

ORMAT TECHNOLOGIES INC. INVESTOR PRESENTATION

NOVEMBER 2018



ORMAT



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 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.



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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INTRODUCTION TO ORMAT

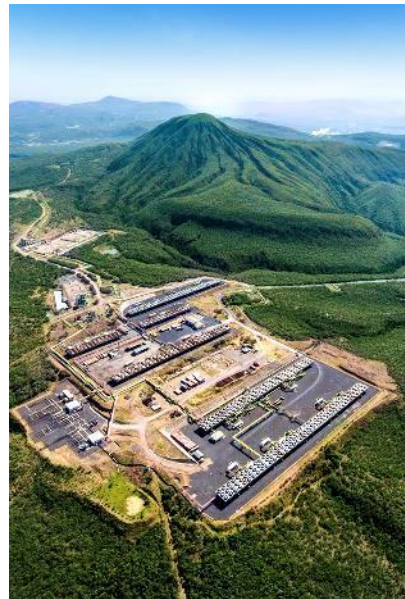
Market leader with proven track record in the geothermal energy sector

Our mission is to become a leading global renewable energy provider

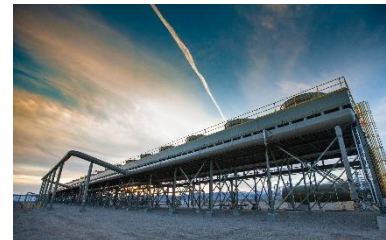


53 years
of experience

Own & operate
862 MW

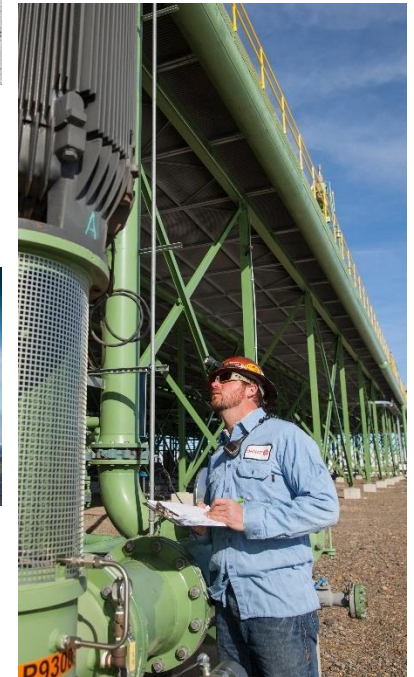


693\$M
FY2017 revenues



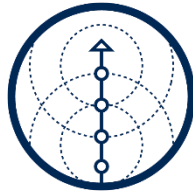
344\$M
FY2017 adj. EBITDA⁽¹⁾

1,300
Employees



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

YTD 2018 SUMMARY - CONTINUING EXECUTION



Improve
efficiencies



Organic
growth



Strategic
M&A



New
activities

Added

29 MW

of organic growth

Closed acquisition of U.S.
Geothermal, and added

38 MW

to our operating portfolio

Secured over

250 \$M

of capital to support growth plan

Plan to add by the end of 2020

115-125 MW

of organic growth

Product segment backlog ⁽¹⁾ of

226.4 \$M

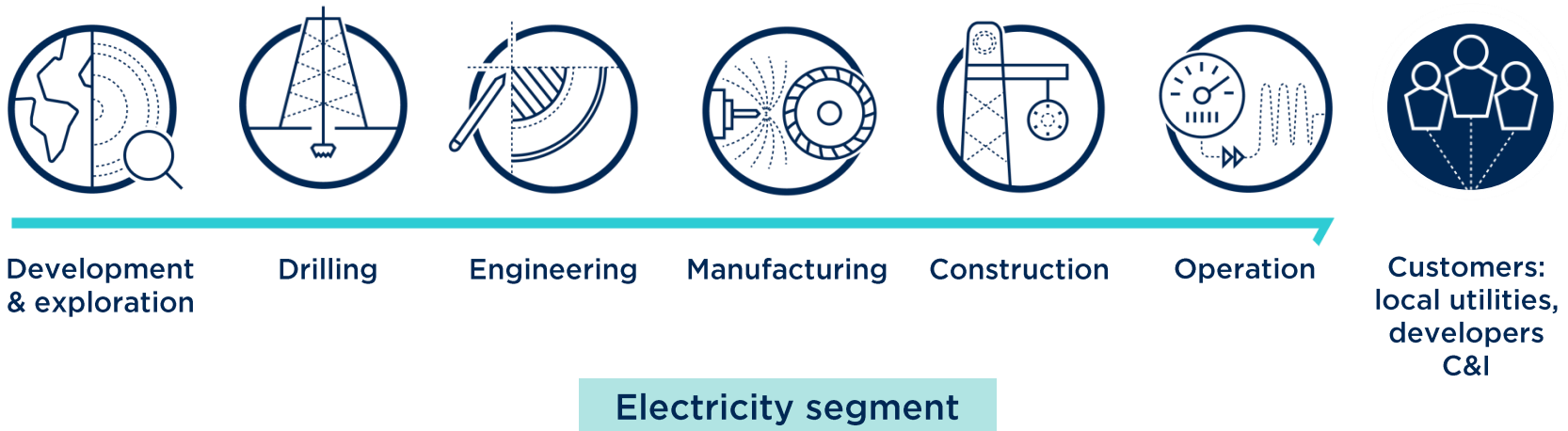
Expect to commission

2x20 MW/MWh

storage projects in the US in
Q4-18/Q1-19

(1) Backlog is as of November 1, 2018 and it includes revenues for the period between October 1, 2018 and November 1, 2018.

