

ORMAT TECHNOLOGIES INC. INVESTOR PRESENTATION

JUNE 2018



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:

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, electricity generation, and other operational performance metrics, including statements about “target” or “targeted” amounts for 2020 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 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.



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Forward-Looking Statements - cont.

These risks, uncertainties and other factors include, but are not limited to, the risks, uncertainties and other factors set forth in Ormat's Annual Report on Form 10-K for the year ended December 31, 2017 and the other documents Ormat files with the Securities and Exchange Commission from time to time.

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 slide in this presentation explains the non-GAAP financial measures included in the presentation.

Restatement

Ormat Technologies Inc. [announced on May 16, 2018](#) that it will restate its second, third and fourth quarter 2017 financial statements and its full-year 2017 financial statements. This decision was approved by, and with the continuing oversight of, the Company's Board of Directors upon the recommendation of its Audit Committee.

As a result of the restatement, investors should no longer rely upon the Company's previously issued financial statements for the periods set forth above, earnings releases for these periods, and other communications relating to these financial statements. In addition, the Company is further delaying the filing of the quarterly report on Form 10-Q for its first quarter of 2018 with the Securities and Exchange Commission.

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INTRODUCTION TO ORMAT

Market leader with proven track record in the geothermal energy sector

Our mission is to become a leading global renewable energy provider



53 years
of experience

711\$M
To
735\$M

FY 2018 expected
revenues



368\$M
To

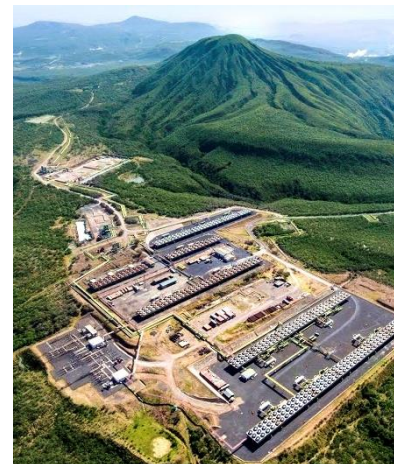
378\$M

FY 2018 expected
adj. EBITDA ⁽¹⁾

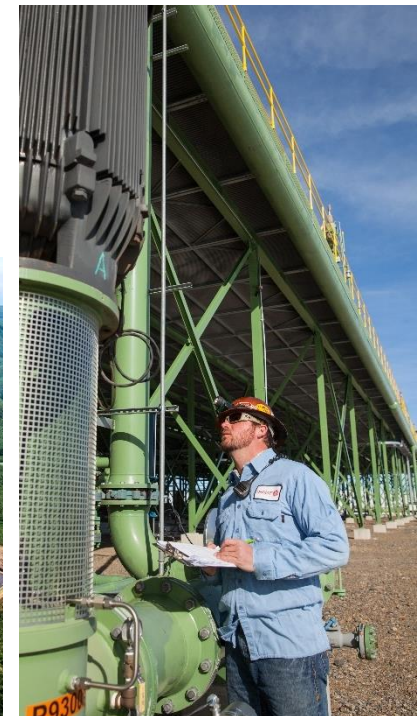


Own & operate
approximately

850MW

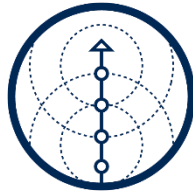


1,300
Employees



(1) For an explanation of non-US GAAP financial measures see appendix slide.

SUMMARY – CONTINUING EXECUTION



Improve
efficiencies



Organic
growth



Strategic
M&A



New
activities

In the past 18 months added

107 MW

of organic growth

Closed acquisition of U.S.
Geothermal, and added

38 MW

to our operating portfolio

Secured capital in the amount of:

258 \$M

To support our growth plan

Plan to add by the end of 2020

172-182 MW

of organic growth

281 \$M

of backlog⁽¹⁾ to support 2018 and
2019 product segment revenues

Expect to commission in 2018

2x20 MW/MWh

storage projects in the US

(1) Backlog is as of May 7, 2018 and it includes revenues for the period between April 1, 2018 and May 7, 2018.

