FROST & SULLIVAN

INDEPENDENT EQUITY RESEARCH

Enlight – Update Report

25.12.2022

Good results in the first three quarters (similar to our expectations) and an increase in revenue and EBITDA forecast contrary to the trend of lowering market forecasts; Connected 810 MW to electrical grid in 2022 and reached 1.4 GW yields; supportive regulation in the US is expected to increase yields in the company's projects

Stock Exchange
TASE

Symbol
ENLT

Sector
Technology

Sub-sector
Renewable Energy

Stock price target
NIS 8.63

Closing price
NIS 7.03

Market cap
NIS 7.14 Bn

No. of shares
1.016 Mn

Average Daily Trading Volume
16,195 stocks

Stock Performance (Since January 2022)
-8.15%

Enlight shows further growth in its activity in the first three quarters of 2022 with the connection to electricity of projects in Spain, Sweden, and Israel. The company ended the first quarters with (non-GAAP) revenues of approx. NIS 487 million and EBITDA of NIS 339 million, an increase of 58% and 45%, respectively, compared to the corresponding period last year. The company raises the company's revenue and EBITDA forecast for 2022 by 11% and 15% respectively, contrary to the market trend of lowering forecasts.

Highlights for differentiating the company:

- The company's profitable activity has increased significantly and yields a stable and geographically diverse flow - an annual flow rate of over NIS 400 million.
- The company benefits from the current macro environment in light of linking 70% of revenues to inflation and fixing the interest rate for 98% of the existing debt.
- The equity capital to complete an additional 2.6 GW has already been raised under attractive conditions (the debt component was raised at 3% not linked) - these projects will bring the company to a generating capacity of 4 GW.
- The company expects to reach an annual revenue rate of approx. NIS 1.9 billion in 2024 and EBITDA at an annual rate of NIS 1.5 billion.
- The limitation of electricity prices in Europe has no effect on Enlight's results.

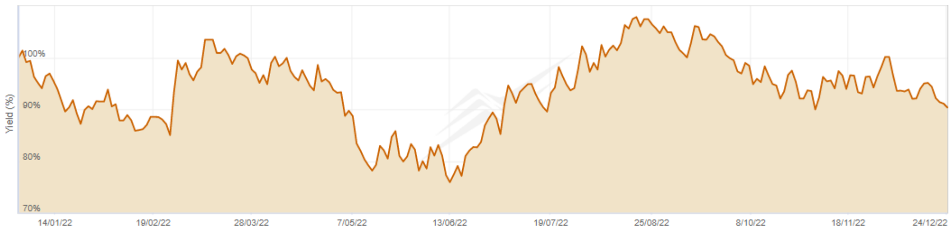
In our estimation, the company is indeed expected to achieve these results in light of the current pace of connecting the projects, in light of the potential that exists in its development pipeline and the geographical distribution of its assets and according to the sources of energy (sun and wind). We would like to mention in this context that the global growth potential is far from saturated. Renewable energy investments peaked at USD 350 billion in 2020, with solar and wind power accounting for USD 290 billion of the total.

Enlight continues to present good results due to a systematic strategy in the target markets. Its entry into the American market with the purchase of Clēnera is a leap forward for it as a company positioned at the international level as a small-medium company but one that controls the entire value chain (initiation, construction and connection to the electricity grid). In addition, a lot of potential value lies in the issue of tax benefits in the American market (see the further explanation in the report). These tax benefits are significant both for increasing project returns and for the need for lower equity.

In light of this, we are updating a general update of the progress of all the company's projects alongside updates of non-operating assets and liabilities at the solo level alongside macroeconomic updates including an update of discount rates. In light of this, the price target remains.

We also base our assessment on the basis of EV/EBITDA multiples used for companies in the field in the US of 16 – 17; we note that Enlight's current value (after adding its non-operating assets and liabilities), reflected today is approximately 12 – 13, that is, on the low side despite the fact that Enlight is a rapidly growing company, certainly in relation to the benchmark in the American market.

Year	Revenues (000 NIS)	Operating profit (000 NIS)
2022E	690 – 700	485 – 495
2023E	1,036,482	704,808
2024E	1,414,431	975,957



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Significant events in the last quarter:

US

- **The IRA legislation** is a game changer for the company's activities in the US, increasing project yields and decreasing the equity requirement - see the extension in the body of the document
- Completed **financial closure for the Apex Solar** project (105MW)
- **Increased the scope of storage in the Atrisco project** (360MW+1,200MWh) at an attractive price, the start of construction is expected in Q4 2022, high returns are expected in the project due to the increase in the PPA price and the PTC regulation.

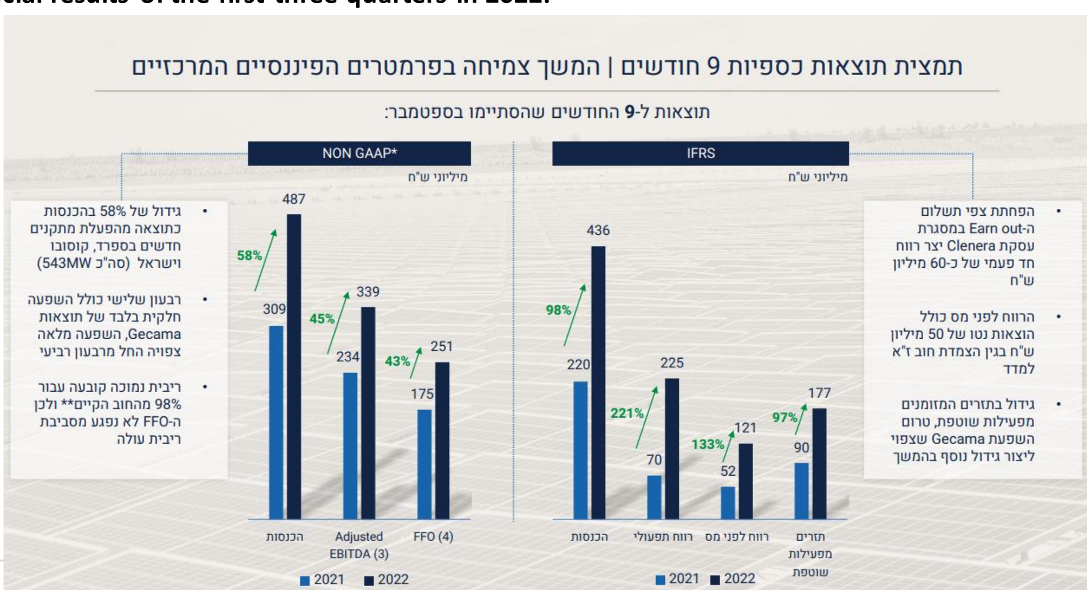
Europe

- **Start of short-term operation of the Bjorn project (372MW)** - one of the largest wind projects in Europe - full commercial operation is expected in Q1 2023
- **First quarter of commercial operation in the Gecama** project in Spain (329MW) - net average selling price of EUR 103 per MWh - above the company's forecast
- **Significant progress in the development of the Gecama Solar project** (250MW+250MWh) - construction is expected to begin in 2023 and produce a groundbreaking hybrid project (with the wind) that will generate electricity over most of the hours of the day

Israel

- **Moving to the sale of electricity in a bilateral model** is expected to improve the company's returns, there is a new market arrangement that enables a transition from selling electricity based on tariff tenders to a direct agreement between supplier and customer. The increase in electricity prices is expected in this context to generate a higher return for the company.
- In the company's estimation, the extent of its solar and storage portfolio is expected to generate flexibility in electricity supply and thus generate a competitive advantage in closing PPA agreements.