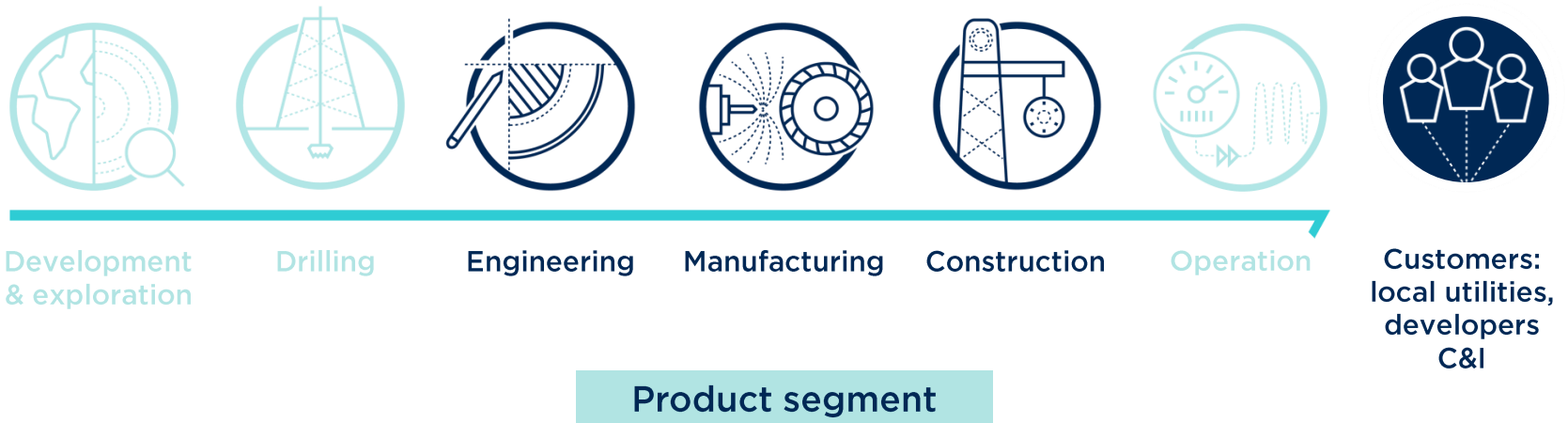
THE WORLD'S ONLY VERTICALLY INTEGRATED GEOTHERMAL COMPANY



65% of total revenues⁽¹⁾

(1) 2013-2017 average.

THE WORLD'S ONLY VERTICALLY INTEGRATED GEOTHERMAL COMPANY



35% of total revenues⁽¹⁾

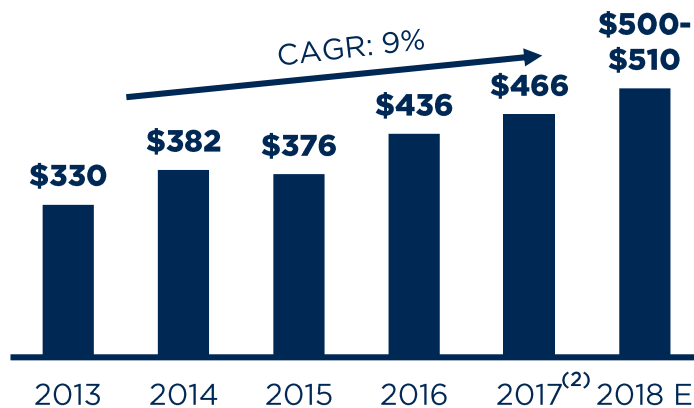
(1) 2013-2017 average.

ELECTRICITY SEGMENT OVERVIEW

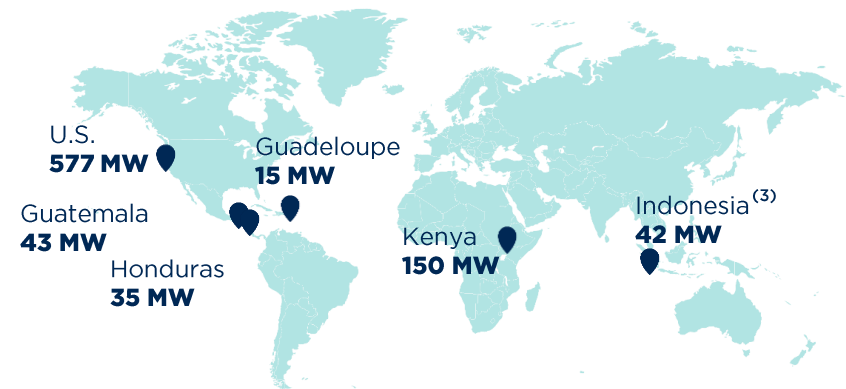
Stable, well managed, cash generating assets

- Global operation of 862 MW in 25 sites
- 94% geothermal and 6% REG
- Weighted average PPA life: 17 years⁽¹⁾

Annual revenue (\$M)



Global portfolio (862 MW)



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

(2) 2017 FY revenue is exclusive of \$2.7M revenues related to our Viridity business from the provision of energy storage and demand response services.

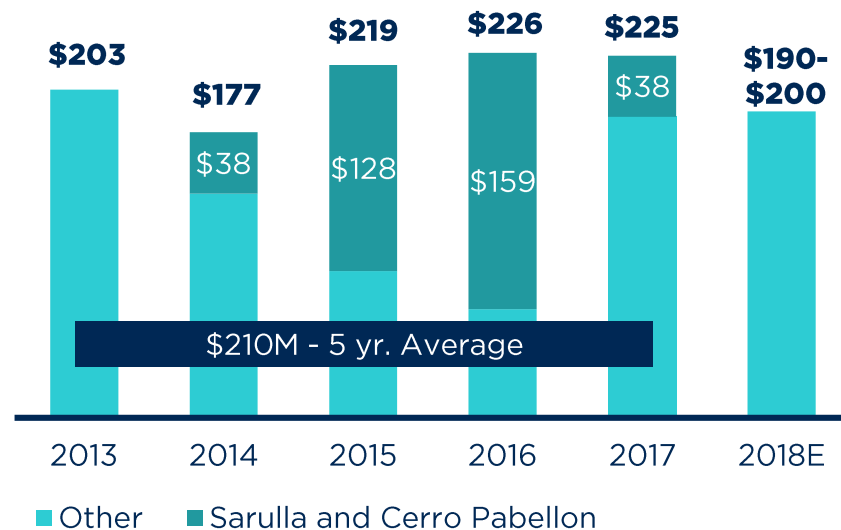
(3) Ormat owns a 12.75% minority interest at Sarulla, which is accounted for under the equity method.