WHY GEOTHERMAL



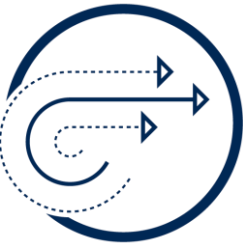
Renewable

- Supporting legislation
- Growing demand



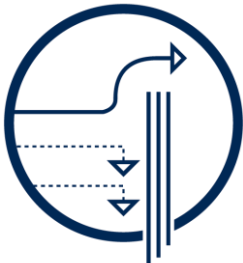
Global potential

- Estimated 9x the installed capacity



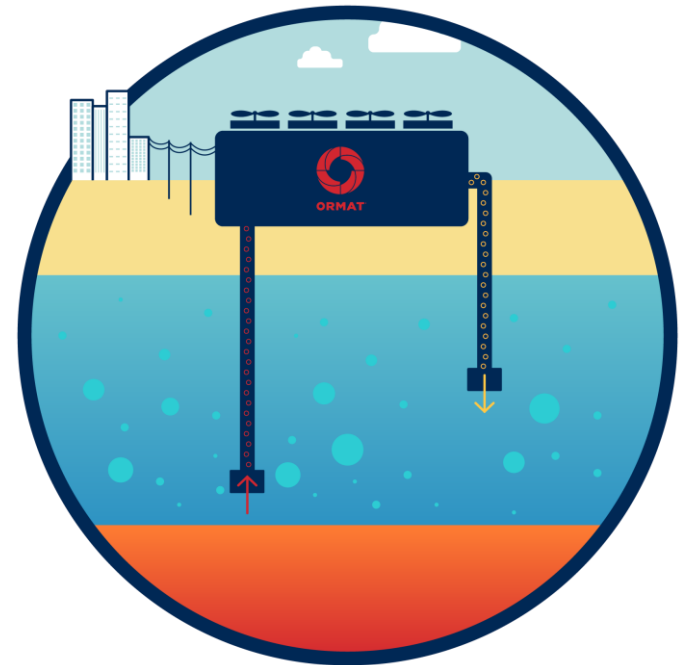
Competitive

- Firm & flexible
- Cost effective



High entry barriers

- Niche market
- Capital intensive
- Expertise



MARKET OPPORTUNITIES FOR GEOTHERMAL GROWTH

Industry estimate: potential is over 9x the global installed capacity of 14.5 GW



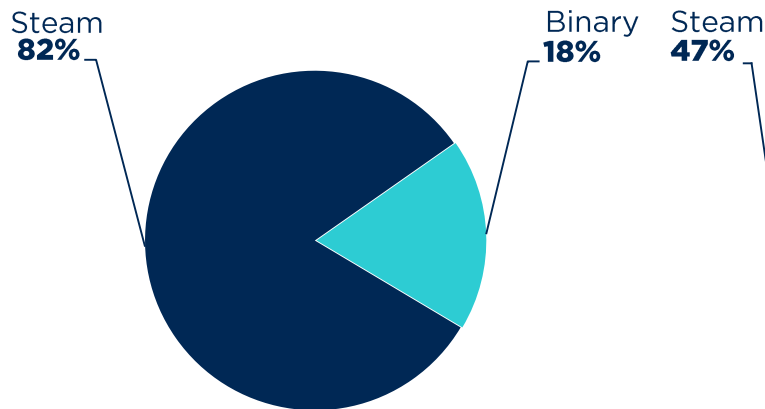
■ Areas with installed geothermal capacity

Source: Hydrothermal Geothermal Resources Potential, EMERGING ENERGY RESEARCH, LLC. Global "Geothermal Markets and Strategies: 2009-2020", May 2009. "Geothermal Power Generation in the World 2005-2010 Update Report" Ruggero Bertani Enel Green Power, via Dalmazia 15 - 00198 Roma (Italy) April 2010. 2015 Annual U.S. & Global Geothermal Power Production Report GEA Feb., 2016. International Development - Interim Report, GEA Report Oct., 2016. Figures for 2017 were updated based on Ormat analysis.

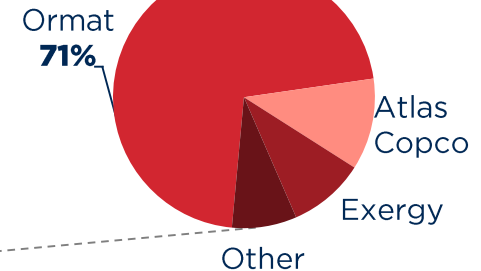
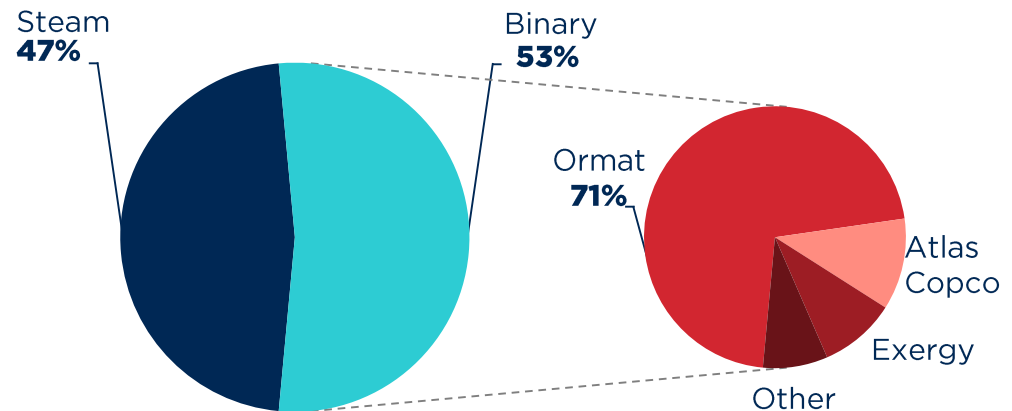
GEOHERMAL MARKET

Leading the Geothermal binary market with 82% market share

Total global installed capacity
(14.5 GW) by technology type (%)