Financial results of the first three quarters in 2022:



Enlight's areas of activities

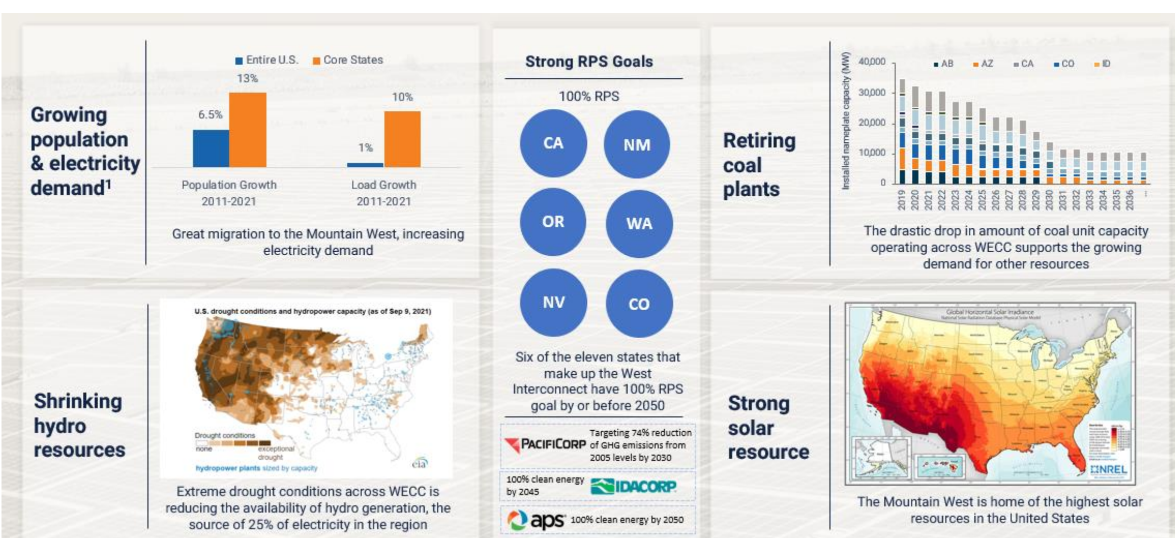
Enlight operates in three main territories: the USA, Europe and Israel. Below is a focused breakdown of each territory and Enlight's activities there in recent years and in the coming period.

The US renewable energy market

Enlight entered the American market as part of a development strategy that began a few years ago. The Clēnera deal positions Enlight in a good starting point in the western US as a leading player in terms of the number of projects and in terms of development capabilities and experience in the local market. Clēnera has a portfolio of about 12.2 GW of solar projects and about 8.1 GWh of energy storage. Clēnera has extensive experience in the western United States and to date has developed and established projects with a total capacity of 1.6 GW. Clēnera has about 100 employees focused on bringing the company's large portfolio from the development stages to profit and increasing the company's existing pipeline in the US

Examining the energy market in the western US, the opening data as well as the forecast for the coming years indicates three deep trends on the supply and demand side:

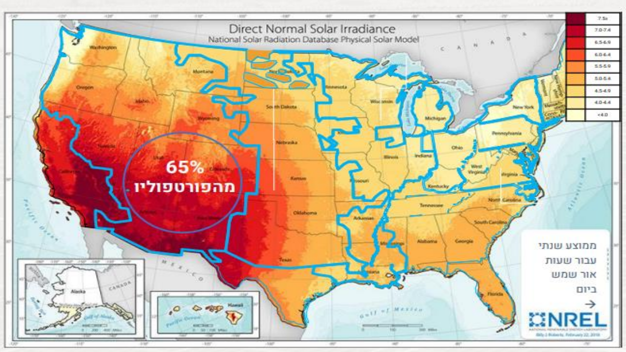
- Regulatory requirement to reduce polluting energy sources alongside a reduction in non-polluting sources such as water sources (hydro). You can see below the dramatic reduction in coal reactors and on the other hand the reduction in water sources in favor of energy production. These generate more demand for energy sources such as wind and solar.
- Regulation enables electricity connections to the interstate transmission system alongside significant tax benefits. These steps actually open the American market to an even more sophisticated market where there is more certainty for energy companies.
- Demand for energy is increasing with the pace of population development and the advancement of the modern lifestyle.



In 2022, the IRA law (Inflation Reduction Act) was passed in the UA, which increases the tax benefits for renewable energy projects. The law included several key sections:

- Fixing the ITC rate benefit at 30% of the establishment costs until 2023
- Applying the PTC mechanism to solar projects in a way that allows a choice between the ITC route and the PTC route
- Applying the ITC mechanism to stand alone storage projects
- Option to trade the tax benefits, eliminates a tax partner
- Providing an additional benefit of 10% for projects located in "Energy zones" or for projects that purchase local equipment

Applying the PTC mechanism is a game changer for Enlight. The PTC mechanism includes a tax credit worth $27 per megawatt hour, index-linked, for the first 10 years of the project's operation. This benefit was structured in a way that produces neutrality between the PTC track and the ITC track for a project located in a country with average solar radiation in the US. In light of the fact that Enlight operates mainly in the western US (65% of the company's portfolio is located in the western US) where the hours of sunshine and radiation Significantly higher than the average, the PTC benefit generates for Enlight a significant excess value estimated at an additional approx. USD 180 million per GW of solar. Given the expansion of the company's activities based on the existing portfolio, it is a very significant value potential for increasing the capitalized value of each project.



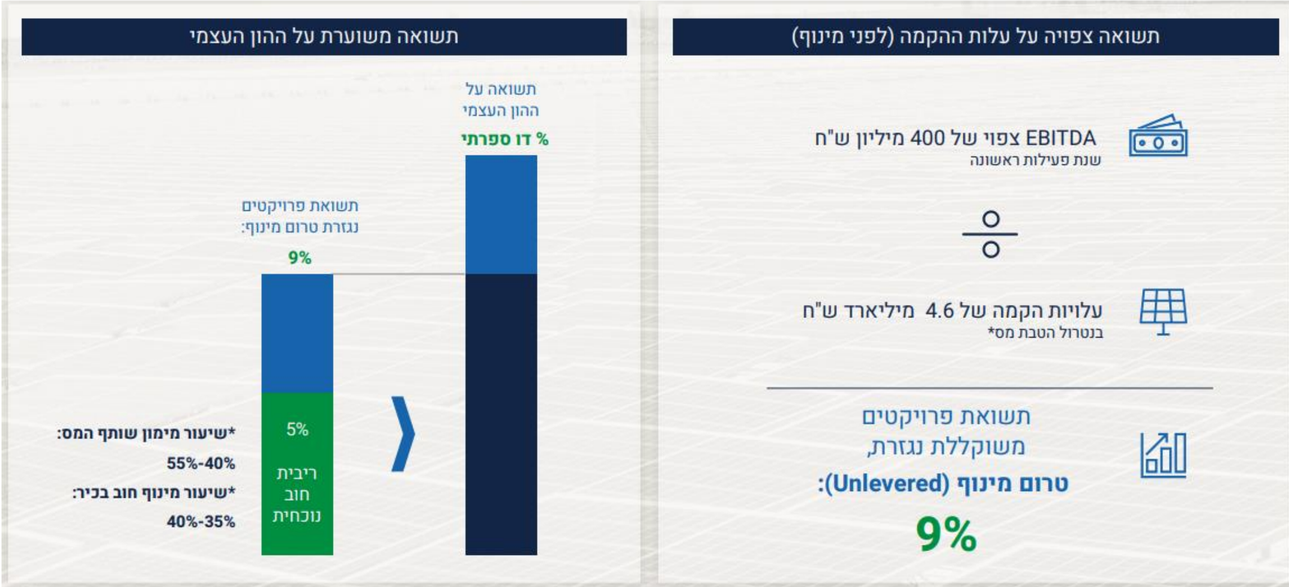
מדינה	אחוז פורטפוליו
אריזונה	23%
אורגון	12%
איידהו	9%
ניו מקסיקו	9%
קולורדו	4%
קליפורניה	4%
טקסס	3%
יוטה	1%
סה"כ	**65%**

Enlight's differentiation in the US stems from the ability to grow at a fast rate and with high yields. About 50% of Enlight's portfolio has successfully completed the System Impact Study and achieved a high degree of certainty regarding obtaining a connection to the electricity grid, which is the main barrier in the development of projects in the USA. This figure is expected to allow Enlight to grow at a high rate in the coming years.