PRODUCT SEGMENT OVERVIEW

Built approx. 180 power plants and installed over 2,800 MW of geothermal & REG

- Backlog of \$226.4M as of November 1, 2018⁽¹⁾
 - The strong backlog to support revenues for 2019 and beyond
- Improvement in costs, technology and delivery lead-time

Revenue from 3rd party sales (\$M)



(1) Backlog includes revenues for the period between October 1, 2018 and November 1, 2018

DELIVERING ORGANIC GROWTH AND EXPANDING GEOGRAPHICAL FOOTPRINT

FY-17 and first 9 months of 2018 organic growth summary:

118 MW

of new capacity

6

new power plants

2

new regions



Existing region New region

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



June 2018, Olkaria III, Kenya, Plant 1 expansion



March and Oct. 2017, SIL and NIL 1, Sarulla, Indonesia⁽¹⁾



Sept. 2017, Platanares, Honduras



Dec. 2017, Tungsten Mountain, NV



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

ORGANIC GROWTH

- Added 29 MW from organic growth from the beginning of 2018
- Expect to add between 115 MW and 125 MW by the end of 2020⁽¹⁾

Project	Projected Capacity	Expected COD	PPA
U.S - McGinness Hills, Phase 3	48 MW	Dec. 2018	v
U.S - Tungsten Solar	7 AC MW	Q1 2019	v
U.S. – CD4	20-30 MW	2020 ⁽²⁾	TBD
Guadeloupe - Bouillante	10 MW	2020 ⁽³⁾	TBD
U.S - Steamboat Hills Enhancement	Over 16 MW	2020	v

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

(2) CD4 projected COD is subject to PPA execution and transmission.

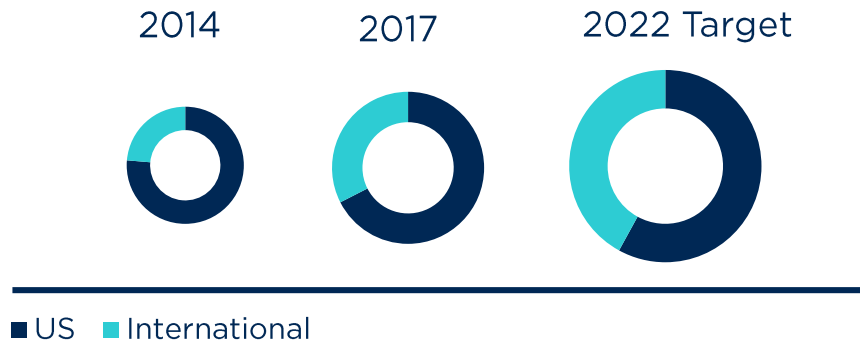
(3) Bouillante projected COD is subject to PPA execution.

ELECTRICITY SEGMENT: LONG-TERM GROWTH TARGET

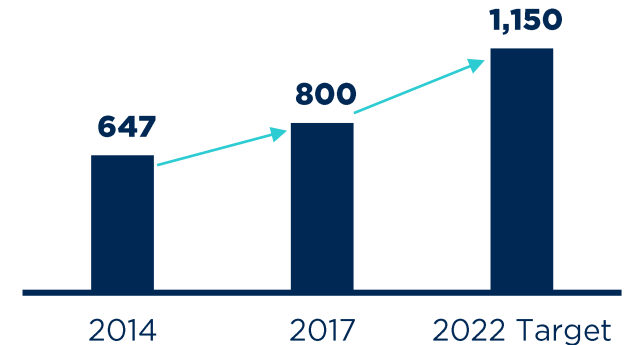


📍 Construction & development 📍 Business development & exploration

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

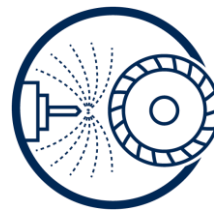
Vertical integration as a platform to grow in the storage market