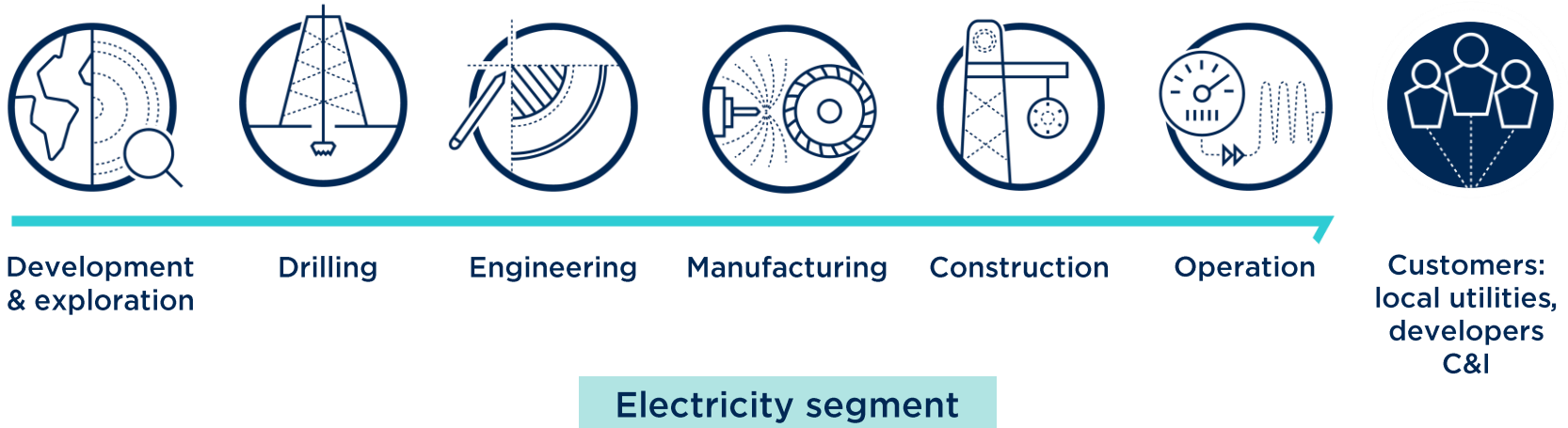


5-Year total global installed capacity (2.5 GW)
by technology type (%)

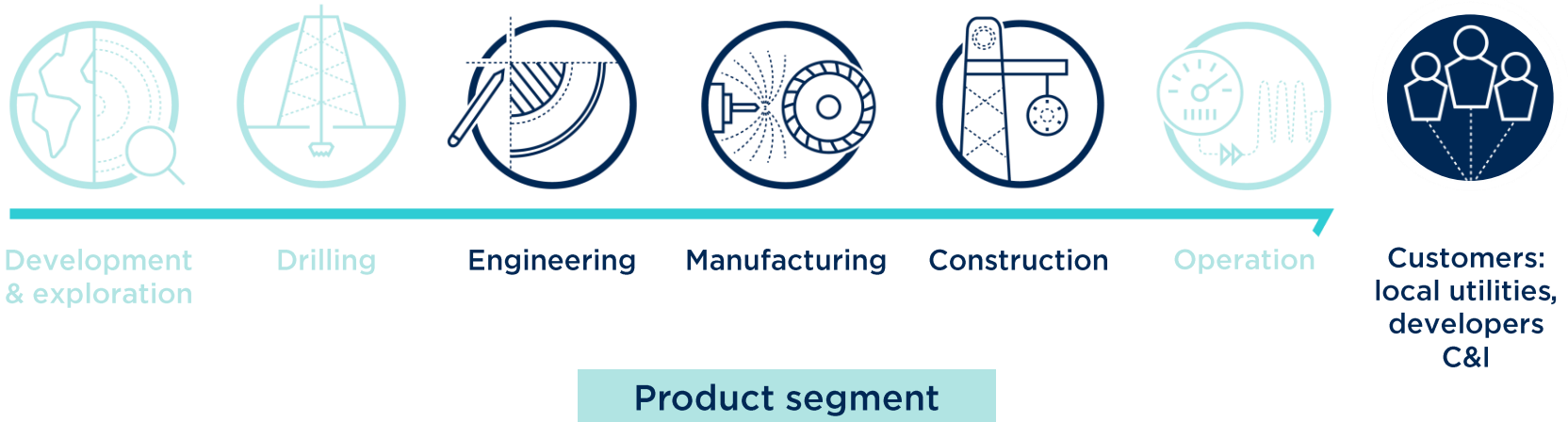


Source: Annual U.S. & Global Geothermal Power Production Report GEA Feb.2016,2016 International Development - Interim Report, GEA Report Oct, 2016 and Ormat analysis (2013- 2017).