The second aspect stems from the projects' returns. Enlight provides comprehensive information regarding its mature projects and from this information the profitability of the projects can be derived.

The non-leveraged yield of the mature projects in the US is around 9%, which allows the company to achieve a high double-digit yield even in the current interest rate environment.

Enlight's projects in the western US are characterized by long-term PPA certifications (20 years on average), which produces high certainty regarding the results of the projects.



The renewable energy market in Europe

The renewables market in Europe is expected to be particularly attractive in the coming years in light of the great demand for renewable energy and in light of an attractive price environment for renewable players. The demand for renewables stems from both regulatory motives and the energy crisis experienced by the continent. The supply of gas has decreased significantly in the past year due to the war in Ukraine and mainly due to the understanding among European government officials that it is necessary to reduce dependence on Russian gas, which creates even greater demand for renewable energy sources and energy independence in Europe.

The high gas prices caused a rise of hundreds of percent in electricity prices on the continent in the short term. In the long term, electricity prices are expected to remain relatively high in light of the mechanism for reducing carbon emissions that applies in the European Union and imposes excess taxation on the generation of electricity by polluting means. This environment is ideal for renewable players, who do not bear the burden of the polluting tax and benefit from the high price environment.

Enlight is well positioned in Europe with operations across 10 countries. Enlight entered the European market already in 2011 and developed Greenfield development capabilities in most of the European countries. The company's portfolio in Europe as of today is about 3.5 GW focused on countries with high growth and is expected to allow the company to benefit from the supportive environment in this market.

The renewable energy market in Israel

An engine behind the growth of renewable energy in Israel is the government's vision to use "natural gas or renewable energy only" for energy production by 2030. In order to realize this vision, the government is establishing central systems and regulations to completely replace the energy produced from coal with energy produced from solar sources. This transition is expected to produce a 6-fold increase in renewable energy production and a 10-fold increase in energy storage capacity.

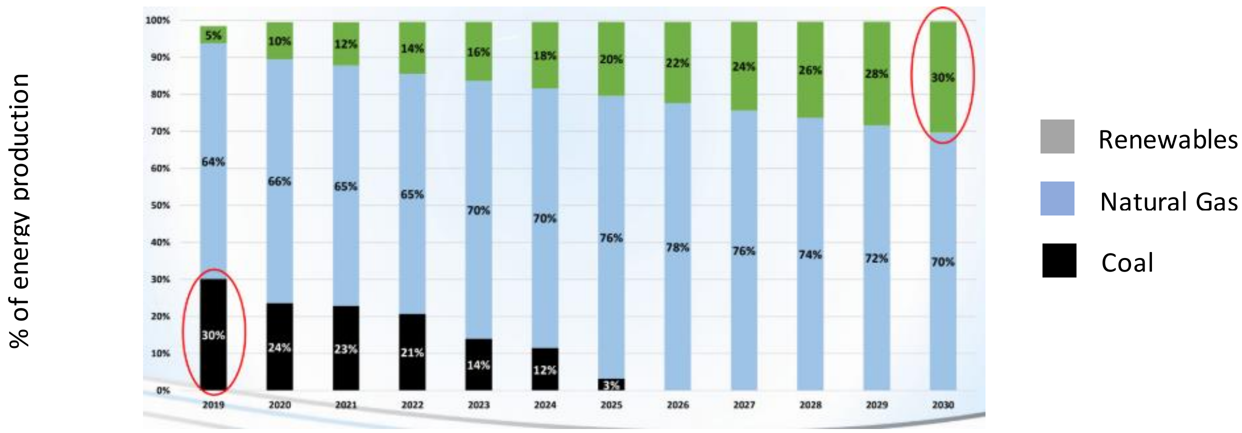
The four main drivers of the renewable energy market in Israel as stated in the economic plan of the Ministry of Energy are: 1) a decrease in the costs of solar technology 2) the global transition to electric vehicles 3) energy security 4) pollution regulations.

These trends drive Israel to a reality that requires a massive transition to renewable energy sources and therefore promotes the need for energy storage solutions.

Israel is an exception in the high growth rate of the population, as well as in the high electricity consumption per capita. Today, solar energy is almost the country's only source of renewable energy and this will be true until 2030.

In 2030, Israel is expected to be a world leader in dependence on solar energy, about 30% of the energy produced by the country. By the year 2030), during lunch hours, 80% of the electricity produced in Israel will come from solar sources. This solar energy will exceed the consumption requirements at certain times of the day, which are approx. 13 GW according to the goal of the Ministry of Energy in Israel.

Composition of Israel's energy sources
Renewable energy sources will replace coal over the next 10 years

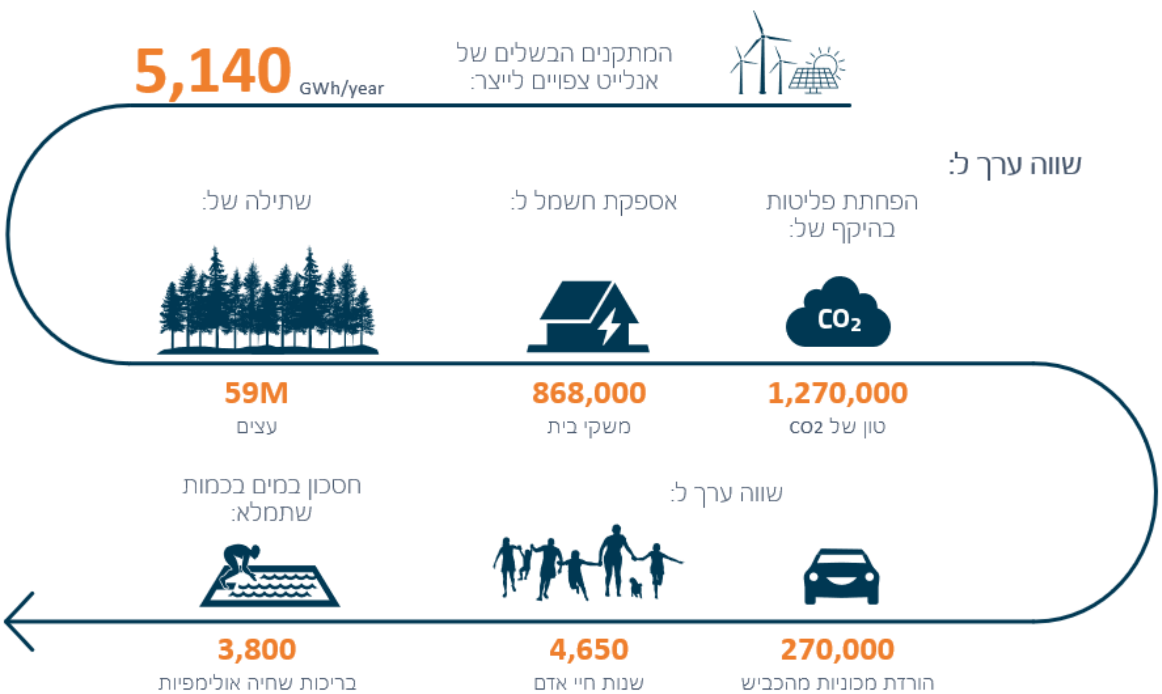


The development of the Israeli market in the field of renewable energy is based on a better adaptation to wind energy with many existing and future projects. In addition, in the economic aspect, there is significant windfall from the government along with long-term purchase power agreements (PPA) which are essentially similar to the developed market in the US. In our estimation, in the near future deregulation by the Israeli government will allow a freer market in economic agreements, which will also give Enlight a higher share of profits (mainly in light of its size and efficiency in the Israeli market) alongside higher certainty. Below we present the development of the Israeli market in the company's view:

