Population (273M) (3) Indonesia's Sovereign Credit Rating (4) IEA Electricity Information (5) Approx. 35.5TWh production of hydro, geothermal, waste, wind and solar PV from total production of 288TWh (6) Our world in data.

#1

Largest economy in Southeast Asia<sup>1</sup>

4<sup>th</sup>

Largest country in the world<sup>2</sup>

BBB/  
Baa2

Country's rating by S&P and Moody's<sup>3</sup>

~33GW

2020 electricity production<sup>4</sup>

~12%

Renewables (5% geothermal)<sup>5</sup>

~99%

Of population has access to electricity<sup>6</sup>

# SIGNIFICANT MILESTONE: **50MW DEVELOPMENT IN NZ**

Ormat to design, build and own **50MW** power plant

Expected COD: **Q4 2025**

EGL to operate the power plant and purchase the plant's generation under a PPA

EGL has an option to purchase the power plant

EGL - Eastland Generation Limited

Sources: (1) New Zealand Geothermal Energy Market Overview, May 2021, [Think GeoEnergy](#) (2) Ministry of Business, Innovation & Employment NZ [link](#)

The Wairakei geothermal power plant

#**5**

Worldwide in  
total installed  
geothermal  
capacity

>**3.6GW**

Geothermal  
resource  
potential

>**1GW**

Installed geothermal  
capacity

~**18%**

Of total electricity  
generation is from  
geothermal

~**41%**

Of installed capacity  
supplied by Ormat

**100%**

Renewable electricity  
target by 2030

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# ELECTRICITY SEGMENT - SUMMARY

## GROWTH DRIVERS:



**ORGANIC GROWTH**  
ENHANCED EXPLORATION

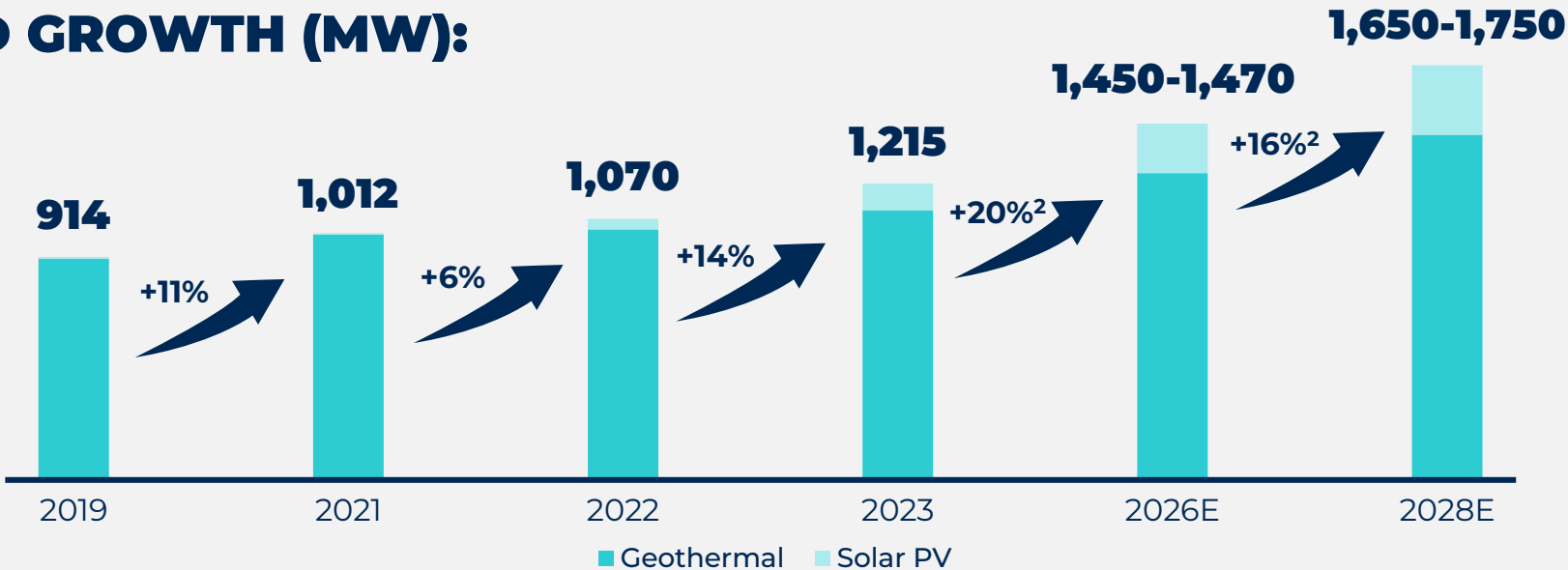


**INDONESIA  
& NEW ZEALAND**



**M&A**

## TARGETED GROWTH (MW):

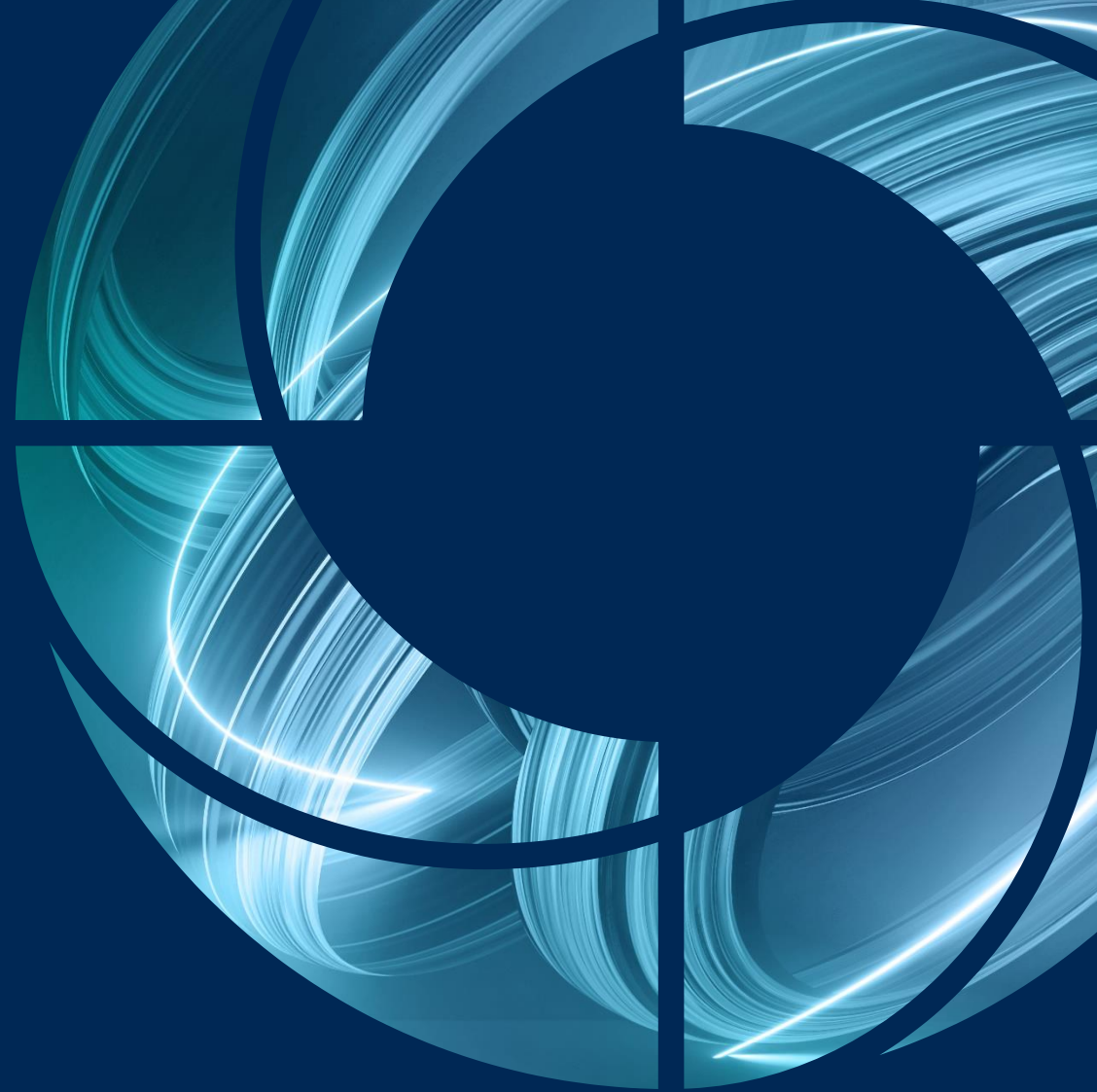


1) Note: Please see appendix for detailed list of projects including MW and MWh numbers of the respective projects.  
2) Calculated based on the midpoint



