UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-32347

ORMAT TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**88-0326081**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*
6884 Sierra Center Parkway,, Reno,, Nevada	**89511-2210**
(Address of principal executive offices)	*(Zip Code)*

(775) 356-9029

(Registrant's telephone number, including area code)

6140 Plumas Street, Reno, Nevada 89519-6075

(Former name, former address and former fiscal year, if changed from last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ORA	NYSE

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

As of August 1, 2025, the number of outstanding shares of common stock, par value $0.001 per share, was 60,723,470.

ORMAT TECHNOLOGIES, INC.

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2025

Certain Definitions

Unless the context otherwise requires, all references in this quarterly report to "Ormat", "the Company", "we", "us", "our company", "Ormat Technologies" or "our" refer to Ormat Technologies, Inc. and its consolidated subsidiaries.

ITEM 1. FINANCIAL STATEMENTS

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 88,492	$ 94,395
Restricted cash and cash equivalents (primarily related to VIEs)	117,572	111,377
Receivables:		
Trade less allowance for credit losses of $275 and $224, respectively (primarily related to VIEs)	154,277	164,050
Other	39,227	50,792
Inventories	44,907	38,092
Costs and estimated earnings in excess of billings on uncompleted contracts	12,926	29,243
Prepaid expenses and other	51,508	59,173
Total current assets	508,909	547,122
Investment in unconsolidated companies	160,178	144,585
Deposits and other (primarily related to VIE’s)	102,483	75,383
Deferred income taxes	176,897	153,936
Property, plant and equipment, net ($3,308,167 and $3,271,248 related to VIEs, respectively)	3,544,564	3,501,886
Construction-in-process ($526,053 and $251,442 related to VIEs, respectively)	1,024,241	755,589
Operating leases right of use ($14,789 and $13,989 related to VIEs, respectively)	35,240	32,114
Finance leases right of use (none related to VIEs)	3,648	2,841
Intangible assets, net	289,061	301,745
Goodwill	170,391	151,023
Total assets	$ 6,015,612	$ 5,666,224
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 212,617	$ 234,334
Short term revolving credit lines with banks (full recourse)	96,500	—
Commercial paper (less deferred financing costs of $20 and $23, respectively)	99,980	99,977
Billings in excess of costs and estimated earnings on uncompleted contracts	37,693	23,091
Current portion of long-term debt:		
Limited and non-recourse (primarily related to VIEs)	70,570	70,262
Full recourse	201,251	161,313
Financing liability	5,905	4,093
Operating lease liabilities	4,464	3,633
Finance lease liabilities	1,696	1,375
Total current liabilities	730,676	598,078
Long-term debt, net of current portion:		

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

Limited and non-recourse (primarily related to VIEs and less deferred financing costs of $7,833 and $8,849, respectively)	542,437	578,204
Full recourse (less deferred financing costs of $4,665 and $4,671, respectively)	997,139	822,828
Convertible senior notes (less deferred financing costs of $5,456 and $6,820, respectively)	470,981	469,617
Financing liability	213,810	216,476
Operating lease liabilities	25,285	22,523
Finance lease liabilities	2,042	1,529
Liability associated with sale of tax benefits	136,778	152,292
Deferred income taxes	72,544	68,616
Liability for unrecognized tax benefits	7,583	6,272
Liabilities for severance pay	11,984	10,488
Asset retirement obligation	137,266	129,651
Other long-term liabilities	37,314	29,270
Total liabilities	3,385,839	3,105,844
Commitments and contingencies (Note 9)		
Redeemable noncontrolling interest	10,985	9,448
Equity:		
The Company's stockholders' equity:		
Common stock, par value $0.001 per share; 200,000,000 shares authorized; 60,723,470 and 60,500,580 issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	61	61
Additional paid-in capital	1,644,777	1,635,245
Treasury stock, at cost (258,667 shares held as of June 30, 2025 and December 31, 2024, respectively)	(17,964)	(17,964)
Retained earnings	868,371	814,518
Accumulated other comprehensive income (loss)	(2,297)	(6,731)
Total stockholders' equity attributable to Company's stockholders	2,492,948	2,425,129
Noncontrolling interest	125,840	125,803
Total equity	2,618,788	2,550,932
Total liabilities, redeemable noncontrolling interest and equity	$ 6,015,612	$ 5,666,224