THE WORLD'S ONLY VERTICALLY INTEGRATED GEOTHERMAL COMPANY



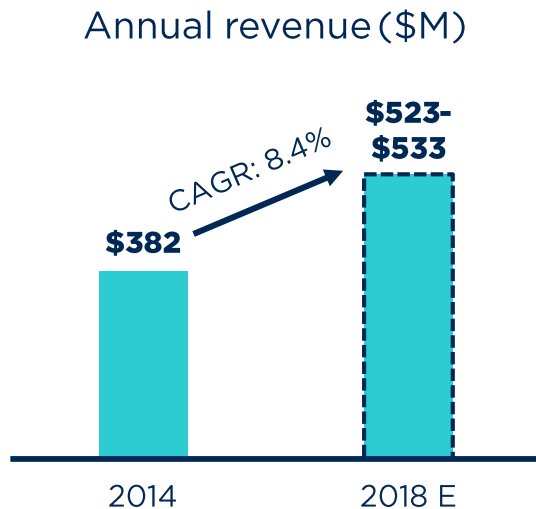
THE WORLD'S ONLY VERTICALLY INTEGRATED GEOTHERMAL COMPANY



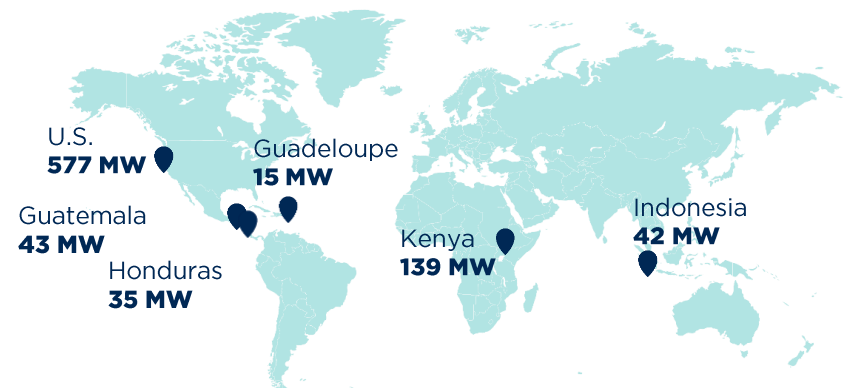
ELECTRICITY SEGMENT OVERVIEW

Stable, well managed, cash generating assets

- Global operation of 851 MW in 25 sites
- 94% geothermal and 6% REG
- Weighted average PPA life: 17 years¹



Global portfolio (851 MW)

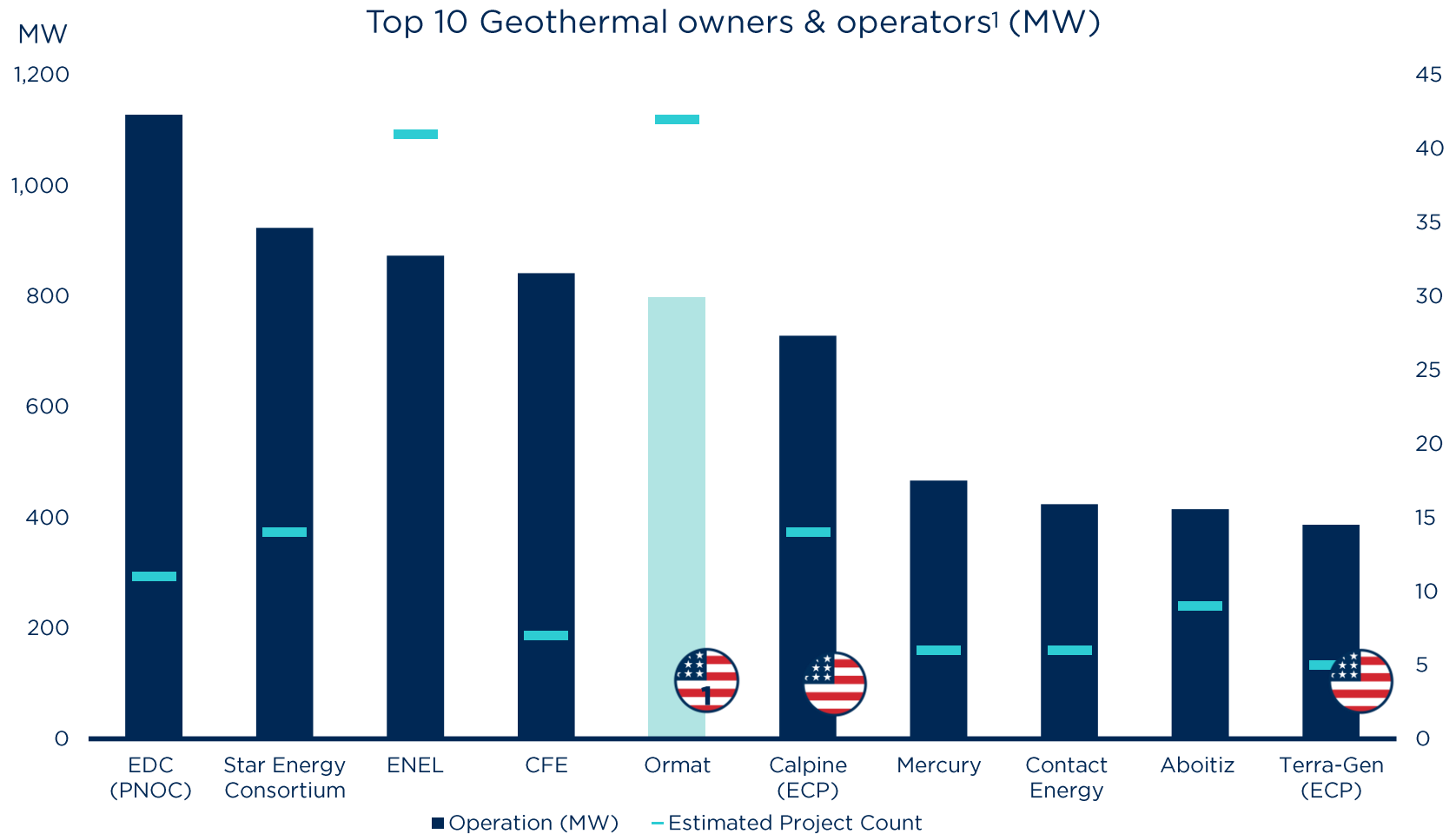


(1) Including re-contracting under the SCPPA Portfolio PPA.

(2) CAGR calculation is based on the mid-point of 2018 annual revenues guidance for electricity segment.

MARKET SHARE - ELECTRICITY SEGMENT

Most active global developer - with over 450 MW developed in the last decade



(1) Ormat study based on presented public disclosure; Ormat is the largest US-based geothermal operator.