# STORAGE

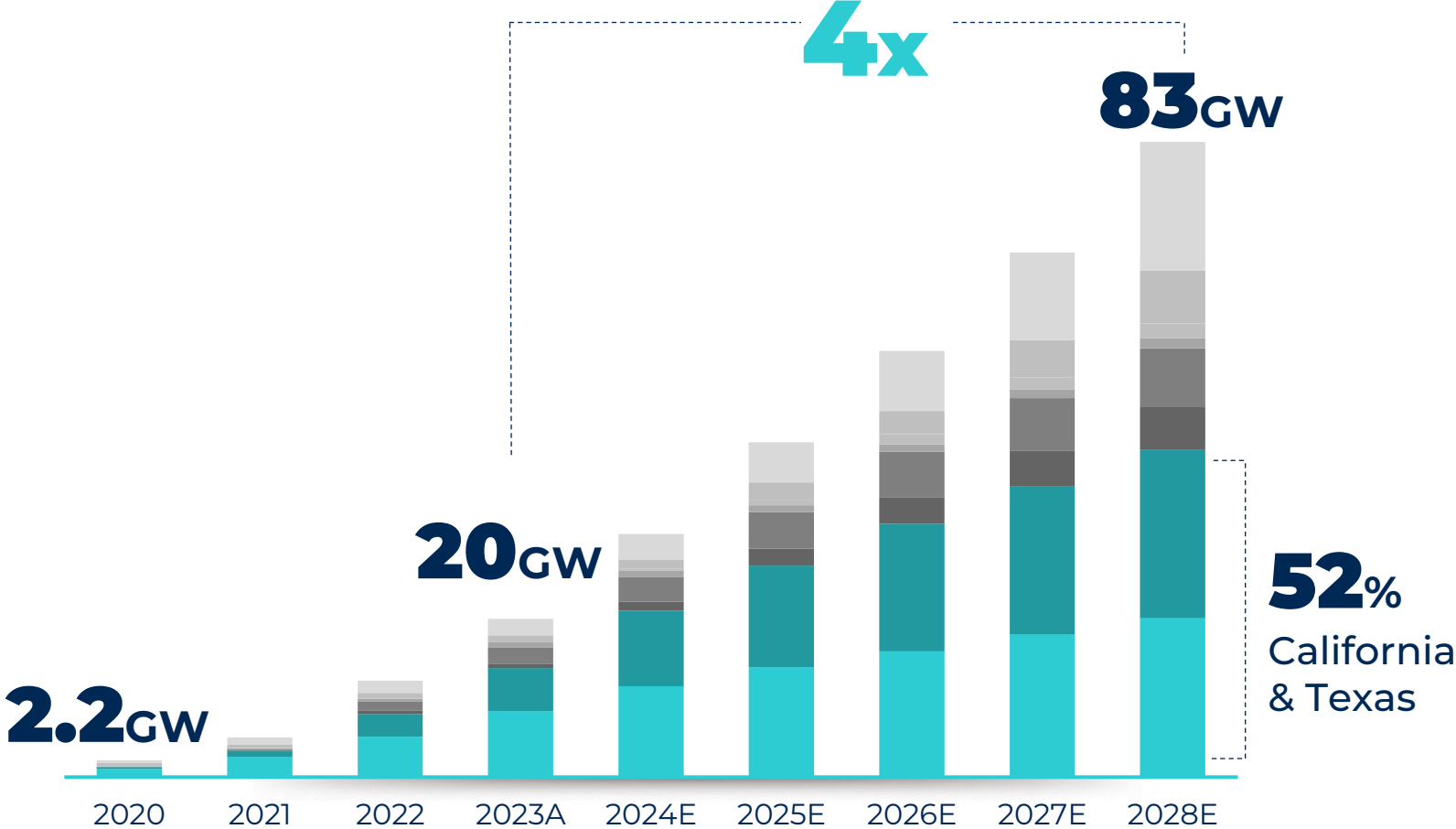
- Storage market
- Regulation
- Pipeline update





# U.S. ENERGY STORAGE MARKET: STEEP GROWTH TRAJECTORY

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 Q2 2024

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# ENERGY STORAGE



**190MW/318MWh**

- |   |                                  |
|---|----------------------------------|
| <b>1</b> <b>55MW/180MWh</b><br>CA                       | <b>3</b> <b>33MW/33MWh</b><br>TX |
| <b>2</b> <b>100MW/100MWh</b><br>East coast <sup>1</sup> | <b>4</b> <b>2MW/5MWh</b><br>VT   |

1) East coast market includes PJM, ISO-NE, NYISO

01

## TARGET THE LARGEST AND MOST LUCRATIVE MARKETS:

California, Texas, and PJM

02

## FOCUS ON STANDALONE ENERGY STORAGE

Providing ancillary service, energy and capacity to the grid

03

## EXPANSION TO NEW REGIONS

Short-term: additional markets in the U.S.  
Mid-term: international regions

04

## INCREASE SCALE AND MARGINS



# KEY FACTORS DRIVING ORMAT'S ACCELERATED ENERGY STORAGE DEVELOPMENT



**IRA**  
tax benefits



**Batteries**  
price reduction



**Increased demand**  
for RA and tolling in CA



**Strong pipeline**  
with secured  
interconnection

## 67% DECREASE IN LITHIUM PRICES YTD<sup>1</sup>

**YTD Lithium Carbonate Price (CNY/T)**



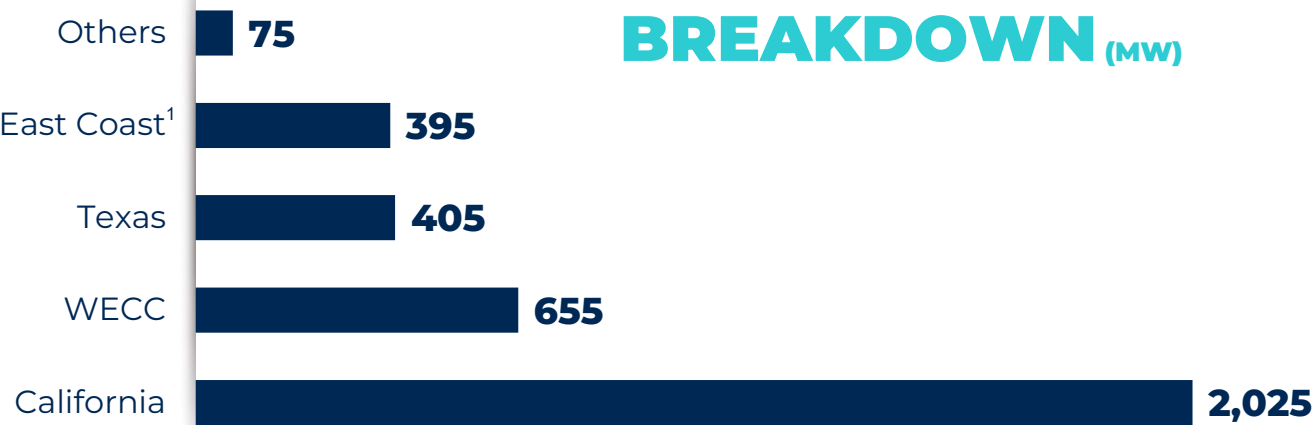
<sup>1</sup>) source: [tradingeconomics.com](https://tradingeconomics.com)

# ENERGY STORAGE PIPELINE

**~3.5<sub>GW</sub>/13.2<sub>GWh</sub>**  
potential capacity of  
U.S. storage pipeline

**34**  
named  
prospects

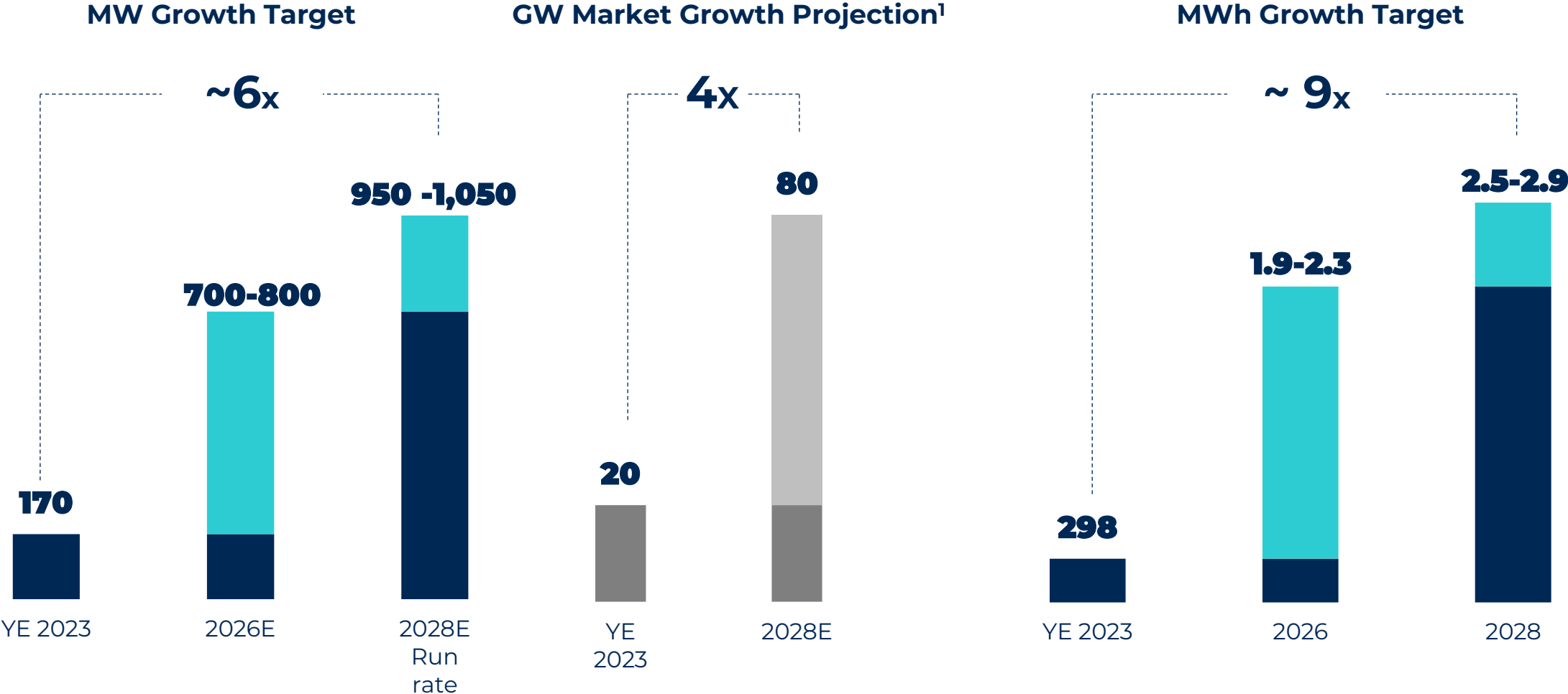
## GEOGRAPHICAL BREAKDOWN (MW)