The accompanying notes are an integral part of the condensed consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(Unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Revenues:				
Electricity	$ 159,912	$ 166,226	$ 340,153	$ 357,479
Product	59,612	37,829	91,381	62,661
Energy storage	14,494	8,908	32,246	16,989
Total revenues	234,018	212,963	463,780	437,129
Cost of revenues:				
Electricity	121,236	110,515	241,069	227,245
Product	43,118	32,662	67,802	53,816
Energy storage	12,769	8,400	25,087	15,872
Total cost of revenues	177,123	151,577	333,958	296,933
Gross profit	56,895	61,386	129,822	140,196
Operating expenses:				
Research and development expenses	1,439	1,730	3,981	3,294
Selling and marketing expenses	4,370	4,167	8,542	9,293
General and administrative expenses	19,786	18,026	37,695	37,563
Other operating income	(4,269)	—	(7,394)	—
Impairment of long-lived assets	—	957	—	957
Write-off of unsuccessful exploration and storage activities	251	1,379	767	1,379
Operating income	35,318	35,127	86,231	87,710
Other income (expense):				
Interest income	1,929	2,604	3,242	4,443
Interest expense, net	(36,682)	(33,716)	(71,155)	(64,684)
Derivatives and foreign currency transaction gains (losses)	5,068	(332)	7,128	(1,914)
Income attributable to sale of tax benefits	16,251	15,798	33,822	33,274
Other non-operating income, net	76	74	298	100
Income from operations before income tax and equity in earnings of investees	21,960	19,555	59,566	58,929
Income tax (provision) benefit	5,466	3,178	9,261	3,325
Equity in earnings of investees	773	1,232	406	2,061
Net income	28,199	23,965	69,233	64,315
Net income attributable to noncontrolling interest	(153)	(1,722)	(825)	(3,485)
Net income attributable to the Company's stockholders	$ 28,046	$ 22,243	$ 68,408	$ 60,830
Comprehensive income:				
Net income	28,199	23,965	69,233	64,315
Other comprehensive income (loss), net of related taxes:				
Change in foreign currency translation adjustments	7,547	(266)	10,308	(2,429)
Change in unrealized gains or losses in respect of the Company's share in derivatives instruments of an unconsolidated investment that qualifies as a cash flow hedge	(214)	429	(1,110)	939
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	1,324	(1,189)	(2,142)	(628)

Change in unrealized gains or losses in respect of an interest rate swap derivative instrument that qualifies as a cash flow hedge	(233)	41	(745)	1,107
Other changes in comprehensive income	11	(28)	23	25
Total other comprehensive income (loss), net of related taxes:	8,435	(1,013)	6,334	(986)
Comprehensive income	36,634	22,952	75,567	63,329
Comprehensive income attributable to noncontrolling interest	(1,475)	(1,620)	(2,725)	(2,921)
Comprehensive income attributable to the Company's stockholders	$ 35,159	$ 21,332	$ 72,842	$ 60,408
Earnings per share attributable to the Company's stockholders:				
Basic:	$ 0.46	$ 0.37	$ 1.13	$ 1.01
Diluted:	$ 0.46	$ 0.37	$ 1.12	$ 1.00
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic	60,689	60,451	60,624	60,419
Diluted	61,019	60,755	60,973	60,655

The accompanying notes are an integral part of the condensed consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