PRODUCT SEGMENT OVERVIEW

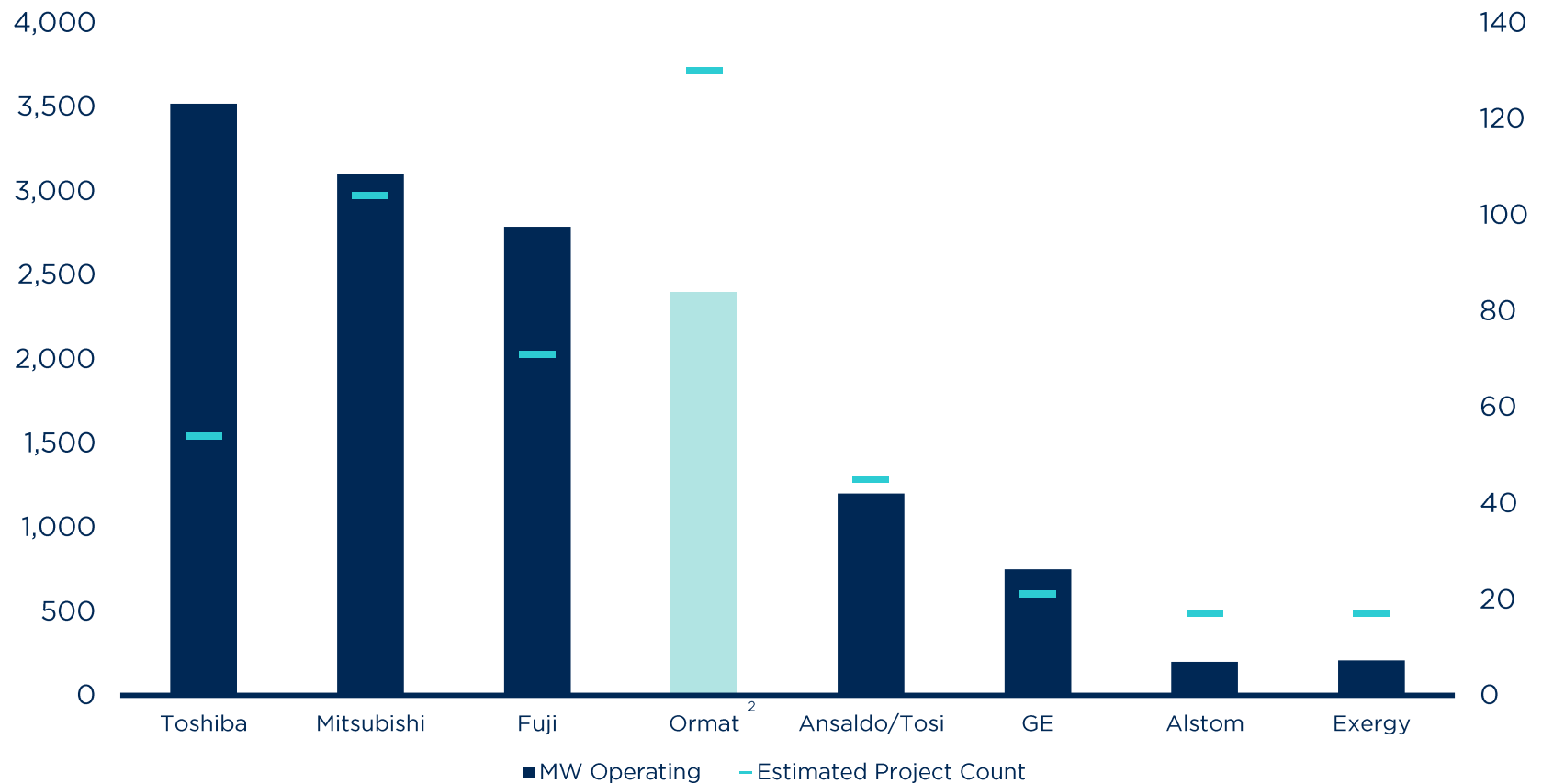
Built over 170 power plants and installed over 2,600 MW of geothermal & REG

- **Backlog increased to \$281M as of May 7, 2018¹**
 - Added new orders mainly from Turkey
 - The strong backlog to support 2018 and 2019 revenues
- **Improvement in costs, technology and delivery lead-time**
- **Average revenues of over \$200M from 2013 to 2016 to third party customers**
- **Between \$180M and \$190M expected revenues for FY 2018**

(1) Backlog includes revenues for the period between April 1, 2018 and May 7, 2018. Backlog includes the Soda Lake \$36M EPC contract. The contract was signed in December 2016 and is still pending final notice to proceed and was not included in 2018 revenue guidance.