Development



Engineering



Manufacturing

Procurement



Construction



Operation



Development
Pipeline



Inverter and
battery

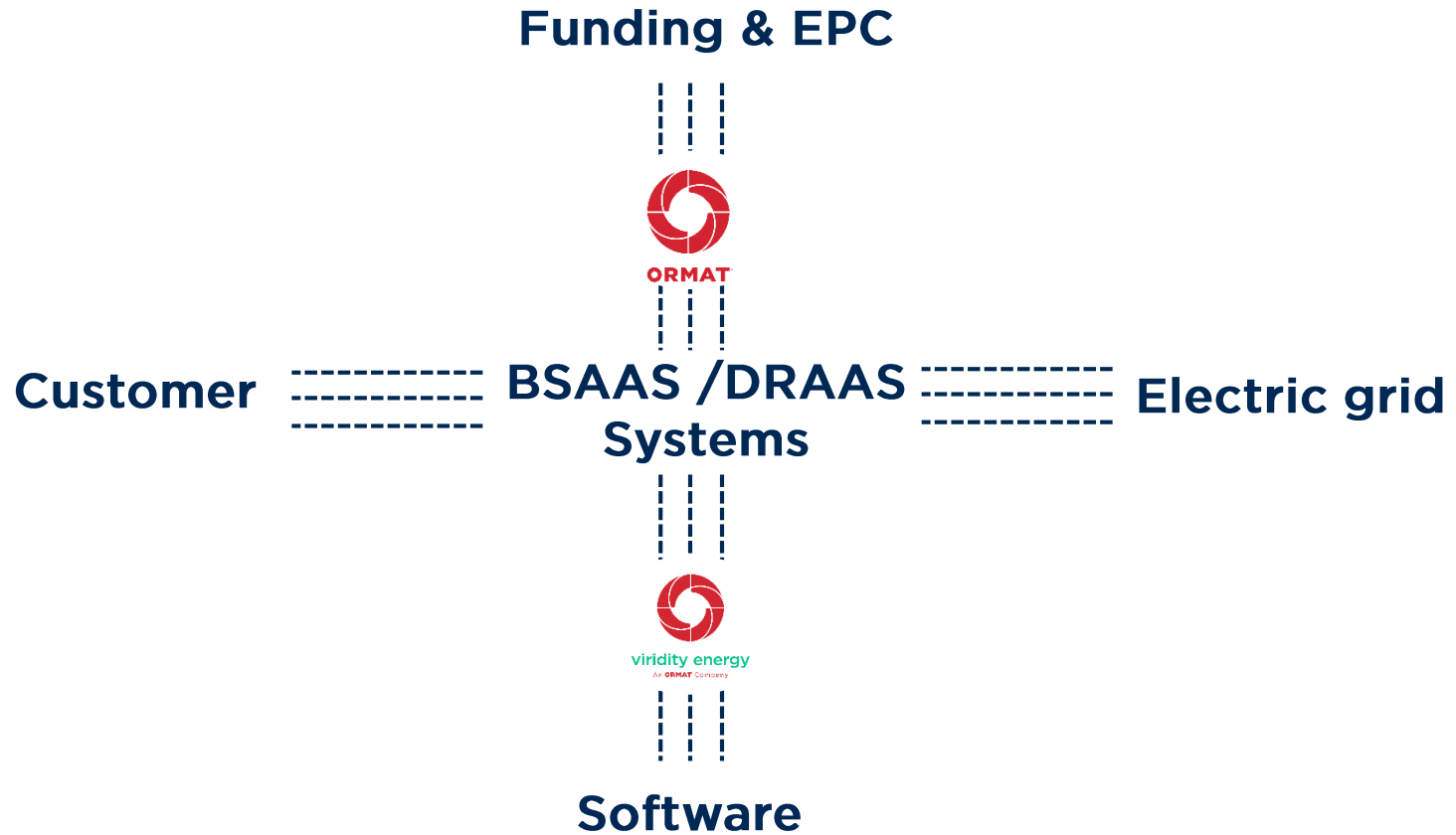
ENERGY STORAGE

- **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
 - Two 20MW/20MWh in-Front-of-the-Meter energy storage systems are under construction
 - Excepted completion: Q4 2018 and Q1 2019
 - The projects are expected to generate average revenues of between \$7M and \$8M in 2019, mainly from ancillary services⁽¹⁾



(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

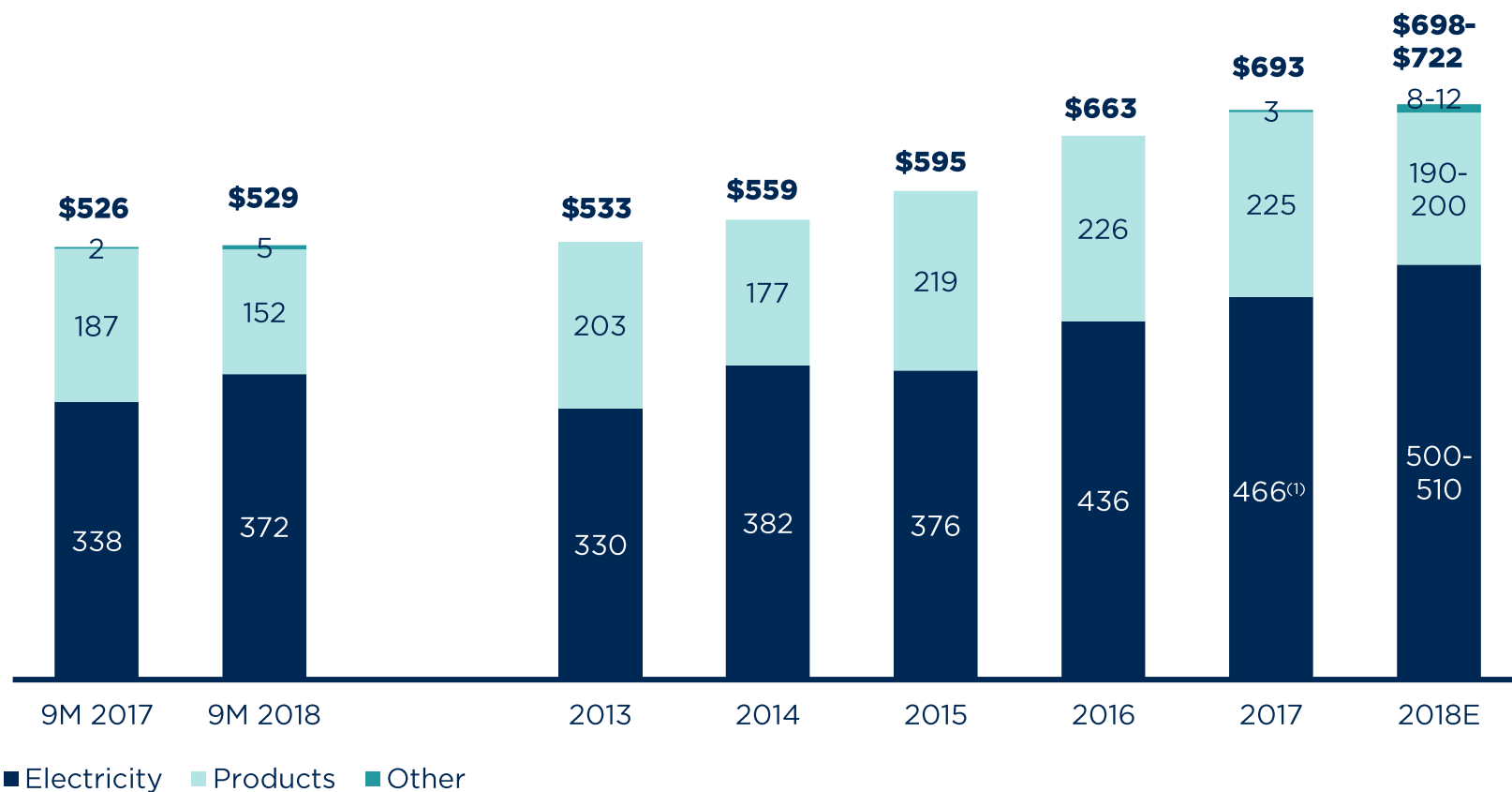
- **Global expansion - risk mitigation aspects**
 - Portfolio approach - diversification
 - Host country guarantee
 - Project finance (OPIC, ADB, DEG and AFDB)
 - Political risk insurance
 - Competitive pricing
 - Reduce incentive for counterparties to breach contracts