	Past	Present	Future
Market conditions	• FIT market across technologies: set price for all renewable energy projects • Gas and coal dominant with very limited market for renewables	• FIT-auction market for solar: competitive auctions for PPA contracts • FIT market for wind: attractive PPAs for those who succeed	• Deregulated market: emergence of corporate PPAs • IEC PPAs remain an option through FIT-auctions
Profitability	• High FIT price designed to incentivize renewable energy development • High returns	• Increased competition drives down PPA prices and returns for standalone solar • Wind very attractive	• Price transparency • Higher PPA prices, and higher higher returns
Scale	• Small scale • Largely rooftop solar • Enlight's initial Israeli assets	• Medium scale market • Utility scale solar • Utility scale wind	• Large scale market • Utility scale / C&I wind and solar • Standalone storage

Corporate Responsibility

During 2021, the company published a corporate responsibility report for the first time with the aim of maximizing the positive impact and creating long-term value for all stakeholders. Enlight entered the Israeli Ma'ala rating with a platinum rating as part of the report, the company shows the significant environmental impact of its mature facilities:



Executive Summary

Investment Thesis

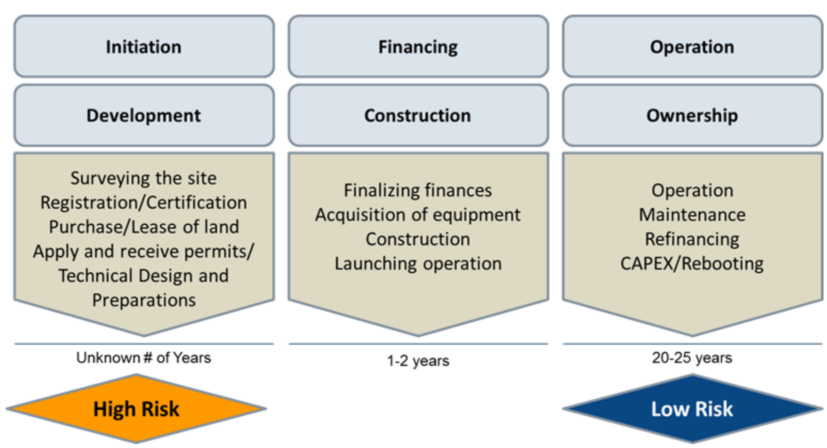
The field of renewable energy is on a growth spurt in most countries worldwide due to governmental and organizational decisions to reduce dependence on polluting fuels and the reduction in greenhouse gas emissions that are reflected, among other things, in the commitments of countries to meet renewable energy goals of the 2015 Paris Agreement.

The implementation of the governments' decisions translates into policies, regulations and licensing processes for companies that build facilities to produce electricity from renewable energy that are supposed to provide electricity for many years in a reliable, safe, and economical manner.

Enlight's management enjoys a positive reputation among local and global bodies of the value chain and the business environment in which it is located, as reflected in the list of institutional investors in Enlight, its financial partners, and equipment suppliers.

The company has a track record of success in all phases of renewable energy projects, including initiation, development, financing, construction, management, operation, ownership, and sale of assets.

The company's goal is to continue to create value by leveraging its proven expertise and experience in identifying and discovering market opportunities and quickly evaluating and exploiting them, both in development from the initial initiation stages in Israel or by partnering with local players and joint development in international markets. The company's strategy is to choose and operate in markets that reveal a certain combination of factors, with a specific emphasis on supportive policies, regulations, appropriate natural resources, an opportunity to optimize development as well as a market size that supports future growth. In the international markets, the company works in partnership with local entities that provide advantages in the initiation and early development stages.



Below is the strategic landscape the company operates in:

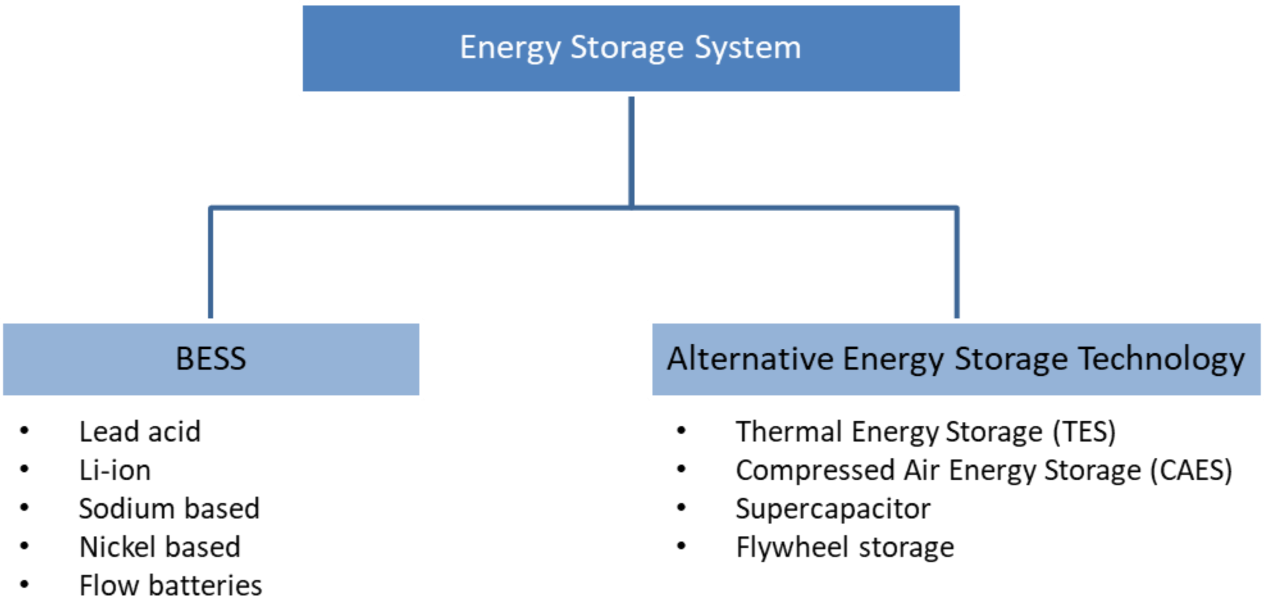
Source: Frost & Sullivan

Value proposition to investors, partners and suppliers include:

- Experience in evaluating projects and uncovering upside opportunities.
- Focus on markets that are mature or maturing in terms of renewable energy policy and regulation, and such markets where renewable energy sources provide competitive electricity prices without the need for subsidies.
- Identify opportunities to optimize projects' capacity or timetables immediately and/or in the long term.
- High likelihood to secure financing due to corporate reputation and industry relations.
- Leveraging experience to generate margins from optimization, development and construction.

We would like to emphasize that the storage area that the company is entering is a large and growing market that represents additional potential for the company. In our estimation, the storage market is about 25,000 MW in 2020 with an estimated annual growth rate at the global level of about 32.9%. In a broad examination of the storage market, the main reliance today is on a combination of batteries, but we understand that Enlight is also expected to combine forces with other players in the market and also incorporate additional new technologies that will increase the yield on the projects at the various stages.