1) East coast market includes PJM, ISO-NE, NYISO and SERC



# ORMAT ENERGY STORAGE DEVELOPMENT



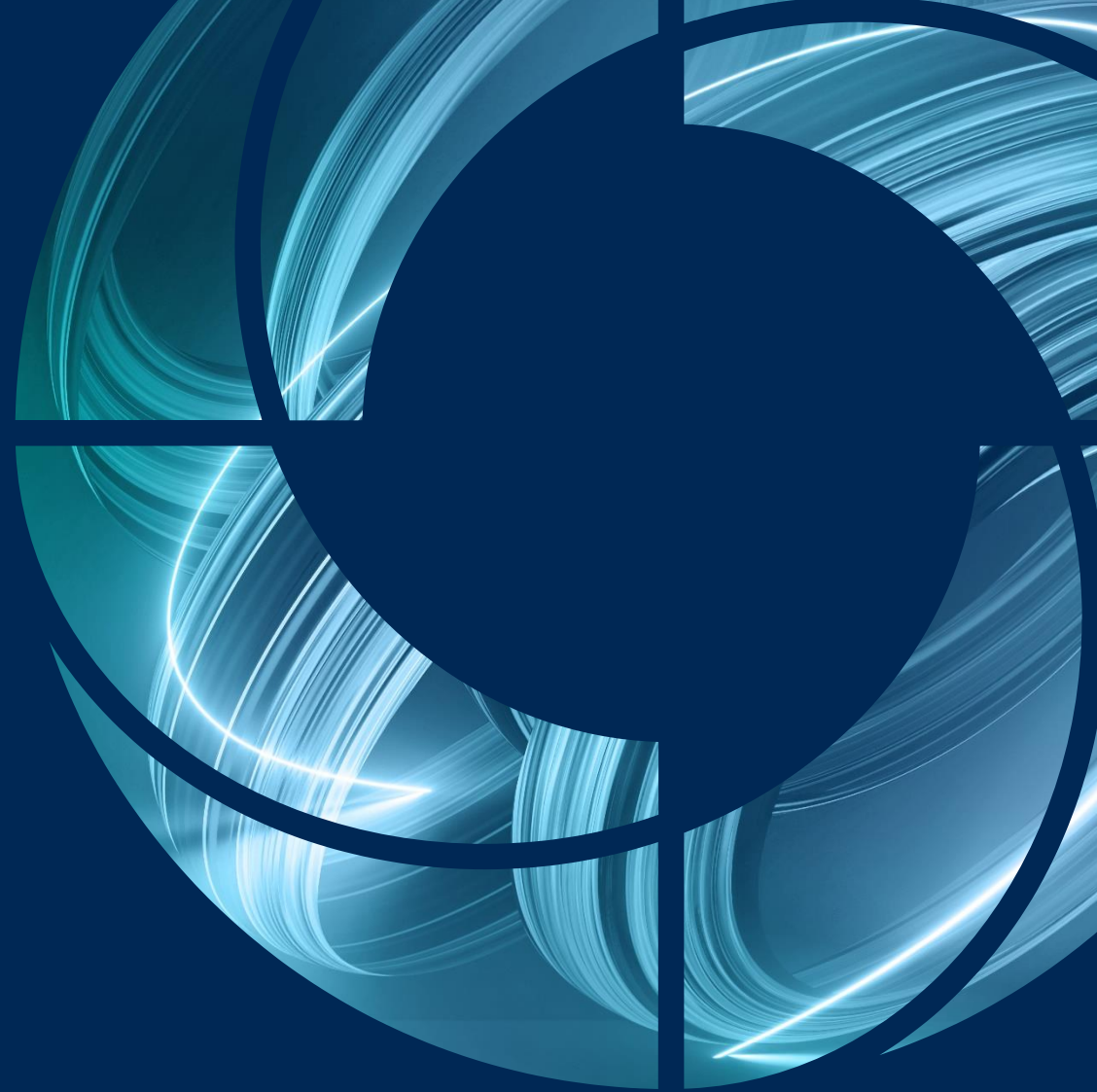
(1) Source: Wood Mackenzie U.S. energy storage monitor Q1 2024





# PRODUCTS

- Segment overview
- Backlog updates



# PRODUCT SEGMENT OVERVIEW

## A market leader

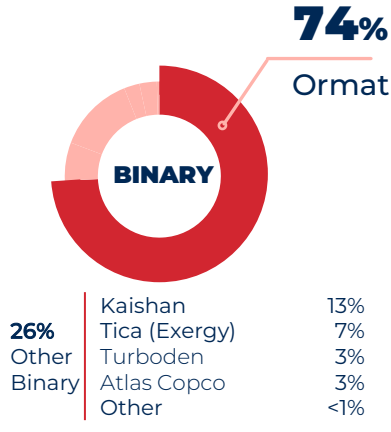
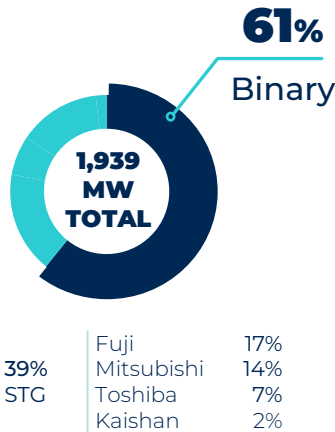
Built approximately 190 power plants and installed approx. 3,400 MW of geothermal & REG over the years



Source of above charts: ThinkGeoEnergy - "Geothermal Market Analysis YE 2023" by Alexander Richter from August 2024 ; Data is presented at gross installed capacity; Ormat internal database.

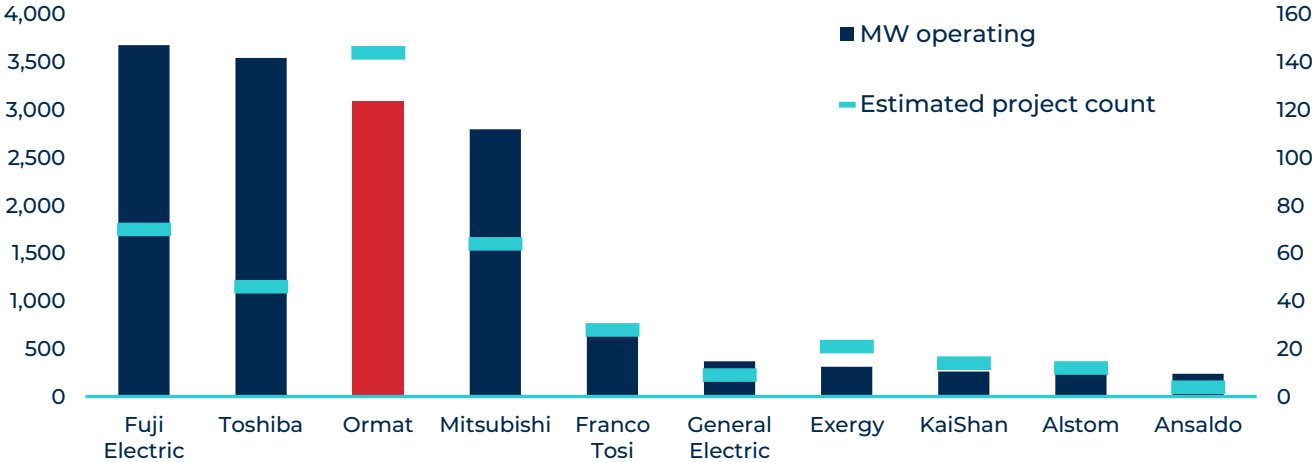
## Primary provider of geothermal binary plants