MARKET SHARE - PRODUCTS SEGMENT

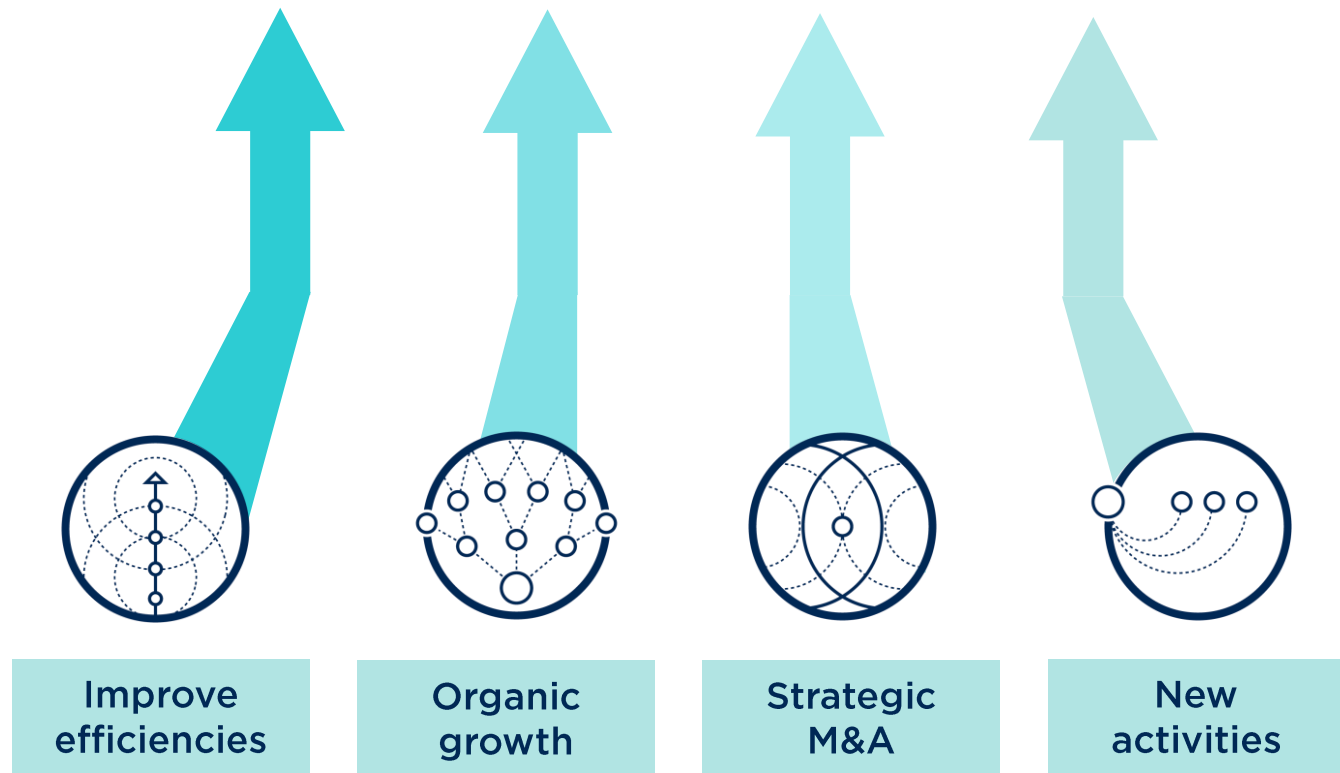
Major geothermal equipment suppliers (MW & project count)¹



(1) [GEA 2015 Annual U.S. & Global Geothermal Power Production Report](#) & Ormat analysis based on presented public disclosure for [Fuji](#), [Exergy](#), [Toshiba](#) & [Mitsubishi](#).

(2) Most of the installed capacity presented in the chart is based on Steam technology while most of Ormat installed capacity is based on Binary technology.

STRATEGIC PLAN TO INCREASE SHAREHOLDERS VALUE



IMPROVE EFFICIENCIES - THE NUMBERS TELL IT ALL

Increasing efficiencies across the entire value chain

CapEx reduction



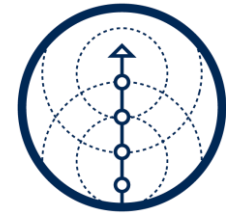
Reduced the
CapEx/MW from
\$4.5M-\$5M
to
\$4M-\$4.5M

Electricity segment
gross margin



Improved from
29% in 2013
to
40% in 2016

Operating cost¹
(\$/MWh)



Reduced from
\$34/MWh in 2013
to
\$30/MWh in 2016

(1) Operating cost excludes depreciation.

DELIVERING ORGANIC GROWTH AND EXPANDING GEOGRAPHICAL FOOTPRINT

107 MW
of new capacity

5
new power plants

2
new regions



Dec. 2017, Tungsten Mountain, NV



Sept. 2017, Platanares, Honduras



March 2017, SIL, Sarulla, Indonesia⁽¹⁾



Oct. 2017, NIL 1, Sarulla, Indonesia⁽¹⁾



May 2018, NIL 2, Sarulla, Indonesia⁽¹⁾



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

ORGANIC GROWTH

- **NIL 2, the third unit of the 330 MW Sarulla geothermal power plant, commenced commercial operation**
 - Ormat's share is 12.75% in Sarulla
 - Commencement of the 3rd phase adds 14 MW to our portfolio
- **4 MW of the Brady repowering commenced operation**
- **Expect to add between 172 MW and 182 MW by Year-end 2020⁽¹⁾**

Project	Projected Capacity	Expected COD	PPA
Kenya - Olkaria III – Plant 1 repowering	10 MW	Q2 2018	v
U.S - McGinness Hills, phase 3	48 MW	End of Q4 2018	v
U.S - Tungsten solar	7 AC MW	End of Q4 2018	v
Puna enhancements	8 MW	TBD ⁽²⁾	TBD
U.S. – CD4	20-30 MW	2020 ⁽³⁾	TBD
Guadeloupe- Bouillante	10 MW	2020	TBD

(1) MW growth target is based on existing prospects and business development plans as of February 26, 2018.

(2) The enhancement project is on hold.

(3) CD4 projected COD is subject to PPA execution.