Global Energy Storage System breakdown 2020



Source: Frost and Sullivan

Introduction to the global renewable energy market

Historically, global power generation was dominated by centralized energy sources such as coal, nuclear, oil, and large hydropower plants. These plants were usually state-owned, and the electricity generated would be transmitted across the country via a centralized grid. There was a minimal competition within the market, and the environmental impact was hardly considered. This situation has gradually changed over the past two decades, mainly driven by market decentralization and favorable regulatory frameworks (which boosted competition), concerns over the impact of climate change, and supportive renewable incentive programs.

Driven by the transformation across the energy sector, renewable energy sources (RES), primarily wind energy and solar energy, have become well established low-carbon energy sources to meet global energy demand because of their widespread availability, cost-effective nature, and flexibility compared to other RES. An increase in the adoption of wind and solar energy technologies would significantly mitigate and alleviate issues associated with energy security, climate change, unemployment, etc. and help in reducing global CO2 emissions by more than 50% between now and 2050.

The impact of the renewable revolution has been felt in many global markets, but European nations and the US have been at the forefront, later joined by China. Although the incentives schemes for renewable energy in many markets have gradually become less generous, this has largely been offset by consistent declines in renewable energy technology and project costs, construction and service innovation, and the continuation of favorable regulatory frameworks that ensure renewables have priority access to the grid. Once a wind or solar plant is online it is basic common sense anyway to ensure that the power generated is given priority, as the fuel cost is zero.

Wind power and solar PV dominate global renewable investment (large hydropower, which is still a significant technology in a number of markets, is not considered truly renewable because of the potential environmental damage to the river networks). Global investments in renewable energies accounted for $282 billion in 2019, with wind and solar energies accounting for ~97% of non-hydro renewable investment in 2019. A total of ~$3 trillion is forecast to be invested across the next decade in renewable energy sources, with annual renewable energy investment exceeding ~$300 billion in 2030. Further cost reductions mean that both technologies will reach grid parity (a situation where it is as cheap to build a solar plant as it is a coal plant) in an increasing number of markets over the coming decade, further supporting the business case for investing in renewables.

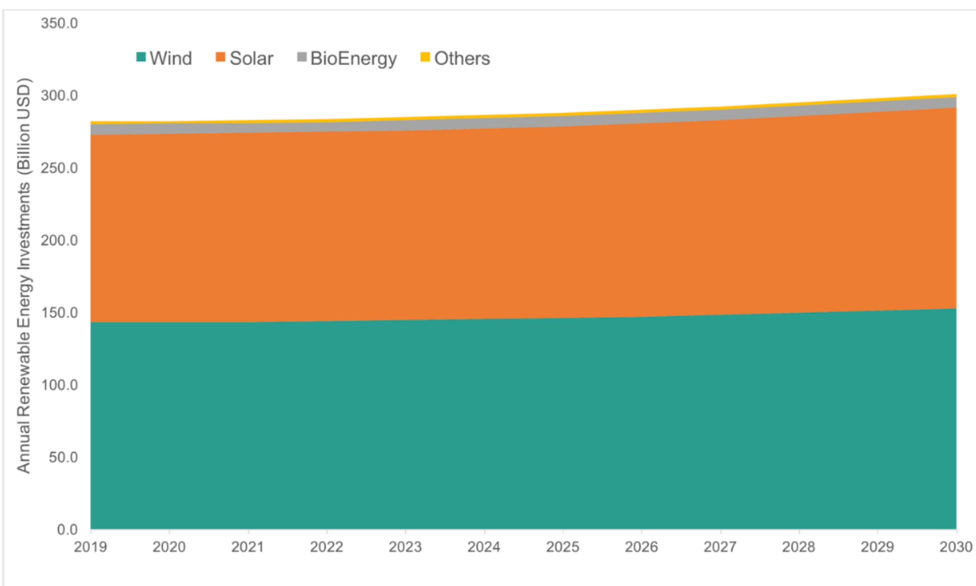


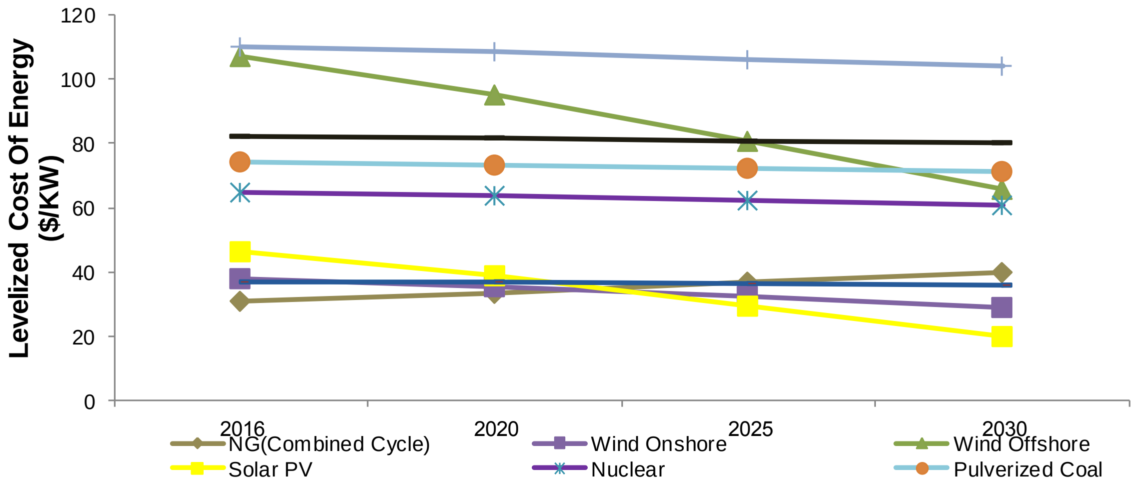
Figure: Annual Global Investments in Renewable Energies (Billion USD)

Continued Decline in Wind and Solar Technology and Project Costs

The decline in renewable energy project costs started around 2010, with solar PV leading the way. Solar module costs have declined by around 82% across the course of the decade (modules account between 35% and 45% of total project costs). Wind technology cost declines started later, but have also been substantial –

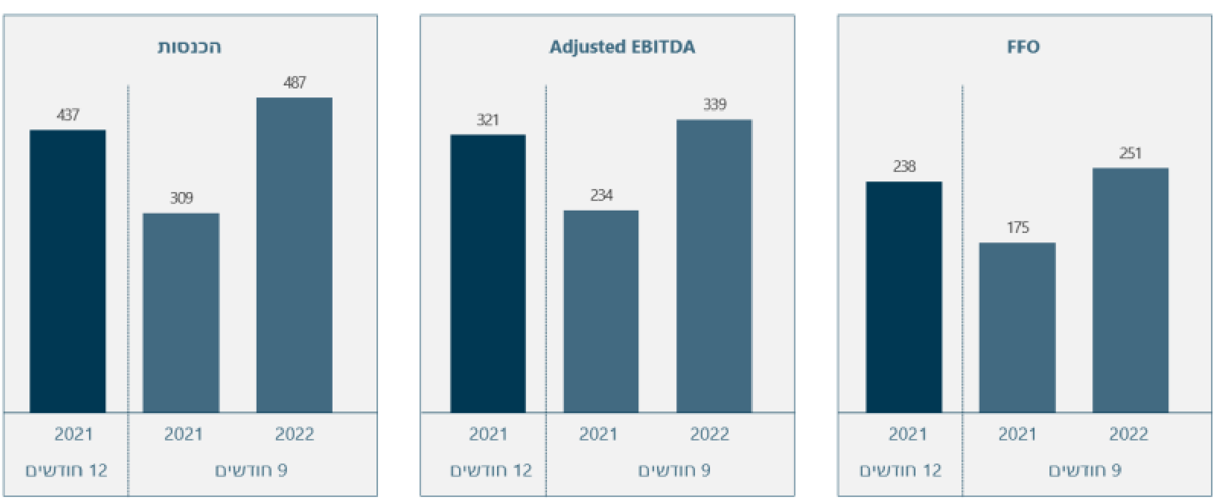
the global average price per MW for an onshore wind has declined by 39% and offshore wind by 29% between 2010 and 2019.