Suppliers of geothermal power plants 2018 – 2023 capacity (MW)



## Geothermal equipment suppliers

(MW & project count)

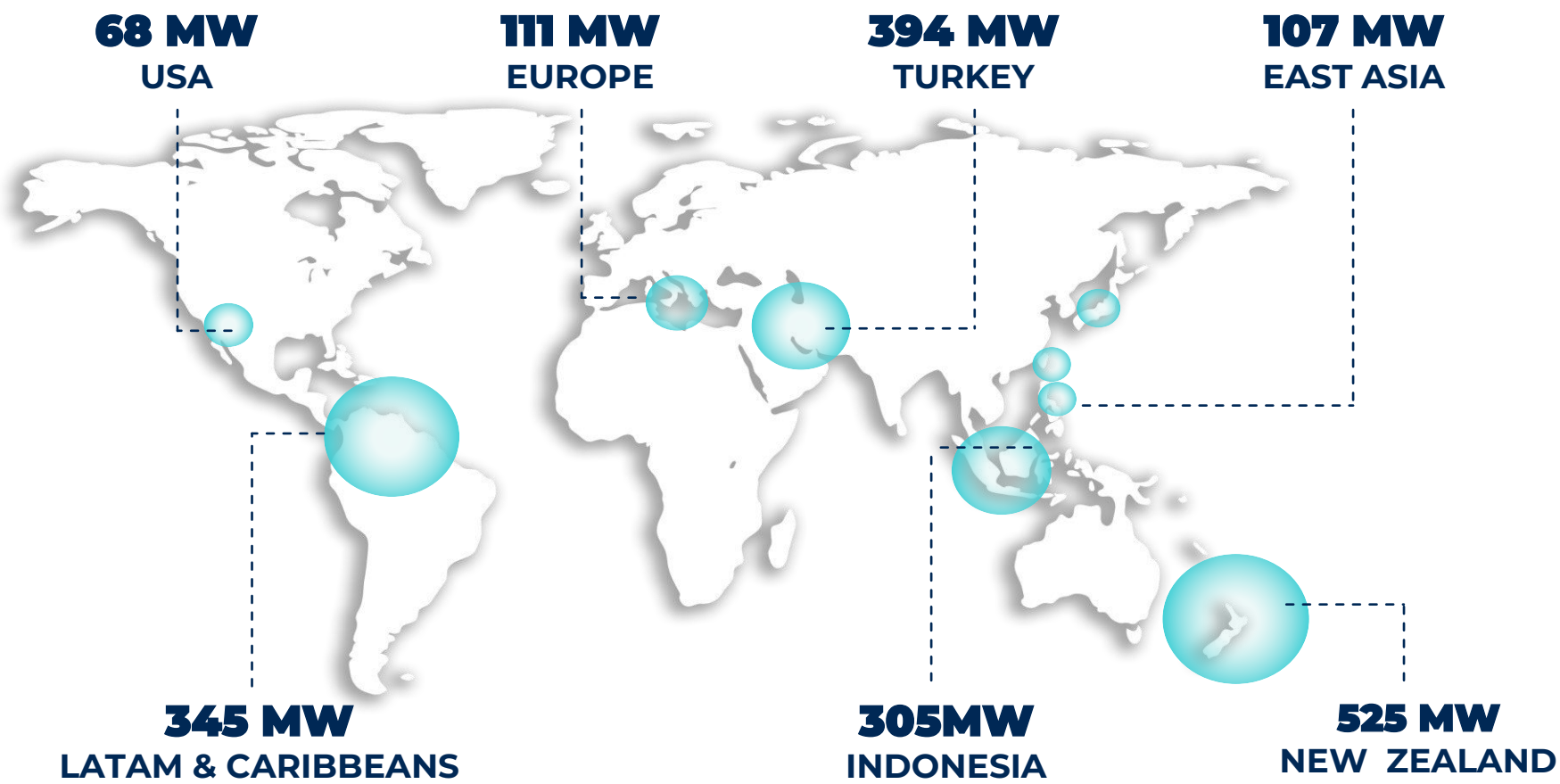


(1) Source of above chart: ThinkGeoEnergy - "Geothermal Market Analysis from August 2024 by Alexander Richter; Data is presented at gross installed capacity; Ormat internal database.

# FOCUSING ON STRATEGIC TERRITORIES(MW)

1.8<sub>GW</sub> IN 5 years

Expected release of geothermal binary capacity



Source: Thinkgeoenergy.com and Ormat analysis





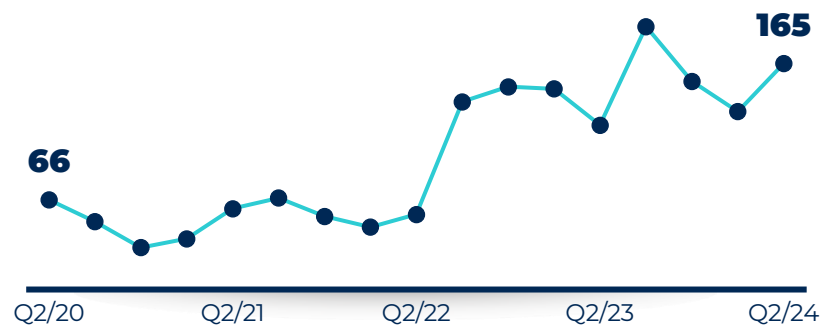
# PRODUCT BACKLOG

## 3<sup>RD</sup> PARTY CONTRACTS

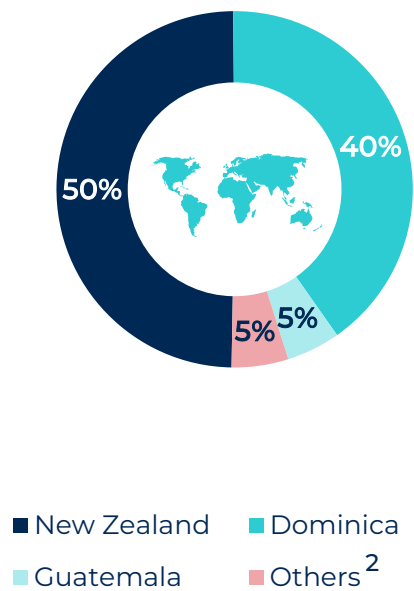
~\$165M  
Backlog

98%  
Geothermal  
contracts

Backlog Recovery(\$M)