US GEOTHERMAL (USG) ACQUISITION

- Following the closing of USG acquisition Ormat owns
 - Three geothermal power projects in Oregon, Nevada and Idaho
 - Total generating capacity of 38 MW net¹
 - Existing PPAs at favorable price terms with an aggregated contract capacity of 55 MW
 - Development assets including a second phase at San Emidio, Nevada, and additional projects in California, Nevada and Guatemala
 - Upon implementation of synergies and cost reductions Ormat expects to improve profitability by approximately 50% during 2019

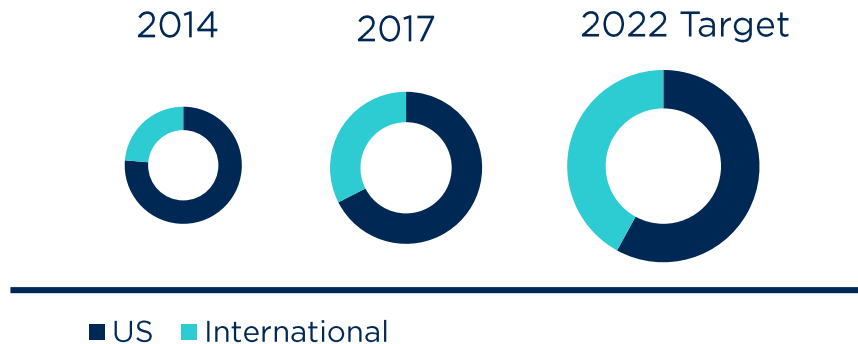


(1) In Neal Hot Springs (21 MW) Ormat is a partners with Enbridge Inc. which holds a 40% ownership interest.

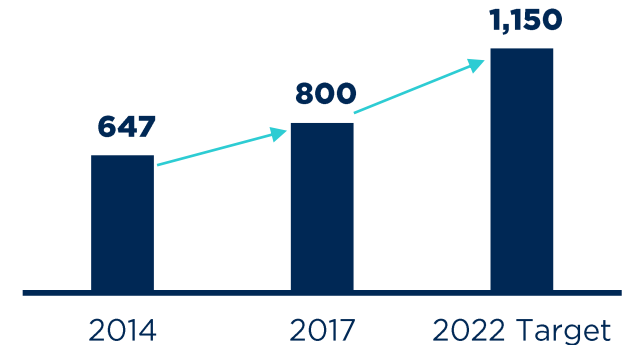
ELECTRICITY SEGMENT: LONG-TERM GROWTH TARGET



Geographic expansion target (MW)¹



Growth target (MW)¹



(1) MW growth target and geographic breakdown are based on long-term prospects and long-term business development plans.

EXPANSION TO NEW ACTIVITIES: ENERGY STORAGE MARKET

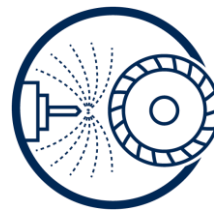
Vertical integration as a platform to grow in the storage market