	The Company's Stockholders' Equity								
	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Noncontrolling Interest	Total Equity
	(Dollars in thousands, except per share data)								
Balance at December 31, 2023	60,359	$ 60	$ 1,614,769	$ (17,964)	$ 719,894	$ (1,332)	$2,315,427	$ 125,560	$2,440,987
Stock-based compensation	—	—	4,769	—	—	—	4,769	—	4,769
Exercise of stock-based awards by employees and directors (*)	63	—	55	—	—	—	55	—	55
Cash paid to noncontrolling interest	—	—	—	—	—	—	—	(2,587)	(2,587)
Cash dividend declared, $0.12 per share	—	—	—	—	(7,243)	—	(7,243)	—	(7,243)
Net income	—	—	—	—	38,587	—	38,587	1,924	40,511
Other comprehensive income (loss), net of related taxes:									
Currency translation adjustments	—	—	—	—	—	(1,701)	(1,701)	(462)	(2,163)
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of an unconsolidated investment that qualifies as a cash flow hedge	—	—	—	—	—	510	510	—	510
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	561	561	—	561
Change in unrealized gains or losses in respect of an interest rate swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	1,066	1,066	—	1,066
Other	—	—	—	—	—	53	53	—	53
Balance at March 31, 2024	60,422	$ 60	$ 1,619,593	$ (17,964)	$ 751,238	$ (843)	$2,352,084	$ 124,435	$2,476,519

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

Balance as of the beginning of the period	60,422	$ 60	$ 1,619,593	$ (17,964)	$ 751,238	$ (843)	$2,352,084	$ 124,435	$2,476,519
Stock-based compensation	—	—	5,077	—	—	—	5,077	—	5,077
Exercise of stock-based awards by employees and directors (*)	31	1	93	—	—	—	94	—	94
Cash paid to noncontrolling interest	—	—	—	—	—	—	—	(90)	(90)
Cash dividend declared, $0.12 per share	—	—	—	—	(7,344)	—	(7,344)	—	(7,344)
Net income	—	—	—	—	22,243	—	22,243	1,777	24,020
Other comprehensive income (loss), net of related taxes:				—					
Currency translation adjustment	—	—	—	—	—	(164)	(164)	(102)	(266)
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated investment that qualifies as a cash flow hedge	—	—	—	—	—	429	429	—	429
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	(1,189)	(1,189)	—	(1,189)
Change in unrealized gains or losses in respect of an interest rate swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	41	41	—	41
Other	—	—	—	—	—	(28)	(28)	—	(28)
Balance at June 30, 2024	60,453	$ 61	$ 1,624,763	$ (17,964)	$ 766,137	$ (1,754)	$2,371,243	$ 126,020	$2,497,263
Balance at December 31, 2024	60,501	$ 61	$ 1,635,245	$ (17,964)	$ 814,518	$ (6,731)	$2,425,129	$ 125,803	$2,550,932
Stock-based compensation	—	—	4,911	—	—	—	4,911	—	4,911
Exercise of stock-based awards by employees and directors (*)	162	—	—	—	—	—	—	—	—
Cash paid to noncontrolling interest	—	—	—	—	—	—	—	(2,767)	(2,767)
Cash dividend declared, $0.12 per share	—	—	—	—	(7,273)	—	(7,273)	—	(7,273)
Net income	—	—	—	—	40,362	—	40,362	955	41,317
Other comprehensive income (loss), net of related taxes:									
Currency translation adjustments	—	—	—	—	—	2,183	2,183	578	2,761
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of an unconsolidated investment that qualifies as a cash flow hedge	—	—	—	—	—	(896)	(896)	—	(896)
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	(3,466)	(3,466)	—	(3,466)