FINANCING UPDATE – SECURED OVER \$250M OF CAPITAL

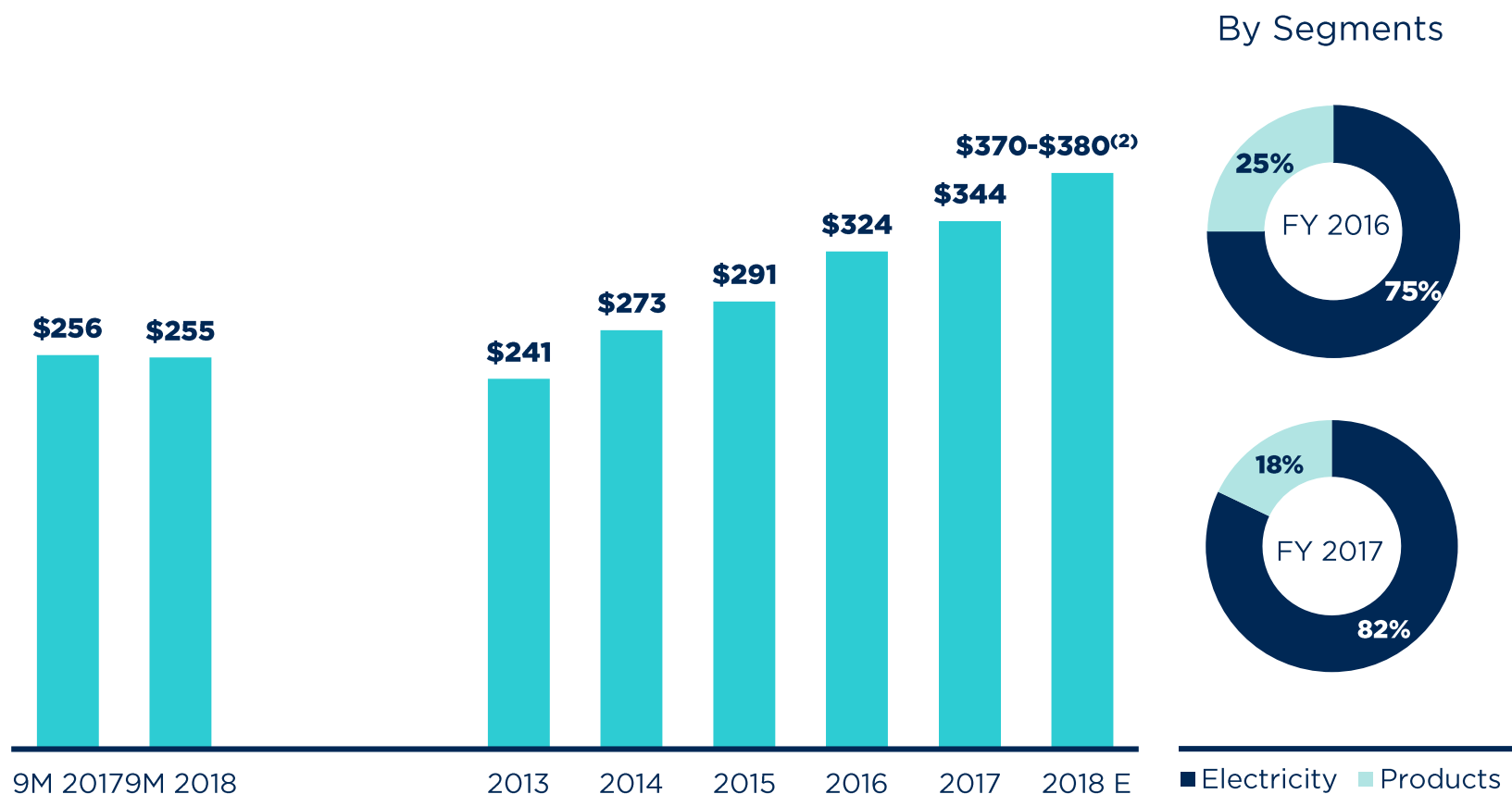
- **Corporate debt**
 - Closed a \$100.0M senior unsecured loan with Migdal group
- **Tungsten Mountain Tax partnership**
 - Closed a \$33.4M partnership agreement with a private investor
 - The partnership transaction enables us to better benefit from tax incentives available to the Tungsten Mountain geothermal projects
 - Partners are expected to pay additional installments of approximately \$13.0M
- **Platanares finance agreement with OPIC**
 - Closed the first Tranche under the previously announced finance agreement totaling up to \$124.7M for the 35 MW Platanares geothermal power plant in Honduras with OPIC
 - Received a disbursement of \$114.7M representing the full amount of Tranche I of the OPIC non-recourse project finance loan
 - Fixed interest rate of 7.02% per annum with a maturity of approx. 14 years
 - Tranche II of up to \$10.0M is expected during the first half of 2019

STRONG EXECUTION - REVENUE (\$M)



(1) Electricity revenues for 2017 were \$468.3M including \$2.7M revenues related to energy storage and demand response services.

STRONG EXECUTION - ADJUSTED EBITDA⁽¹⁾ (\$M)

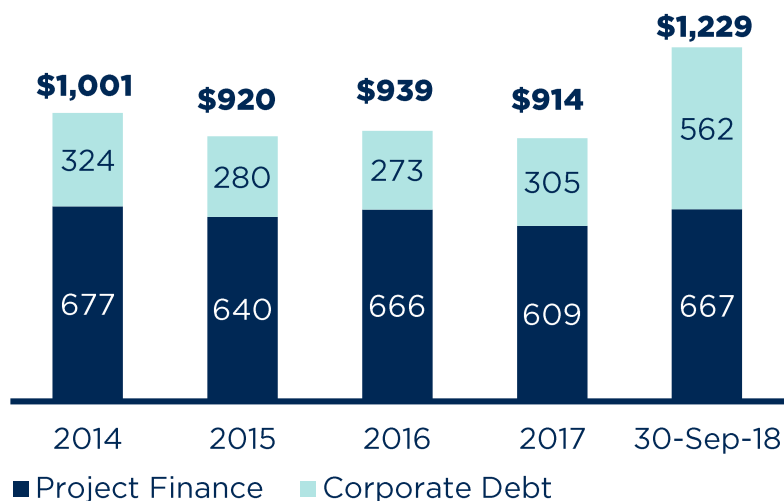


(1) See appendix for Adjusted EBITDA reconciliation

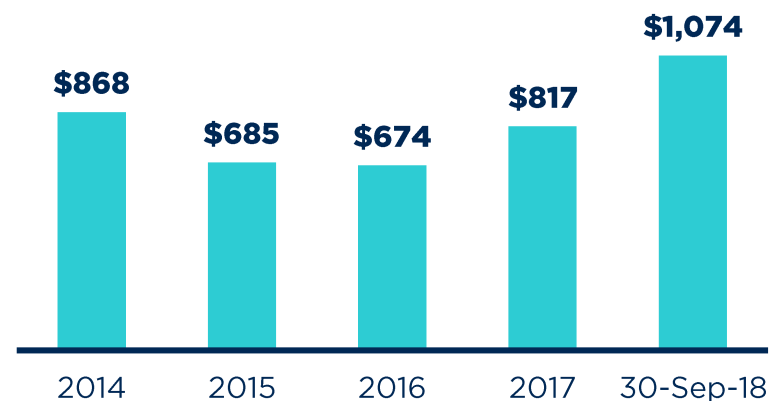
(2) In the event we do not reach a resolution of our insurance claim by the end of 2018, the 2018 Adjusted EBITDA might be negatively impacted by approximately \$20.0 million dollars. We expect annual Adjusted EBITDA attributable to minority interest to be approximately \$30.0 million dollars. This amount includes our partners share in the EBITDA related to the insurance claim for the Puna Plant.