Development

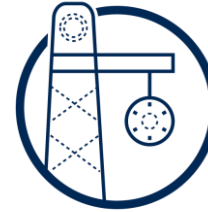


Engineering



Manufacturing

Procurement



Construction



Operation



Development
Pipeline



Inverter and
battery

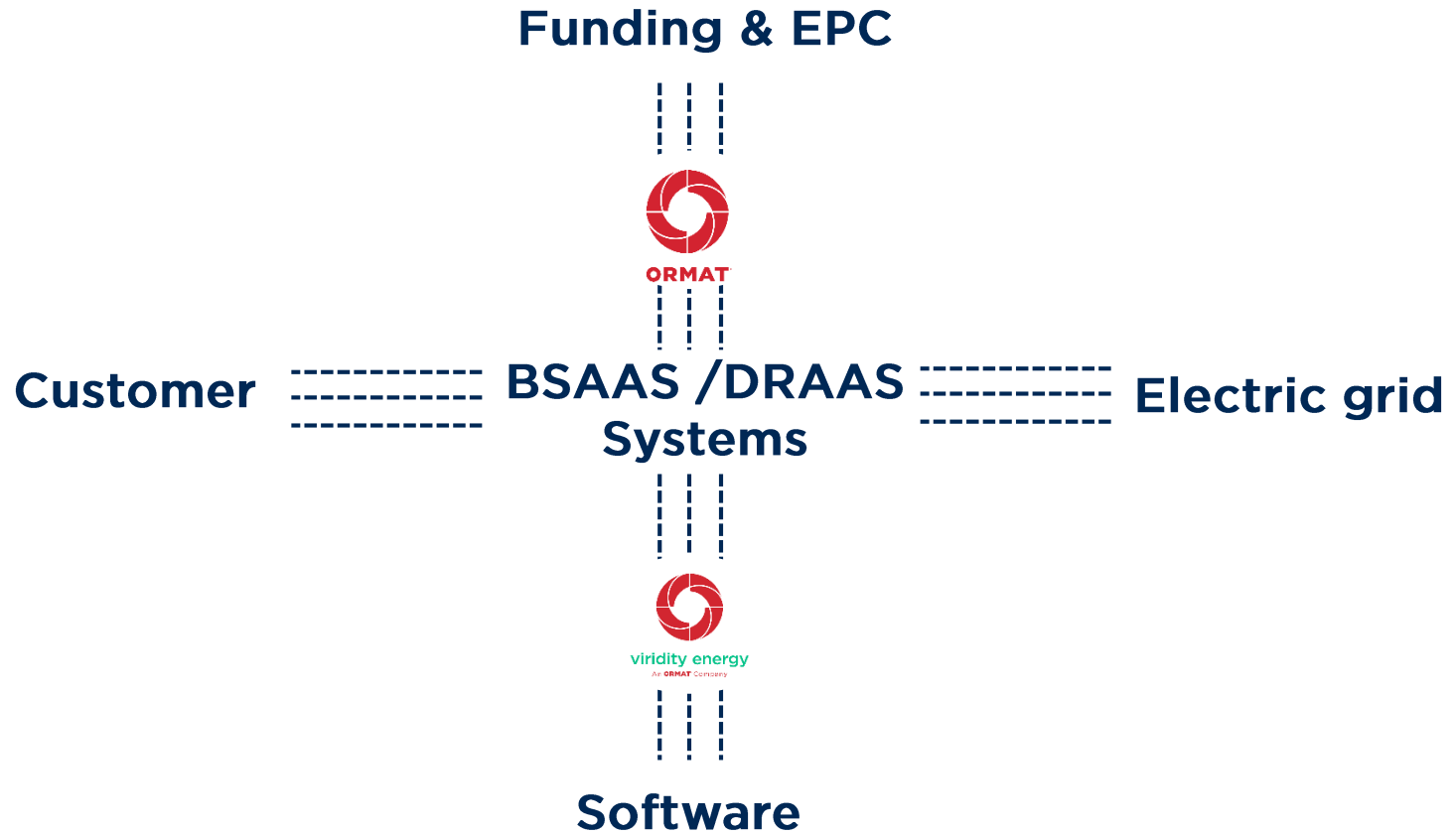
ENERGY STORAGE

- **Viridity acquisition (March 2017) positioned us to strengthen and expand our presence in the energy storage market**
 - Developed turnkey and unique offerings with Ormat integration: Battery Storage as a Service (BSAAS) systems
- **Recent developments**
 - Commissioned a 1MW/1MWh Behind-the-Meter energy storage system
 - Remain on track to start two 20MW/20MWh In-Front-of-the-Meter energy storage systems
 - Excepted completion: Q4 2018
 - The projects are expected to generate in 2019 average revenues of between \$7M and \$8M, mainly from ancillary services¹
- **Participating in multiple RFPs in the East and West coasts**



(1) The projects' revenues are based on spot prices and may vary from period to period

PROVIDING INTEGRATED DISTRIBUTED ENERGY RESOURCES (DER) SERVICES



FUNDING GROWTH

- **Capital resources to support growth**
 - Cash from operation
 - Project finance debt
 - Honduras Platanares financing OPIC
 - SCPPA portfolio PPA
 - Commercial Cooperation Agreement with ORIX
 - Corporate bonds
- **Global expansion - risk mitigation aspects**
 - Portfolio approach - diversification
 - Host country guarantee
 - Project finance (OPIC, ADB, DEG and AFDB)
 - Political risk insurance
 - Competitive pricing
 - Reduce incentive for counterparties to breach contracts



FINANCING

SECURED APPROXIMATELY \$258M OF CAPITAL YTD

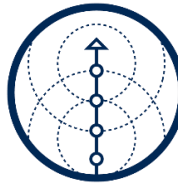
- **Corporate debt**
 - Closed a \$100M senior unsecured loan with Migdal group
- **Project finance debt**
 - Signed \$125M financing agreement with OPIC
 - Signed a finance agreement with the Overseas Private Investment Corporation (OPIC), to provide an approximately \$125M loan (on a non-recourse basis) for the 35 MW Platanares geothermal power plant in Honduras
- **Tax partnership**
 - Closed a \$33.4M partnership agreement with a private investor
 - The partnership transaction enables us to better benefit from tax incentives available to 26 MW Tungsten Mountain geothermal projects
 - Partners are expected to pay additional installments of approximately \$13M
 - Ormat will continue to operate and maintain the power plant and will receive substantially all the distributable cash flow generated by the power plant

INVESTMENT HIGHLIGHTS



Sustainable growth

- Market leader
- Substantial and growing cash flow from operation
- Accelerated growth potential from new activities
- Global regulatory support



Efficient operation

- Focus on increasing efficiencies
- Improving margins



Well positioned

- Strong cash flow
- Strong balance sheet
- Access to various sources of capital

THANK YOU!

Contact IR:

Smadar Lavi

VP Corporate Finance and Head of Investor Relations

775-356-9029 (ext. 65726)

slavi@ormat.com



RECONCILIATION OF EBITDA ADJUSTED EBITDA

Reconciliation of EBITDA Adjusted EBITDA

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) gains or losses from extinguishment of liability, (viii) gains or losses on sales of subsidiaries and property, plant and equipment and (ix) other unusual or non-recurring items. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under accounting principles generally accepted in the U.S. (U.S. GAAP) and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or as an alternative to net earnings as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. 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.

Adjusted EBITDA 2018 Guidance

The Company is unable to provide a GAAP reconciliation for its Adjusted EBITDA guidance. In providing its full year 2018 Adjusted EBITDA guidance, the Company notes that there could be differences between expected reported GAAP net income and estimated GAAP net income for matters such as, but not limited to (i) unrealized gains or losses related to derivative transactions; (ii) unrealized foreign currency gains or losses; (iii) gains or losses and associated benefits and costs due to disposition and acquisition of business interests, including the tax impact of the repatriation of proceeds from sales in foreign jurisdictions; (iv) losses due to impairments; (v) gains, losses and expenses related to prepayment of debt and (vi) tax benefit or expense related to effects of the recently-enacted U.S. tax law reform.

AIR-COOLED BINARY GEOTHERMAL POWER PLANT