Continued cost reductions are forecast for both wind and solar, through a combination of lower core technology costs (larger turbines and taller hub heights are a significant factor for wind projects); a reduction in total project costs (greater efficiencies in construction and commissioning), and lower servicing costs

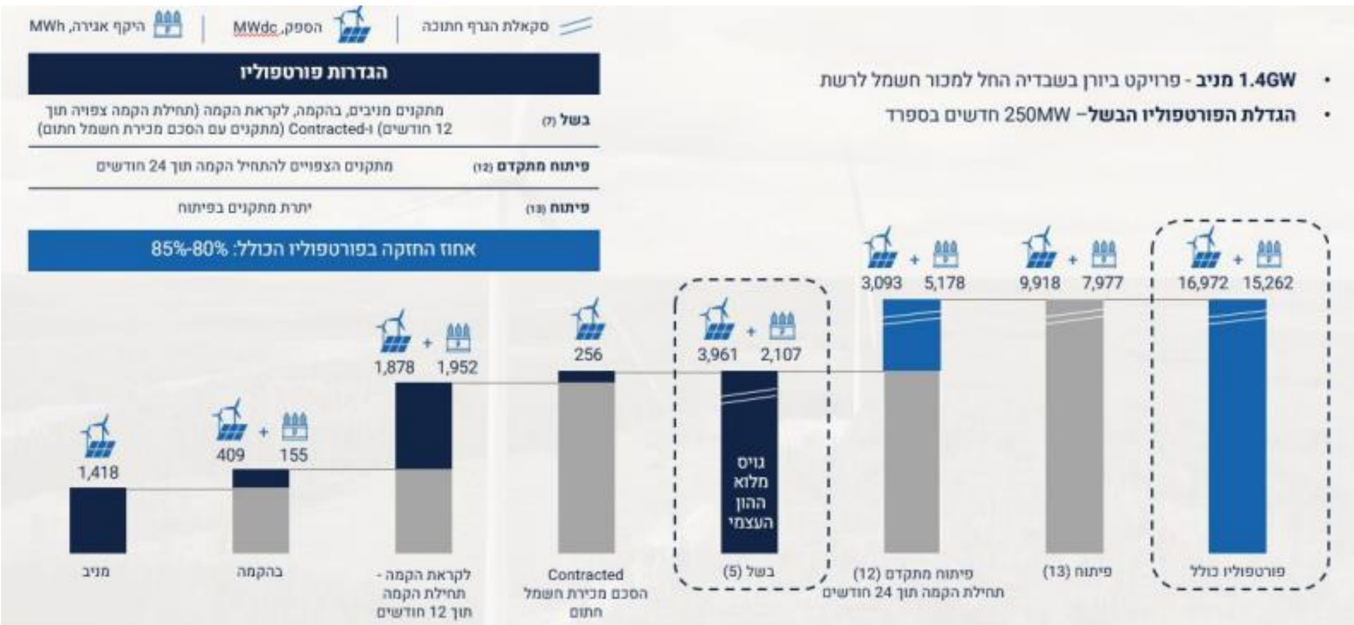


Valuation

Enlight presented revenues (non-GAAP) of approx. NIS 487 million in the first three quarters of 2022 compared to NIS 309 million in the corresponding period. Higher revenues than the entire year 2021. At the EBITDA level, NIS 339 million compared to NIS 234 million in the corresponding period in 2021. Below we present the results of the activity from its financial statements.



The increase in activity is due to the introduction of new projects and their connection to electricity, such as the Bjorn project in Sweden. For now, the company has 1.4 GW of yield and a total of projects in an existing status of facilities under construction and facilities with a PPA of a total of approx. 4 GW and another 2 GWh of energy storage. Beyond that, the company's portfolio includes development and advanced development is a total of 17 GW and another 15 GW of energy storage.



We estimate the value of Enlight and see a first report and expansion according to the capitalized value of each project and the net capitalized flow after investment and in addition at the solo level an addition of management and initiation fees alongside equal capitalization of projects in development based on the probability of realization and neutralizing net debt at the solo level.

Valuation of the development pipeline

The company has connected projects, projects under construction, and projects nearing construction that we identify in the calculation of the value of the development pipeline. As of the date of this report, the company has a total of approx. 4 GW (approx. 1.7 GW in the US at an advanced stage, as detailed below from the report of the company's board of directors).

א. פרויקטים מניבים (28)

מגזר פעילות	מדינה	פרויקט	הספק (מגה-וואט) (18)	שיעור החזקה משורשר	תקבולי חשמל: 9 חודשים שהסתיימו בספטמבר 22	תקבולי חשמל: 9 חודשים שהסתיימו בספטמבר 21	תקבולי חשמל: 12 חודשי פעילות אחרונים (19)	EBITDA (35): 9 חודשים שהסתיימו בספטמבר 22	EBITDA (35): 9 חודשים שהסתיימו בספטמבר 21	EBITDA (35): 12 חודשי פעילות אחרונים (19)	FFO (35): 9 חודשים שהסתיימו בספטמבר 22	FFO (35): 9 חודשים שהסתיימו בספטמבר 21	FFO (35): 12 חודשי פעילות אחרונים (19)	FFOR (35)(36): 9 חודשים שהסתיימו בספטמבר 22	FFOR (35)(36): 9 חודשים שהסתיימו בספטמבר 21	FFOR (35)(36): 12 חודשי פעילות אחרונים (19)	תקבולי חשמל חזויים לשנה ממוצעת לאורך חיי הפרויקט (23)	תעריף מכירת החשמל (ש"ח לקילו וואט שעה) (34) (1)	תוקף הסכם החשמל	עלות הקמה	יתרת קרן הלוואה ליום 30.9.22
ישראל	ישראל	עמק הבכא (19)	109	40.8%	53	0	111	45	0	86	40	0	65	36 (38)	0	42	(11) 130-140	0.36	2042	705-715	611
		חלוציות	55	90%	56	61	68	50	53	60	47	48	55	19	31	13	(11) 80-85	0.65	2035	482	591
		Sunlight 1+2	67	-50% 100%	19	21	24	15	16	19	11	12	13	5	5	5	(11) 28-32	0.20-0.21	2041-2042	240	200
		מקבץ סולארי ישראל (31)	31	98%	56	58	69	51	51	61	45	48	54	18	24	14	(11) 78-82	1.13	2033-2035	538	444
סה"כ ישראל			262		184	140	272	161	120	226	143	108	187	78	60	74				1,965-1,975	1,846
מערב אירופה	ספרד	Gecama (19) (1)	329	72%	69	0	259	50	0	235	39	0	187	39	0	167	240-250	מכירה בשוק החופשי (16)	-	1,300-1,350	508
	שבדיה	ביורן	372	55%	0	0	143	0.00	0	102	0	0	80	0	0	56	225-240	Merchant ppa + מסחרי (16)	2033 (1-5 שנים 70%, שנים 6-10 50%)	1,580-1,620	336
		(1) Picasso	113	69%	30	16	52	21.28	13	41	18	12	36	9	12	11	(8) 60-70		2033 50%) מחוזר)	490	263
	אירלנד	Tully (1)	14	50.1%	5	5	7	3.44	3	5	2	2	4	2	0	4	(8) 7-9	0.28	2032	80	42
סה"כ מערב אירופה			828		104	21	461	75	16	383	59	14	307	50	12	238				3,450-3,540	1,149
מרכז - מזרח אירופה	קוסובו	(1)(19) Selac	105	60%	56	1	90	44	1	72	36	1	50	36 (38)	1	23	(8) 115-125	0.30	2034 (24)	580	401
	סרביה	Blacksmith (1)	105	50.1%	64	75	100	56	66	89	45	53	72	1745	30	54	(8) 105-115	0.35	2031	660	382
	קרואטיה	(1) Lukovac	49	50.1%	33	34	49	28	29	42	22	22	32	22	11	29	(8) 40-45	0.38	2032	230	147
	הונגריה	(1) Attila	57	50.1%	20	23	23	17	20	18	12	14	11	9	11	7	(8) 22-25	0.34	2039 (12)	200	109
סה"כ מרכז - מזרח אירופה			316		173	133	262	145	116	221	115	90	165	112	53	113				1,670	1,039
סה"כ פרויקטים מאוחדים בדוחות הכספיים			1,406		461	294	995	381	252	830	317	212	659	240	125	425			יתרת הסכם ממוצע: 13 שנים	7,085-7,185	4,034
פרויקטים שאינם בשליטה (אינם מאוחדים בדוחות הכספיים) (21)																					
ישראל		סולארי ישראל	24	50%	8	1	10	6	1	7	6	1	5	6	1	4	(8) 11-13	0.23	2046-2042	90-95	-
סה"כ על בסיס חלק אנלייט בפרויקטים			882		311	209	642	258	179	540	217	154	435	152	91	268					2,680