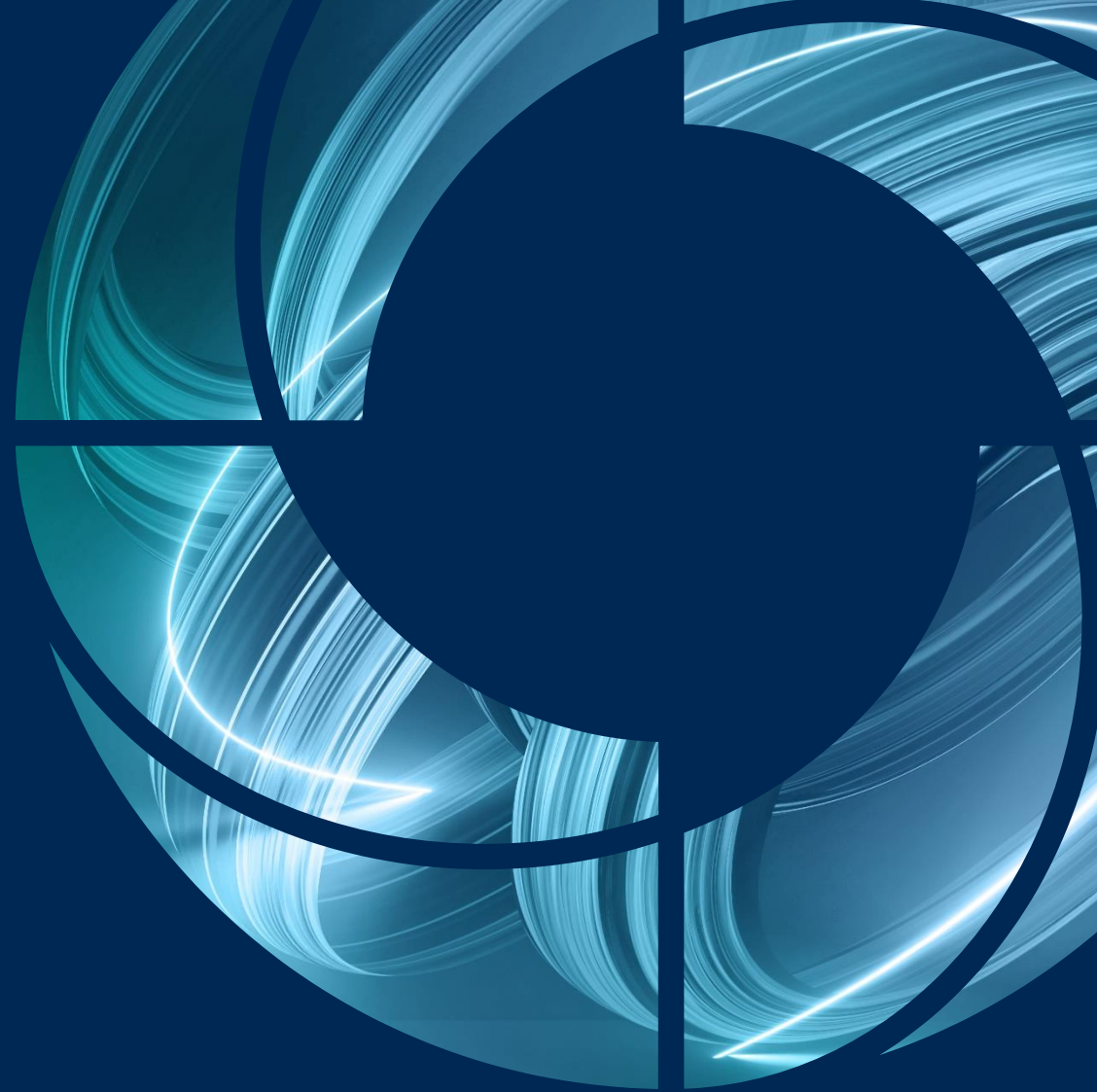
Geographic Breakdown



1) Backlog as of August 5th, 2024. The backlog includes revenues for the period between July 1st, 2024, and August 5th, 2024.  
2) Other includes Canada, Far East, IL, Indonesia etc.

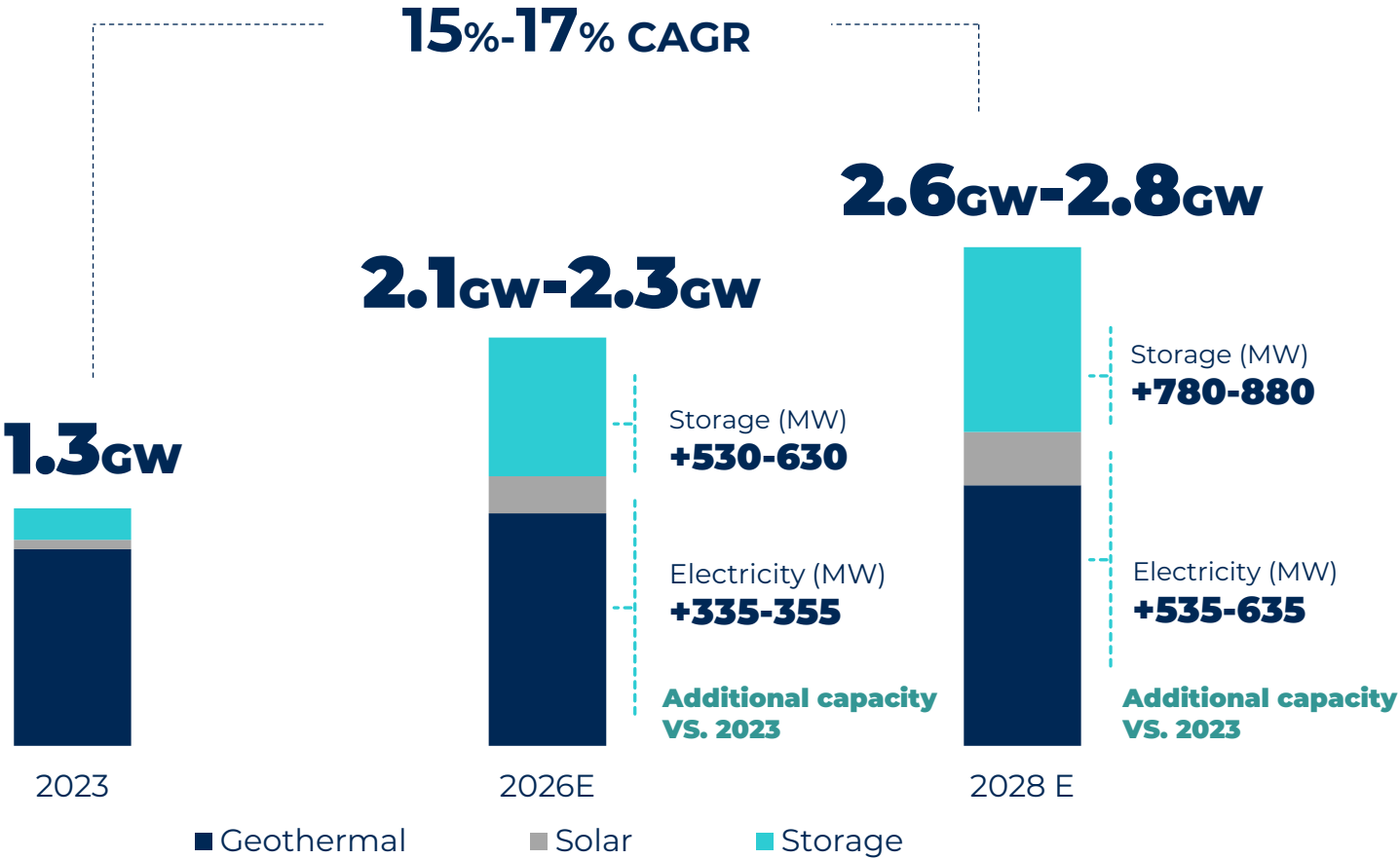


# GROWTH



# ROBUST GROWTH PLAN<sup>1</sup>

## INSTALLED CAPACITY GROWTH



**Significantly increase geothermal & solar capacity**



**Accelerate storage capacity**  
to establish leading position in the U.S. storage sector

1) This growth plan is subject to obtaining all permits and regulatory approvals required as well as completing the development and construction of these power plants as planned.  
2) Change in MW growth is compared to a 1,115MW Geothermal & Solar portfolio and a 170 MW storage portfolio in YE 2023



# GEOTHERMAL DEVELOPMENT

Project	Projected Capacity (MW)	Expected COD	PPA
U.S – Beowawe Repowering	6	✓	✓
Indonesia – Ijen	15 <sup>(1)</sup>	Q4 2024	✓
Guatemala – Zunil	5	2025	✓
Guadeloupe- Bouillante	10	Q4 2025	✓
Dominica	10	Q4 2025	✓
New Zealand – Topp 2	50	Q4 2025	✓
Cove Fort	7	End of 2025	✓
Still Water	5	End of 2025	✓
Salt Wells	5	End of 2025	✓
U.S. – Puna expansion	8	H2 2026	✓
U.S. - North Valley 2	10	H2 2026	✓
U.S – Dixie Meadows	12	Suspended	✓

✓ Commercial operation was completed

(1) Ormat’s share



# SOLAR DEVELOPMENT

Project	Projected Capacity (MW)	Expected COD	PPA
U.S. – Steamboat Hills Solar	5	✓	✓
U.S. – North Valley Solar	7	✓	✓
U.S. – Beowawe Solar*	6	Q4 2024	✓
U.S. – Arrowleaf	42	Q4 2025	✓
U.S. – McGinness Hills Solar	14	H2 2026	✓

**Under development:**  
**62MW**  
**from**  
**3 projects**

✓ Commercial operation was completed  
\* Start of operation is in early 2025 when PPA kicks in





# ENERGY STORAGE DEVELOPMENT

Project	Projected Capacity (MW)	Projected MWh	ITC% <sup>1</sup>	Expected COD	PPA
NJ – East Flemington	20	20	30%	✓	Merchant
CA – Bottleneck	80	320	40%	Q3 2024	Full Tolling
NJ – Montague	20	20	30%	Q1 2025	Merchant
CA – Arrowleaf	35	140	30%	Q4 2025	Full Tolling
TX – Lower Rio	60	120	40%	Q2 2025	Full Tolling
TX – Bird Dog	60	120	40%	Q4 2025	Full Tolling
CA – Shirk	80	320	40%	End of 2025	Merchant & RA contract
TX – Louisa <b>NEW</b>	100	200	40%	End of 2026	Merchant

✓ Commercial operation was completed

(1) Based on current treasury guidance, expect to be transferred to third part at discount