WELL POSITIONED TO SUPPORT GROWTH

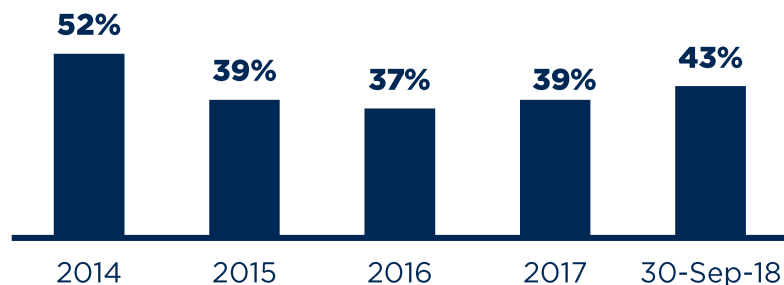
Total Debt (\$M)



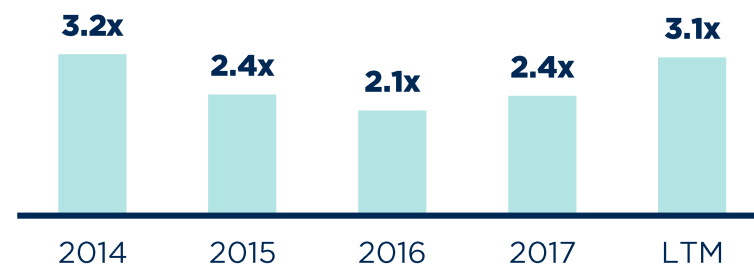
Net Debt (\$M)⁽¹⁾



Net Debt⁽¹⁾ to Capitalization
(Total Equity)



Net Debt to Adjusted EBITDA⁽¹⁾ (<4)



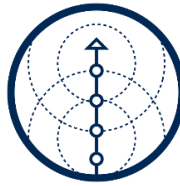
(1) See appendix for reconciliation of non-GAAP financial measures.

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:

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UPDATE ON PUNA PLANT IN HAWAII

- May 3, 2018 - the Kilauea volcano erupted and plant went down
- Lava recently stopped flowing
- The volcano alert level was officially lowered on September 5th
- We are making the following Key steps that will ultimately bring Puna back online:
 - Begun the process of building a new access road to the plant
 - Working in coordination with HELCO, the local utility, to build a new substation
 - Focusing efforts to remove the plugs from the production wells and to open the monitoring wells have begun
- We are in negotiations with the insurance companies regarding the reimbursement for loss of profits and damage to the property

RECONCILIATION OF EBITDA AND ADJUSTED EBITDA FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 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 nine-month periods ended September 30, 2018 and 2017.

	Three Months Ended		Nine Months Ended September	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
Net income	\$ 10,107	\$ 27,559	\$ 87,022	\$ 79,022
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs)	18,486	11,437	48,374	40,294
Income tax provision	1,184	6,224	3,347	49,993
Adjustment to investment in unconsolidated company: our proportionate share in interest, tax and depreciation and amortization	3,784	—	11,768	—
Depreciation and amortization.....	33,687	25,751	94,983	77,041
EBITDA.....	\$ 67,248	\$ 70,971	\$ 245,494	\$ 246,350
Mark-to-market gains or losses from accounting for derivatives	(297)	1,663	1,202	(800)
Stock-based compensation	3,559	1,861	7,382	7,204
Gain on sale of subsidiary and property, plant and equipment	—	—	—	—
Insurance proceeds in excess of assets carrying value	—	—	(7,150)	—
Losses from extinguishment of liability	—	1,950	—	1,950
Termination fee	4,973	—	4,973	—
Impairment of long-lived assets	—	—	—	—
Merger and acquisition transaction cost	120	—	2,790	1,700
Write-off of unsuccessful exploration activities	—	—	119	—
Adjusted EBITDA.....	\$ 75,603	\$ 76,445	\$ 254,810	\$ 256,404



RECONCILIATION OF EBITDA AND ADJUSTED EBITDA (CONT'D)

The following table reconciles net income to EBITDA and Adjusted EBITDA for the twelve-month periods ended December 31, 2017, 2016, 2015 and 2014.

	Year Ended December 31,			
	2017	2016	2015	2014
Net Income.....	147,109	96,294	124,148	57,811
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs).....	53,154	66,418	72,280	84,342
Income tax provision	21,664	37,059	(16,057)	24,812
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla	(265)			
Depreciation and amortization.....	108,693	99,141	98,431	93,114
EBITDA.....	\$ 330,355	\$ 298,912	\$ 278,802	\$ 260,079
Mark-to-market on derivative instruments.....	(1,500)	319	1,409	(1,788)
Stock-based compensation.....	8,760	5,157	3,955	5,571
Gain on sale of subsidiary and property, plant and equipment.....		(686)		
Termination fee.....				(7,628)
Impairment of long-lived assets.....				
Loss from extinguishment of liability.....	1,950	5,780	1,710	
Merger and acquisition transaction costs.....	2,460	335	3,800	
Settlement expenses.....		11,000		1,000
Write-off of unsuccessful exploration activities.....	1,796	3,017	1,579	15,439
Adjusted EBITDA.....	\$ 343,821	\$ 323,834	\$ 291,255	\$ 272,673



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Cash and cash equivalents and Restricted cash (in millions \$)

Cash and cash equivalents
Restricted cash and cash equivalents

Total Debt (in millions \$)

Current portion of long-term debt:
Short term revolving credit lines with banks (full recourse)