ב. פרויקטים בהקמה (28)

מגזר פעילות	מדינה	פרויקט	טכנולוגית יצור	הספק יצור (מגה-וואט) (18)	היקף אגירה (מגה-וואט שעה)	שיעור החזקה משורשר צפוי למועד ההפעלה המסחרית	עלות כוללת צפויה	שיעור מימון צפוי, שותף מס (15)	יתרת הון עצמי להשקעה למועד הדוח, חלק החברה	תקבולי חשמל חזויים לשנה ממוצעת לאורך חיי הפרויקט (23)	תקבולי חשמל חזויים לשנת הפעלה ראשונה	EBITDA חזויה לשנה ממוצעת לאורך חיי הפרויקט (7)(4)	EBITDA חזויה לשנת הפעלה ראשונה (7)(4)	FFO חזוי שנה ראשונה (17) (5)	FFOR חזוי שנה ראשונה (36)	תעריף מכירת החשמל (ש"ח לקילו וואט שעה) (34)	מספר שנות הסכם חשמל	שיעור מימון מעלות ההקמה	יתרת קרן הלוואה ליום 30.9.2022	מועד הפעלה צפוי
ארה"ב	Montana	Apex (1) Solar	סולארי	105	-	(25) 90%	440-450	-35% 45%	0	(8) 37-39	37-39	26-28	25-26	18-20	7-9	הסכם ארוך טווח למכירה במחיר קבוע	20	90% (26)	201	Q2/23
ישראל	ישראל	בראשית	רוח	189	-	(14) 60%	1,250	-	0	(11) 195-205	175-185 (11)	151-159	137-144	120-125	85-90	0.33	20	84%	995	Q3/23
	ישראל	סולארי משולב אגירה 1	סולארי	89	155	89%	370-390	-	0	45-47	38-40	29-31	25-26	19-21	8-10	0.20	23	-70% 80%	-	Q1/24 (33)
מרכז - מזרח אירופה	הונגריה	ACDC (1)	סולארי	26	-	100%	70-75	-	0	(8) 9-10	7-8	5-7	5-7	3-5	2-3	0.23	(37) 15	-70% 80%	-	Q1/23
סה"כ				409	155		2,130-2,165		0	286-301	257-272	211-225	192-203	160-171	102-112				1,196	

ג. פרויקטים לקראת הקמה (2) (28) (32)

מגזר פעילות	מדינה	פרויקט	טכנולוגית יצור	הספק יצור (מגה-וואט) (18)	היקף אגירה (מגה-וואט שעה)	שיעור החזקה משורשר צפוי למועד ההפעלה המסחרית	עלות כוללת צפויה	שיעור מימון צפוי, שותף מס (15)	שיעור הון עצמי צפוי	הון עצמי שהושקע למועד הדוח	תקבולי חשמל חזויים לשנה ממוצעת לאורך חיי הפרויקט (23)	תקבולי חשמל חזויים לשנת הפעלה ראשונה	EBITDA חזויה לשנה ממוצעת לאורך חיי הפרויקט (7)(4)	EBITDA חזויה לשנת הפעלה ראשונה (7)(4)	תעריף מכירת החשמל (ש"ח לקילו וואט שעה) (34)	מספר שנות הסכם חשמל	מועד הפעלה צפוי
ישראל	ישראל	סולארי משולב אגירה 2	סולארי	165	492	(13) 53%	840-870	-	30%-20%	-	(11) 175-185	150-160	75-85	70-80	-	-	Q3/24 (33)
	ישראל	הרחבת בראשית	רוח	18	-	(14)60%	14-16	-	30%-10%	-	5-6	4-5	4-5	4-5	0.31	20	Q3/23
	ישראל	יתיר	רוח	(6) 38	-	(20) 50.2%	230-240	-	30%-20%	-	(11) 29-30	22-24	21-22	17-18	-	-	Q2/25
פרויקטים שאינם בשליטה (אינם מאוחדים בדוחות הכספיים) (21)																	
	ישראל	מכרז דו שימוש 1	סולארי	40	-	50.1%	115-140	-	30%-20%	-	(11) 13-15	11-13	9-11	8-10	0.17	15	Q1/25
החברה מנהלת מו"מ לשיפור התנאים בהסכמי ה-PPA בארה"ב; תחזיות החברה המוצגות מטה כוללות עדכון לתנאי הסכם ה-PPA החתום רק כאשר ישנה וודאות של מעל 50% להצלחת המו"מ לעדכון התנאים (30)																	
ארה"ב	New Mexico	(1) Atrisco	סולארי	360	1,200	(25) 90%	2,800-2,900	55%-50%	15%-10%	24	(8)145-152	180-190	109-114	154-162	הסכם ארוך טווח למכירה במחיר קבוע	20	Q2/24
	Iowa	(1) Coggon	סולארי	127	-	(25) 90%	500-510	45%-35%	30%-25%	26	(30) (8) 41-43	30-31	33-35	24-26		20	Q2/24
	Michigan	(1) Gemstone	סולארי	165	-	(25) 90%	610-630	45%-35%	30%-25%	3	(30) (8) 50-52	38-39	41-43	28-29		20	Q2/25
	Utah	(1) Faraday A	סולארי	63	60	(25) 90%	340-360	55%-50%	15%-10%	1	(8) 21-22	22-23	16-17	18-19		-	Q3/25
	Arizona	(1) Co bar A	סולארי	100	-	(25) 90%	350-370	55%-50%	15%-10%	11	(30) (8)30-32	25-26	25-27	20-21		18	Q4/24
	Arizona	Co bar SRP (1)	סולארי	480	-	(25) 90%	1,700-1,800	55%-50%	15%-10%	6	(30) (8) 125-132	87-92	105-110	71-74		(27) 20	Q4/24
מרכז - מזרח אירופה	הונגריה	Tapolca	סולארי	60	-	100%	150-160	-	40%-30%	-	18-19	26-28	14-15	23-24	מכירה בשוק החופשי	-	Q2/24
פרויקטים שאינם בשליטה (אינם מאוחדים בדוחות הכספיים) (21)																	
	סרביה	Pupin	רוח	96	-	33%	380-400	-	25%30%	-	64-67	60-63	50-53	49-51	-	-	Q4/24
מערב אירופה	ספרד	Gecama Solar	סולארי	250	200	72%	750-850	-	50%	-	85-90	120-125	65-68	100-105	-	-	Q4/24
סה"כ				1,878	1,952		8,779-9,246			71	806-845	775-819	567-605	586-624			