Stryker storage facility, NJ, USA 20MW/20MWh

**Under development:**  
**435 MW/**  
**1,240 MWh**  
**from**  
**7 projects**





# 2024 GUIDANCE (\$M)

Total revenues  
**875-910**  
**+7%**

Electricity  
**710-720**  
**+7%**

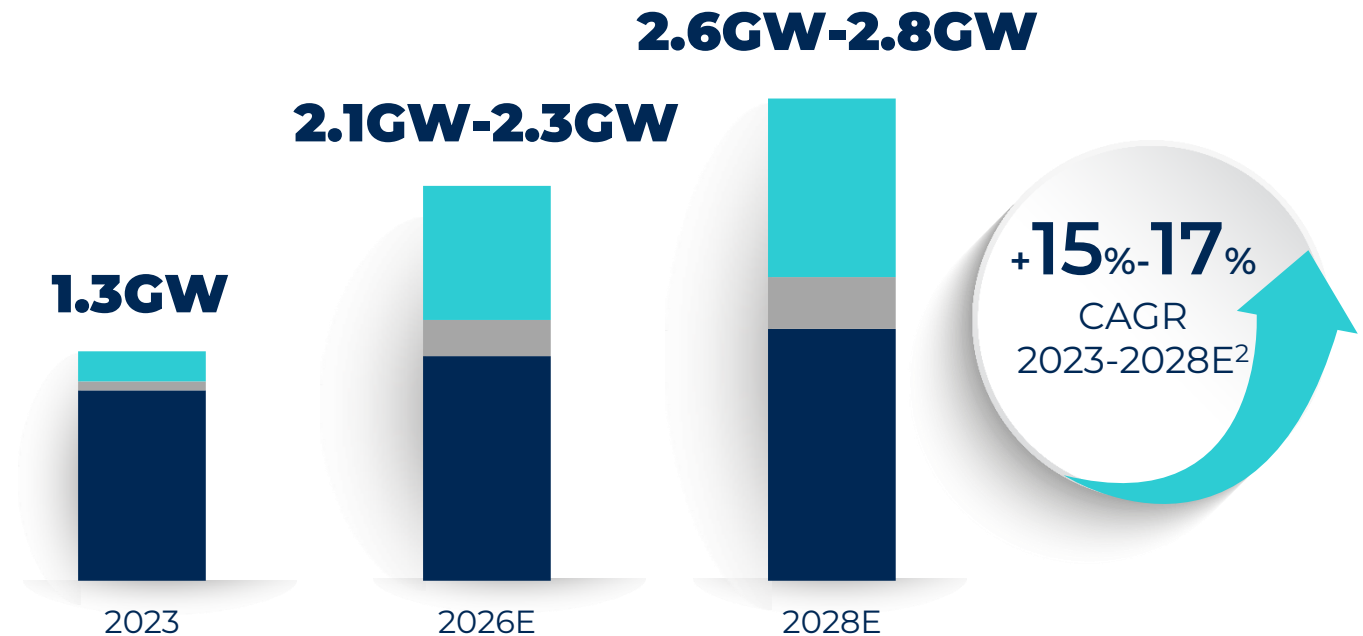
Products  
**130-145**  
**+1%**

Storage  
**35-45**  
**+38%**

Adjusted EBITDA<sup>(1)</sup>  
**520-550**  
**+11%**

## TRANSITIONING TO ACCELERATED GROWTH

IN STORAGE & ELECTRICITY  
SEGMENTS



(1) For key financial results and non-GAAP financial measures reconciliation please see the appendix slides.

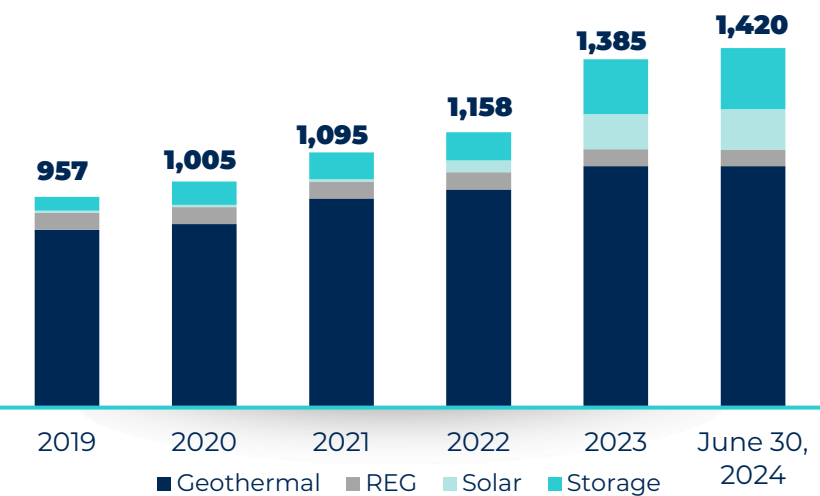
(2) ) Change in MW growth is compared to a 1,115MW Geothermal & Solar portfolio and a 170 MW storage portfolio in YE 2023 The MW addition includes 100MW acquired in January 2024

# INVESTMENT HIGHLIGHTS

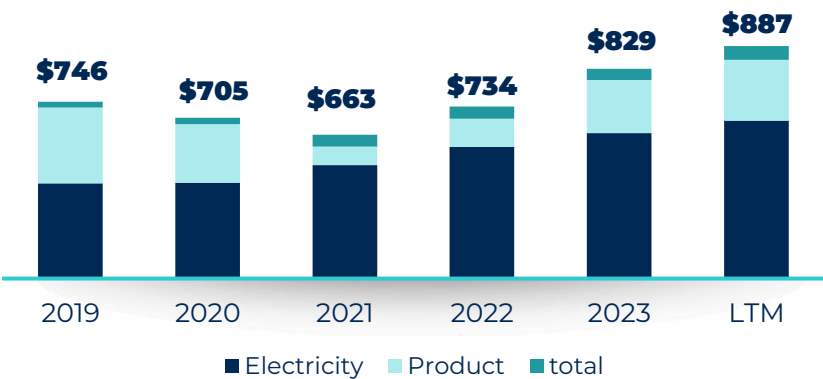


# STRONG FINANCIAL POSITIONING

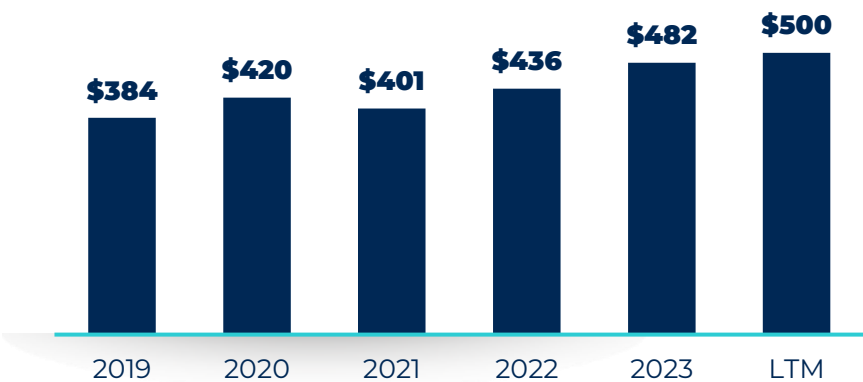
Installed Capacity Growth (MW)



Revenue Growth (\$M)



Adjusted EBITDA<sup>1</sup> Growth (\$M)

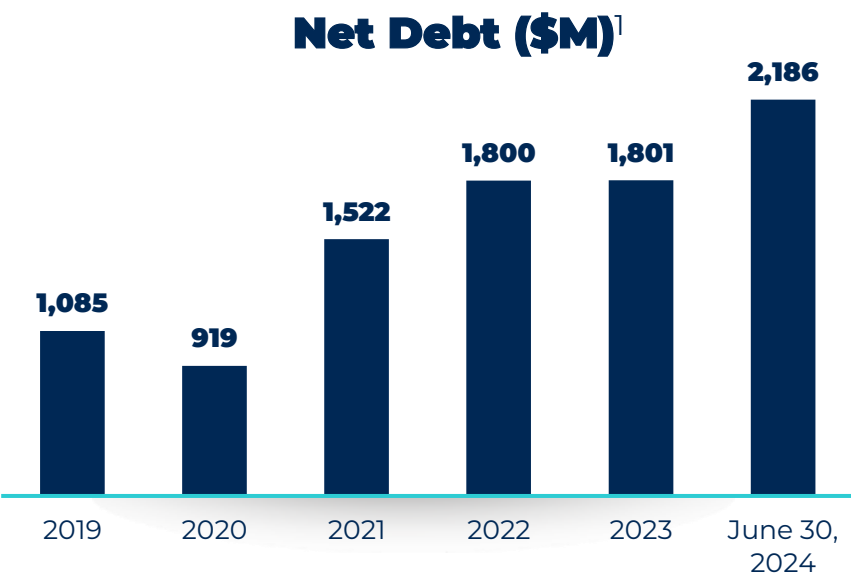
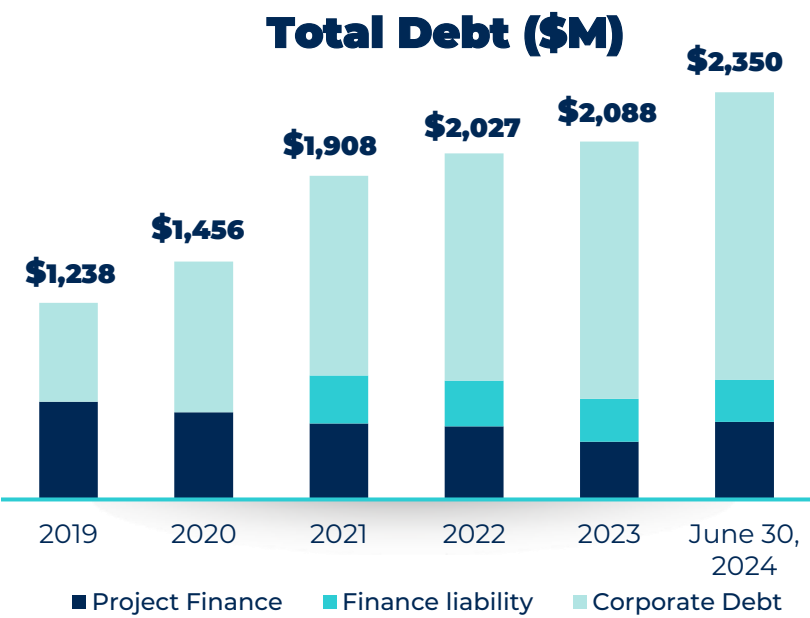


(1) See appendixes for reconciliation of non-GAAP financial measures.