Limited and non-recourse

Senior secured notes

Other loans

Full recourse

Total current portion of long-term debt:

Long-term debt, net of current portion:

Limited and non-recourse

Senior secured notes (less deferred financing costs of \$8,113 and \$9,177, respectively)

Other loans (less deferred financing costs of \$5,258 and \$6,409, respectively)

Full recourse:

Senior unsecured bonds (less deferred financing costs of \$580 and \$755, respectively)

Other loans (less deferred financing costs of \$1,011 and \$1,346, respectively)

Total long-term debt, net of current portion:

Total Debt

Total Debt Breakdown (in millions \$):

Full recourse:

Limited and non-recourse

Total Debt

Net Debt (in millions)

Total Equity

Net Debt to Capitalization (Total Equity) (%)

Nine Months Ended Sept. 30 2018	Year Ended December 31			
	2017	2016	2015	2014
Cash and cash equivalents	72	48	230	186
Restricted cash and cash equivalents	83	49	34	50
	155	97	264	235
Current portion of long-term debt:				
Short term revolving credit lines with banks (full recourse)	210	52		20
Limited and non-recourse				
Senior secured notes	33	33	32	30
Other loans	21	21	21	18
Full recourse	5	3	12	11
Total current portion of long-term debt:	269	109	66	63
Long-term debt, net of current portion:				
Limited and non-recourse				
Senior secured notes (less deferred financing costs of \$8,113 and \$9,177, respectively)	386	312	350	305
Other loans (less deferred financing costs of \$5,258 and \$6,409, respectively)	226	242	262	283
Full recourse:	0			
Senior unsecured bonds (less deferred financing costs of \$580 and \$755, respectively)	304	204	204	250
Other loans (less deferred financing costs of \$1,011 and \$1,346, respectively)	44	46	57	19
Total long-term debt, net of current portion:	960	804	873	858
Total Debt	1,229	914	939	920
Total Debt Breakdown (in millions \$):				
Full recourse:	562	305	273	280
Limited and non-recourse	667	609	666	640
Total Debt	1,229	914	939	920
Net Debt (in millions)	1,074	817	674	685
Total Equity	1,430	1,296	1,168	1,087
Net Debt to Capitalization (Total Equity) (%)	43%	39%	37%	39%

Net Debt to Adjusted EBITDA

Net Debt (in millions)

Adjusted EBITDA (in millions)

Net Debt to Adjusted EBITDA (x)

Last 12 Months ended Sept. 30 2018	Nine Months Ended Sept. 30 2017	Nine Months Ended Sept. 30 2018	Year Ended December 31			
			2017	2016	2015	2014
Net Debt (in millions)		1,074	817	674	685	868
Adjusted EBITDA (in millions)	342	256	344	324	291	273
Net Debt to Adjusted EBITDA (x)	3.1		2.4	2.1	2.4	3.2