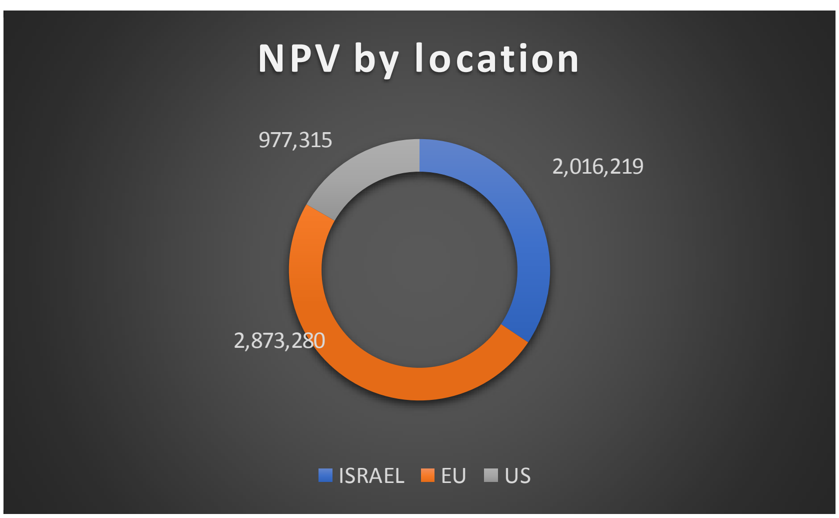
ד. פרויקטים עם הסכם מכירת חשמל חתום (PPA) – Contracted (3) (28)

מגזר פעילות	מדינה	פרויקט	טכנולוגית יצור	הספק יצור (מגה-וואט) (18)	היקף אגירה (מגה-וואט שעה)	שיעור החזקה משורשר צפוי למועד ההפעלה המסחרית	עלות כוללת צפויה	שיעור מימון צפוי, שותף מס (15)	שיעור הון עצמי צפוי	הון עצמי שהושקע למועד הדוח	תקבולי חשמל חזויים לשנה ממוצעת לאורך חיי הפרויקט	תקבולי חשמל חזויים לשנת הפעלה ראשונה	EBITDA חזויה לשנה ממוצעת לאורך חיי הפרויקט (4)(30)	EBITDA חזויה לשנת הפעלה ראשונה (30)	מספר שנות הסכם חשמל	מועד הפעלה צפוי
החברה מנהלת מו"מ לשיפור התנאים בהסכמי ה-PPA בארה"ב; תחזיות החברה המוצגות מטה כוללות עדכון לתנאי הסכם ה-PPA החתום רק כאשר ישנה וודאות של מעל 50% להצלחת המו"מ לעדכון התנאים (30)																
ארה"ב	Indiana	Rustic hills 1 (1)	סולארי	128	-	(21) 90%	490-510	55%-50%	-10% 15%	7	(30)(8) 45-47	28-30	37-39	23-24	20	Q2/25
	Indiana	Rustic hills 2 (1)	סולארי	128	-	(21) 90%	520-530	55%-50%	-10% 15%	2	(30)(8) 40-42	33-35	33-35	28-30	25	Q2/25
סה"כ				256	-		1,010-1,040			9	85-89	61-65	70-74	51-54		

We include several parameters in calculating the value of the projects:

- Energy production capacity
- Number of years of activity and hours of sun or wind
- Evaluation of the decrease in the output of solar panels, Degradation
- Price per megawatt subject to a power generation contract or other agreed rate such as PPA in the US
- Calculation of operating expenses
- Project financing at the project level (interest rates, years of activity, leverage)
- Tax and depreciation benefits
- The discount rate taken is uniform for all projects and includes normative financing and leverage aspects

Below is our assessment of the net present value (NPV) of the company's development pipeline according to the location of the project based on the data presented above:



The bulk of the value as of the time the report was written comes from EU (approx. 2.9 NIS, mainly the Bjorn project in Sweden and the project in Spain) and Israel (approx. NIS 2 billion worth of existing projects or those that will start electricity receipts within two years); US projects are estimated in NIS 980 million. The total value of the company's current development pipeline is estimated by us at approx. NIS 5.9 billion.

In addition, the company has many projects in the development pipeline that are not in the construction process and have not yet passed the full milestones for electricity receipts. These projects are included in our assessment under low probability and are calculated as follows:

- Average net present value (NPV) per MW in the company's existing projects (estimated at approx. NIS 3 million for an average project)
- The total amount of MW in the company's development pipeline that have not yet been included in the valuation
- The average probability of the establishment of those projects

The total additional estimated value as a result of these projects amounts to approx. 13 GW as of Q3 2022. These are estimated by us to add approx. NIS 3.4 billion. This is, in fact, considered to be Enlight's terminal value.

In addition, we include liabilities and non-operating assets at the solo level of the company. That is, those that are not identified with projects that were included by us in the company's development pipeline alongside the company's initiation and management fees from existing projects. The initiation and management fees attributed to Enlight for the first three quarters of 2022 are approx. NIS 38 million. In addition, we add non-operating assets and liabilities at the solo level, that is, those that are not included in the calculation of the specific projects. As of the date of the report, the company has NIS 971 million in cash and capital and, on the other hand, a debt of NIS 1.384 billion, meaning the company has a net debt of NIS 413 million, which we subtract from the value of the development pipeline. In conclusion, the value of the company is estimated by us at NIS 8.8 billion. The target price range is estimated at about NIS 8.63

Market benchmarks

We also base the valuation on EV/EBITDA multiples average in the US market as of 2022[1]. The level of the multipliers is about 16-17, that is, according to the company's current EBITDA rate also in relation to its forecasts, a value estimated to current value of 12-13 EV/EBITDA. Below are the company's forecasts for its revenues and profits until the year 2025.

[1] https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/vebitda.html


קצב הכנסות יגדל ל-2 מיליארד ש"ח
קצב הכנסות שנתי מפרויקטים,
(17) Annual Recurring Revenues
חלק אנלייט
שנת 2025*
1,453-1,528
970-1,020
1,195-1,256
1,850-1,945
1,994-2,096
220-231
258-271
622-654
704-740
62-65
970-1,020
ARR 12/22
ARR 12/23
ARR 12/24
ARR 12/25
מניב
בהקמה
לקראת הקמה
Contracted
קצב EBITDA יגדל ל-1.6 מיליארד ש"ח
קצב EBITDA שנתי מפרויקטים לסוף תקופה (17)
חלק אנלייט
שנת 2025*
1,167-1,227
809-851
979-1,029
1,470-1,545
1,583-1,665
166-175
191-200
494-470
532-560
51-54
12/22
12/23
12/24
12/25
תזרים שנתי בקצב 700 מיליון ש"ח
קצב תזרים שנתי מפרויקטים לסוף תקופה (17)
חלק אנלייט
שנת 2025*
474-499
414-436
512-539
668-702
694-731
96-101
105-110
149-156
165-174
10-11

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