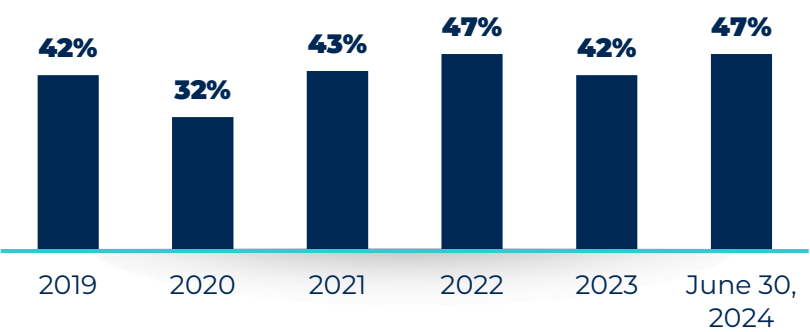




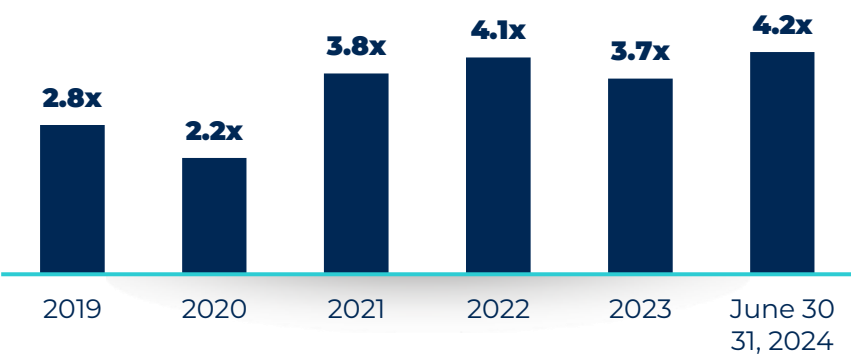
# STRONG FINANCIAL POSITIONING



### Net Debt to Capitalization (Total Equity)<sup>1</sup>



### Net Debt to Adjusted EBITDA<sup>1</sup>



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



ESG



# ESG UPDATE

## Zero emission project growth

Increasing avoided emissions from new expected projects

## Board diversity

Increased female representation to 44%

## Reporting

## Preparing to new SEC regulation and alignment to TCFD requirements





# ATTRACTIVE INVESTMENT THESIS

01

## Strong financial positioning

Strong balance sheet and favorable leverage profile

Long-term contracted cash flows

Consistent track record of strong returns for shareholders

02

## Robust growth potential

Significant, consistent domestic growth

International geothermal growth to displace fossil fuel generation

Robust growth in energy storage

03

## ESG

Renewable asset growth in the U.S. supported by favorable regulation

Pure-play renewables platform aligned with ESG principles





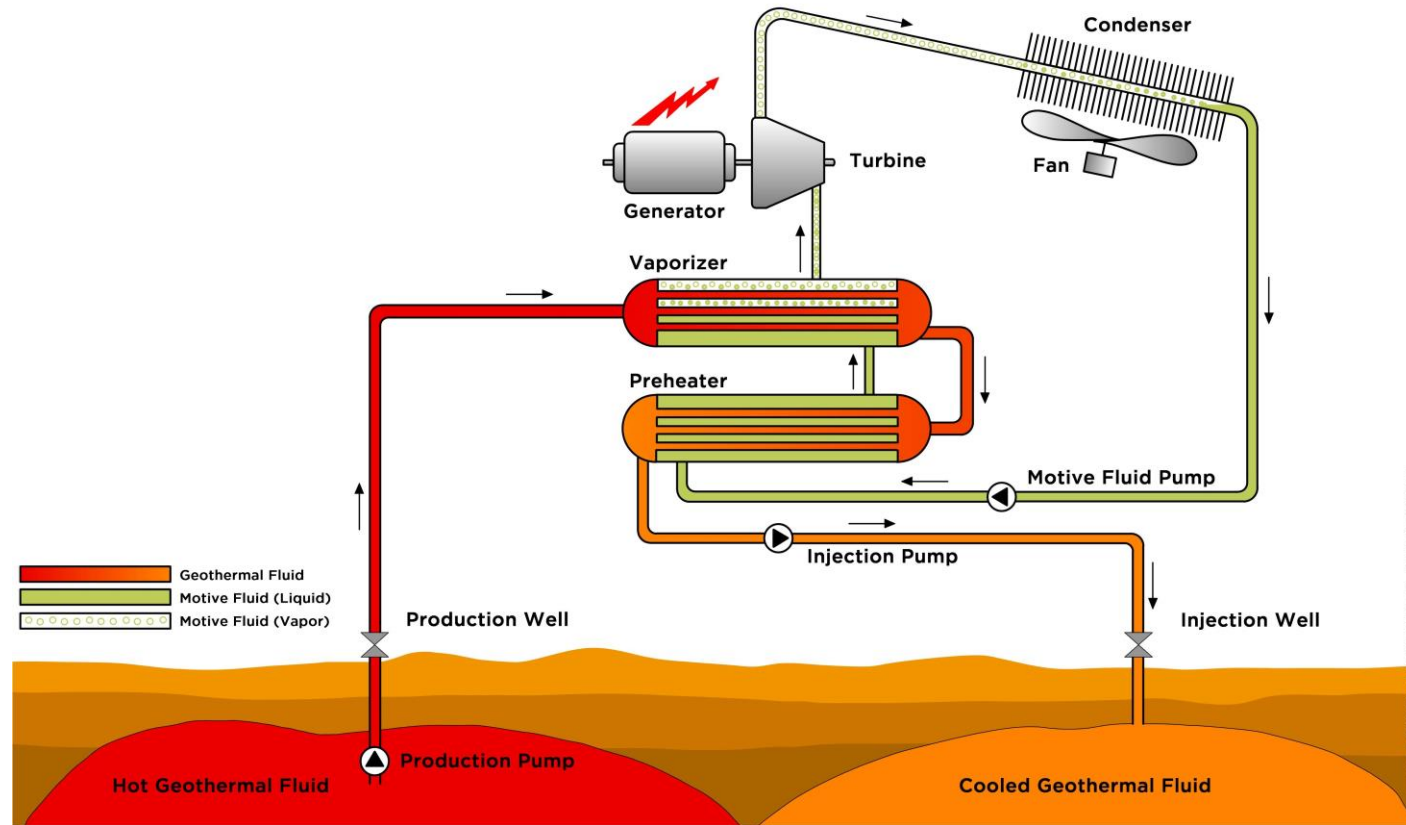
# THANK YOU

**COMMITTED TO CONTINUED  
PROFITABLE GROWTH**

IR@ORMAT.COM



# AIR-COOLED BINARY GEOTHERMAL POWER PLANT





# PAYMENT OF PRINCIPAL DUE BY PERIOD (\$M)<sup>1,2</sup>

## AVERAGE INTEREST RATE: 4.63%

(\$ millions)		Q3-2024		Q4-2024		Year 2024	
Long-Term non-recourse & limited recourse debt		14.0		19.1		33.2	
Long Term Loans Full Recourse		39.1		24.8		63.8	
Finance Liability		2.7		-		2.7	
<b>Total</b>		<b>\$55.8</b>		<b>\$43.9</b>		<b>\$99.7</b>	
	Remaining Total	2024	2025	2026	2027	2028	Thereafter
Long-Term non-recourse & limited recourse debt	619.9	33.2	66.6	65.6	63.6	64.4	326.4
Long Term Loans Full Recourse	998.2	63.8	154.2	154.2	154.2	158.1	313.5
Finance liability	223.3	2.7	4.2	9.6	8.3	8.6	189.9
Convertible senior notes	431.3	-	-	-	431.3	-	-
<b>Total</b>	<b>\$2,272.6</b>	<b>\$99.7</b>	<b>\$225</b>	<b>\$229.5</b>	<b>\$657.5</b>	<b>\$231.1</b>	<b>\$829.9</b>

- (1) Before classification of deferred financing costs in the amount of \$20.6M  
(2) We assume lines of credit are renewed