WHY GEOTHERMAL



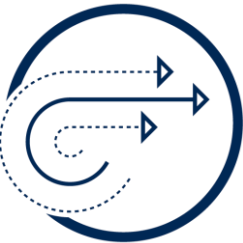
Renewable

- Supporting legislation
- Growing demand



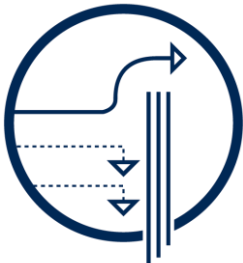
Global potential

- Estimated 9x the installed capacity



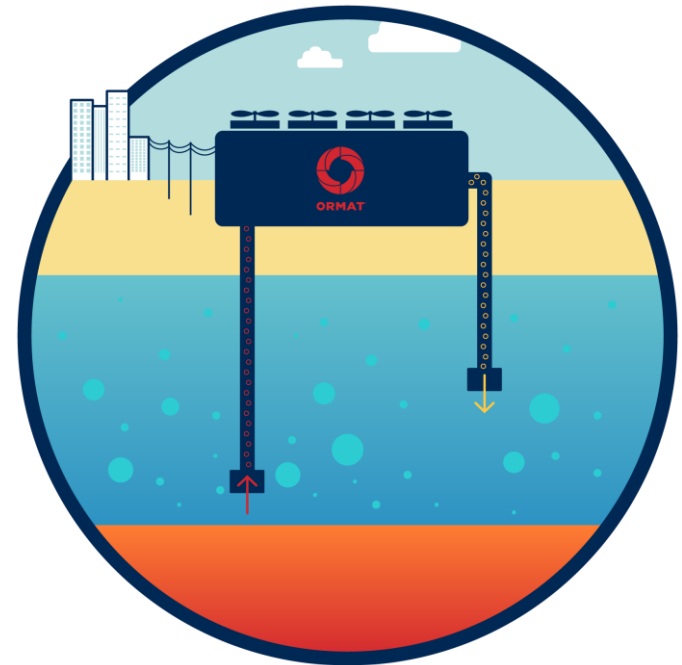
Competitive

- Firm & flexible
- Cost effective

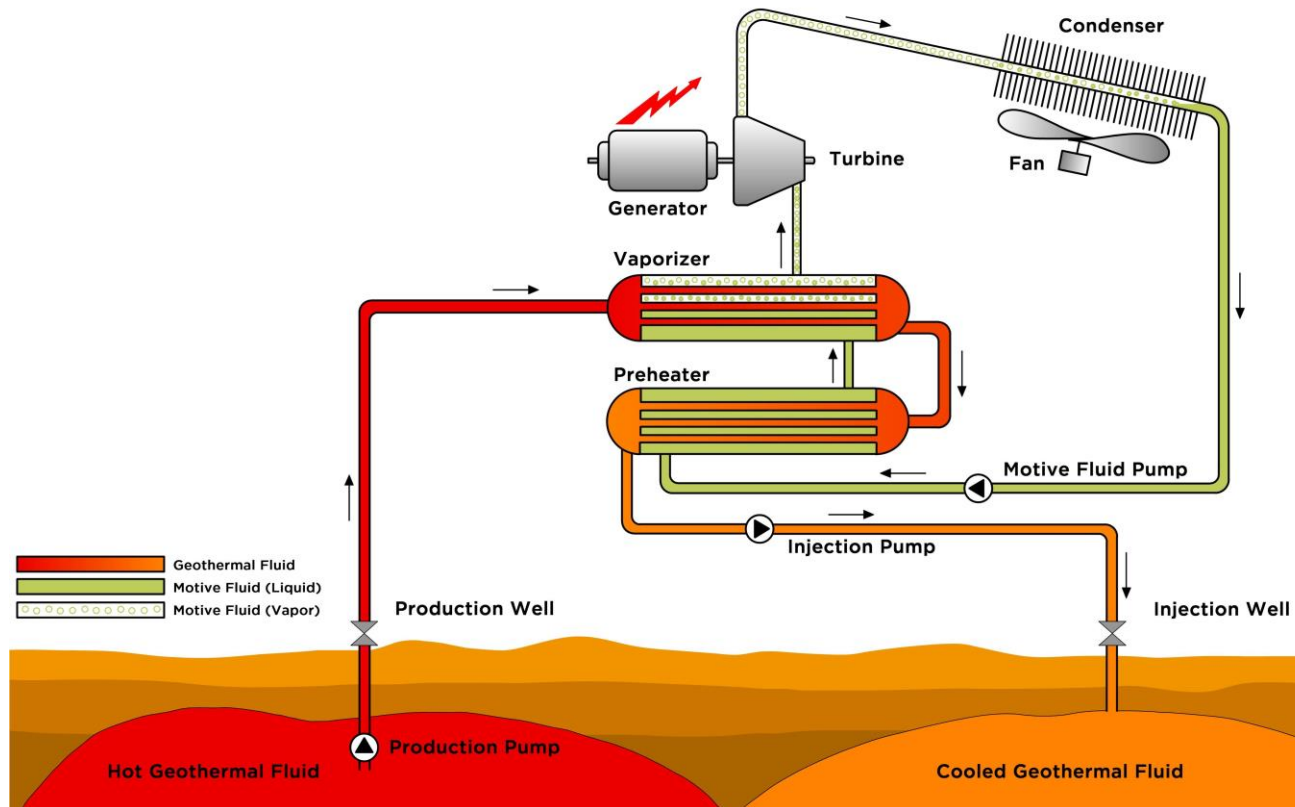


High entry barriers

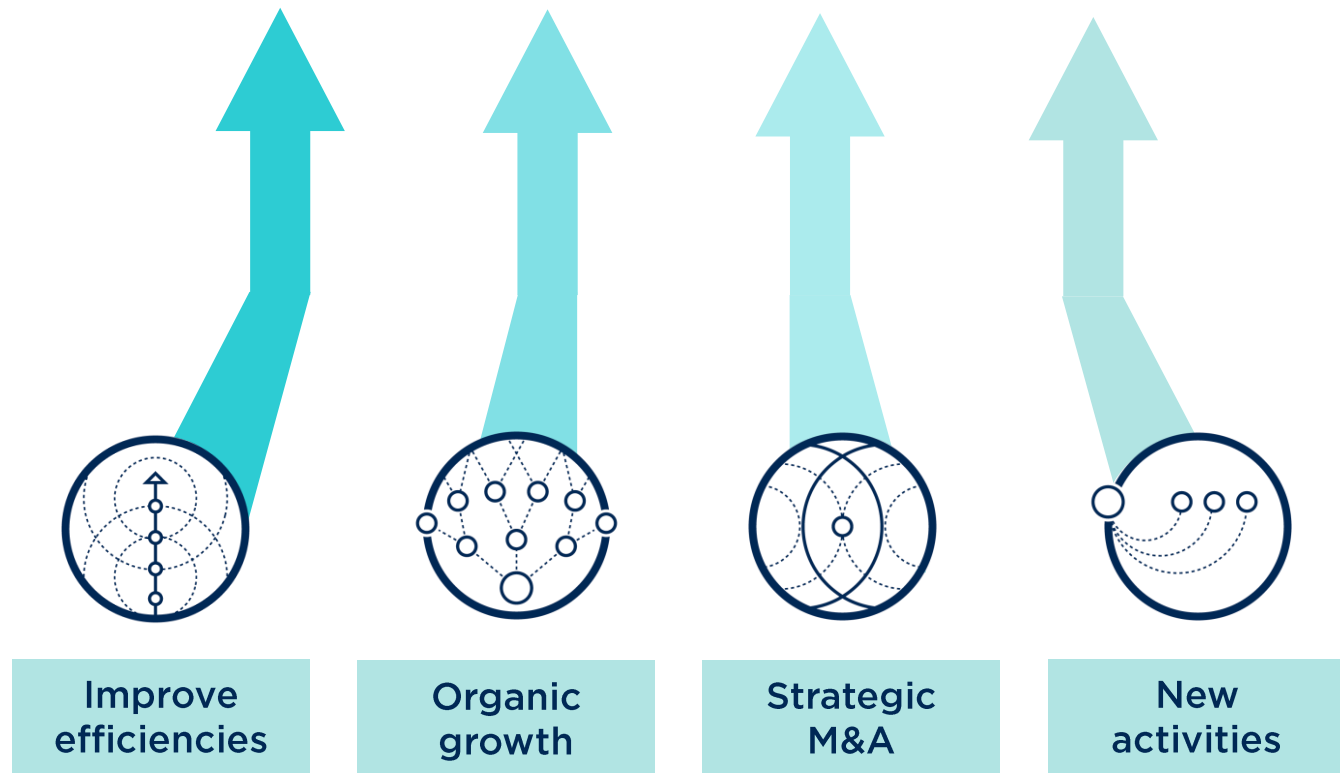
- Niche market
- Capital intensive
- Expertise



AIR-COOLED BINARY GEOTHERMAL POWER PLANT



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
43% in 2017 ⁽¹⁾

Operating cost ⁽²⁾
(\$/MWh)



Reduced from
\$34/MWh in 2013
to
\$30/MWh in 2017

- (1) Electricity segment gross margin for the full year ended December 31, 2017 excludes \$2.7M revenues and \$5.4M cost of revenues related to our Viridity business from the provision of energy storage and demand response services.
- (2) Operating cost excludes depreciation.

US GEOTHERMAL (USG) INTEGRATION PLAN

- 38 MW⁽¹⁾ of three USG geothermal power projects in Oregon, Nevada and Idaho are fully integrated
 - Main focus - to optimize operational performance
 - Future focus - to optimize cost structure
- Development assets including a second phase at San Emidio, Nevada, and additional projects in California, Nevada and Guatemala are under evaluation



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