# CAPEX FOR 2024

(\$M)	ACTUAL INVESTED IN H1 2024	TOTAL CAPEX FOR H2 2024	TOTAL CAPEX FOR 2024
Electricity Segment	175	138	313
Construction & Enhancements – fully released	75	90	165
Development enhancement, drillings and Exploration	48	20	68
Maintenance CapEx	52	28	80
Storage Segment	62	140	202
Product Segment	4	14	18
Total	241	292	533

(1)

Excludes BD investments

(2)

Excludes non-cash items, assets retirement obligation and exchange rate



# P&L HIGHLIGHTS

	Q2 2024	Q2 2023	H1 2024	H1 2023
<b>GAAP MEASURES</b>				
<b>Revenues (\$M)</b>				
Electricity	166.2	155.3	357.5	325.6
Product	37.8	33.5	62.7	43.5
Energy Storage	8.9	6.0	17.0	10.9
<b>Total Revenues</b>	<b>213.0</b>	<b>194.8</b>	<b>437.1</b>	<b>380.0</b>
<b>Gross Profit (\$ millions)</b>	<b>61.4</b>	<b>49.5</b>	<b>140.2</b>	<b>125.6</b>
<b>Gross margin (%)</b>				
Electricity	33.5%	29.6%	36.4%	37.3%
Product	13.7%	10.4%	14.1%	9.6%
Energy Storage	5.7%	1.9%	6.6%	(0.5)%
<b>Gross margin (%)</b>	<b>28.8%</b>	<b>25.4%</b>	<b>32.1%</b>	<b>33.0%</b>
<b>Operating income (\$M)</b>	<b>35.1</b>	<b>24.2</b>	<b>87.7</b>	<b>77.4</b>
<b>Net income attributable to the Company's stockholders</b>	<b>22.2</b>	<b>24.2</b>	<b>60.8</b>	<b>53.2</b>
<b>Diluted EPS (\$)</b>	<b>0.37</b>	<b>0.40</b>	<b>1.00</b>	<b>0.90</b>
<b>NON-GAAP MEASURES<sup>(1)</sup></b>				
<b>Adjusted Net income attributable to the Company's stockholders</b>	<b>24.3</b>	<b>24.2</b>	<b>63.9</b>	<b>53.2</b>
<b>Adjusted Diluted EPS (\$)</b>	<b>0.40</b>	<b>0.40</b>	<b>1.05</b>	<b>0.90</b>
<b>Adjusted EBITDA1 (\$M)</b>	<b>126.1</b>	<b>100.9</b>	<b>267.3</b>	<b>224.4</b>

(1) Reconciliation in the next slide



# RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

(DOLLARS IN THOUSANDS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	23,965	24,511	64,315	57,972
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs)	31,112	19,451	60,241	41,231
Income tax provision (benefit)	(3,178)	(3,956)	(3,325)	4,929
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla and Ijen	3,418	4,050	6,770	7,032
Depreciation and amortization	62,683	52,939	124,359	105,335
<b>EBITDA</b>	<b>118,000</b>	<b>96,995</b>	<b>252,360</b>	<b>216,499</b>
Mark-to-market (gains) or losses from accounting for derivative	466	(402)	1,279	591
Stock-based compensation	5,077	4,311	9,845	7,301
Impairment of long-lived assets	957	—	957	—
Allowance for bad debt	221	—	221	—
Merger and acquisition transaction costs	—	—	1,299	—
Write-off of unsuccessful exploration activities	1,379	—	1,379	—
<b>Adjusted EBITDA</b>	<b>126,100</b>	<b>100,904</b>	<b>267,341</b>	<b>224,392</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 not designated as hedging instruments; (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.

The table above reconciles net income to EBITDA and Adjusted EBITDA for the three- and six-month periods ended June 30, 2024, and 2023.

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# RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

	Year Ended December 31,				
	2023	2022	2021	2020	2019
	(Dollars in thousands)				
Net income	133,137	77,795	76,077	101,806	93,543
Adjusted for:					
Interest expense, net (including amortization of deferred financing costs)	86,898	84,326	80,534	76,236	78,869
Income tax provision (benefit)	5,983	14,742	24,850	67,003	45,613
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	11,549	13,089
Depreciation, amortization and accretion	221,415	198,603	177,930	151,371	143,242
<b>EBITDA</b>	<b>463,502</b>	<b>388,665</b>	<b>374,071</b>	<b>407,965</b>	<b>374,356</b>
Mark-to-market gains or losses from accounting for derivative	(2,206)	1,613	741	(1,192)	(1,402)
Stock-based compensation	15,478	11,646	9,168	9,830	9,358
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	-	-
Loss from extinguishment of liability	-	-	-	-	468
Merger and acquisition transaction costs	1,234	675	5,635	2,279	1,483
Legal settlement expenses	-	-	-	1,277	-
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>	<b>420,159</b>	<b>384,263</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, 2020 and 2019.



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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(in millions, except for EPS)				
<b>GAAP Net income attributable to the Company's stockholders</b>	<b>\$22.2</b>	<b>\$24.2</b>	<b>60.8</b>	<b>53.2</b>
Write-off of long-lived assets	0.8	—	0.8	—
Write-off of unsuccessful exploration activities	1.1	—	1.1	—
M&A costs	—	—	1.0	—
Allowance for bad debt	0.2	—	0.2	—
<b>Adjusted Net income attributable to the Company's stockholders</b>	<b>\$24.3</b>	<b>\$24.2</b>	<b>\$63.9</b>	<b>\$53.2</b>
<b>GAAP diluted EPS</b>	<b>0.37</b>	<b>0.40</b>	<b>1.0</b>	<b>0.90</b>
Write-off of long-lived assets	0.01	—	0.01	—
Write-off of unsuccessful exploration activities	0.02	—	0.02	—
M&A costs	—	—	0.02	—
Allowance for bad debt	0.00	—	0.00	—
<b>Diluted Adjusted EPS</b>	<b>0.40</b>	<b>0.40</b>	<b>1.05</b>	<b>0.90</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 six-month periods ended June 30, 2024, and 2023.



# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	June 30, 2024	2023	2022	2021	2020	2019
<b>Cash and cash equivalents, marketable securities and Restricted cash (in millions \$)</b>						
Cash and cash equivalents	66	196	96	240	448	71
Marketable Securities at fair value	-	-	-	43	-	-
Restricted cash and cash equivalents	97	92	131	104	89	82
<b>Total cash and cash equivalents, marketable securities and Restricted cash (in millions \$)</b>	<b>164</b>	<b>288</b>	<b>227</b>	<b>387</b>	<b>537</b>	<b>153</b>
current portion:						
Short term revolving credit lines with banks (full recourse)	-	20	-	-	-	41
Commercial paper	100	100	-	-	-	50
Limited and non-recourse	68	57	64	62	61	59
Full recourse	154	117	102	314	18	77
Finance liabilities	4	5	16	11	-	-
<b>Total current portion of long-term debt:</b>	<b>326</b>	<b>299</b>	<b>182</b>	<b>386</b>	<b>79</b>	<b>227</b>
Long-term debt, net of current portion:						
Limited and non-recourse:	541	447	522	540	600	657
Full recourse	839	698	677	740	777	355
Finance liabilities	424	221	226	242	-	-
Convertible senior notes	220	423	421	-	-	-
<b>Total long-term debt, net of current portion:</b>	<b>2,024</b>	<b>1,789</b>	<b>1,845</b>	<b>1,522</b>	<b>1,377</b>	<b>1,012</b>
<b>Total Debt</b>	<b>2,350</b>	<b>2,088</b>	<b>2,027</b>	<b>1,908</b>	<b>1,456</b>	<b>1,238</b>
Full recourse	1,517	1,358	1,199	1,054	795	522
Limited and non-recourse	609	505	586	601	661	716
Finance liability	224	226	242	253	-	-
<b>Total Debt</b>	<b>2,350</b>	<b>2,088</b>	<b>2,027</b>	<b>1,908</b>	<b>1,456</b>	<b>1,238</b>
<b>Net Debt (in millions)</b>	<b>2,186</b>	<b>1,801</b>	<b>1,800</b>	<b>1,522</b>	<b>919</b>	<b>1,085</b>
Total Equity	2,497	2,441	2,021	1,998	1,941	1,515
<b>Net Debt to Capitalization (Total Equity) (%)</b>	<b>47%</b>	<b>42%</b>	<b>47%</b>	<b>43%</b>	<b>32%</b>	<b>42%</b>
Net Debt (in millions)	2,186	1,801	1,800	1,522	919	1,085
Adjusted EBITDA (in millions)	525	482	435	401	420	384
<b>Net Debt to Adjusted EBITDA<sup>1</sup> (x)</b>	<b>4.2x</b>	<b>3.7x</b>	<b>4.1x</b>	<b>3.8x</b>	<b>2.2x</b>	<b>2.8x</b>

# GEO THERMAL DEVELOPMENT

Region	Location	# of sites
U.S.	Nevada	22
	California	4
	Oregon	2
	Utah	4
	New Mexico	1
CENTRAL AMERICA	Guatemala	2
	Honduras	1
AFRICA	Ethiopia	4
ASIA PACIFIC	Indonesia	2



Ormat's geologists during exploration activity