Change in unrealized gains or losses in respect of an interest rate swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	(512)	(512)	—	(512)
Other	—	—	—	—	—	12	12	—	12
Balance at March 31, 2025	60,663	$ 61	$ 1,640,156	$ (17,964)	$ 847,607	$ (9,410)	$2,460,450	$ 124,569	$2,585,019
Cumulative effect of changes in accounting principles	—	—	—		—	—	—	—	—
Balance as of the beginning of the period	60,663	$ 61	$ 1,640,156	$ (17,964)	$ 847,607	$ (9,410)	$2,460,450	$ 124,569	$2,585,019
Stock-based compensation	—	—	4,621	—	—	—	4,621	—	4,621
Exercise of stock-based awards by employees and directors (*)	60	—	—	—	—	—	—	—	—
Cash dividend declared, $0.12 per share	—	—	—	—	(7,282)	—	(7,282)	—	(7,282)
Increase in noncontrolling interest related to tax monetization transaction	—	—	—	—	—	—	—	276	276
Net income	—	—	—	—	28,046	—	28,046	(327)	27,719
Other comprehensive income (loss), net of related taxes:									
Currency translation adjustment	—	—	—	—	—	6,225	6,225	1,322	7,547
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated investment that qualifies as a cash flow hedge	—	—	—	—	—	(214)	(214)	—	(214)
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	—	1,324	1,324	—	1,324
Change in unrealized gains or losses in respect of an interest rate swap derivative instrument that qualifies as a cash flow hedge	—	—	—		—	(233)	(233)	—	(233)
Other	—	—	—	—	—	11	11	—	11
Balance at June 30, 2025	60,723	$ 61	$ 1,644,777	$ (17,964)	$ 868,371	$ (2,297)	$2,492,948	$ 125,840	$2,618,788

(*) Resulted in an amount lower than $1,000.

The accompanying notes are an integral part of the condensed consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited)

	Six Months Ended June 30,	
	2025	**2024**
	(Dollars in thousands)	
Cash flows from operating activities:		
Net income	$ 69,233	$ 64,315
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	139,808	126,152
Accretion of asset retirement obligation	4,201	3,895
Stock-based compensation	9,533	9,845
Income attributable to sale of tax benefits, net of interest expense	(13,431)	(16,519)
Equity in earnings of investees	(406)	(2,061)
Mark-to-market of derivative instruments	(2,404)	1,279
Disposal of property, plant and equipment	(332)	38
Write-off of unsuccessful exploration and storage activities	767	1,379
Write-off of long-lived assets	—	957
Gain on severance pay fund asset	(49)	(43)
Loss (gain) on foreign currency exchange rates	(8,329)	963
Deferred income tax provision	(15,038)	(18,266)
Liability for unrecognized tax benefits	1,311	(1,153)
Changes in operating assets and liabilities, net of businesses acquired:		
Receivables	15,865	53,147
Costs and estimated earnings in excess of billings on uncompleted contracts	16,794	(11,352)
Long-term costs and estimated earnings in excess of billings on uncompleted contracts	(29,396)	(5,370)
Inventories	(6,815)	390
Prepaid expenses and other	531	(14,004)
Change in operating lease right of use asset	2,404	1,912
Deposits and other	6,456	287
Accounts payable and accrued expenses	(18,161)	(42,765)
Billings in excess of costs and estimated earnings on uncompleted contracts	12,591	(2,392)
Liabilities for severance pay	1,496	(1,835)
Change in operating lease liabilities	(1,926)	(2,677)
Other long-term liabilities	204	(218)
Net cash provided by operating activities	184,907	145,904
Cash flows from investing activities:		
Capital expenditures	(327,426)	(250,225)
Investment in unconsolidated companies	(16,297)	(1,225)
Cash paid for business acquisition, net of cash acquired	(88,650)	(274,632)
Decrease (increase) in severance pay fund asset, net of payments to retired employees	(53)	1,120
Net cash used in investing activities	(432,426)	(524,962)
Cash flows from financing activities:		
Proceeds from long-term loans, net of transaction costs	299,339	392,791
Proceeds from exercise of options by employees	—	149
Proceeds related to tax monetization transaction	5,190	—
Proceeds from revolving credit lines with banks	682,000	40,000
Repayment of revolving credit lines with banks	(585,500)	(60,000)
Cash received from noncontrolling interest	10,276	12,251

Repayments of long-term debt	(136,790)	(108,644)
Cash paid to noncontrolling interest	(3,301)	(4,007)
Payments under finance lease obligations	(765)	(687)
Debt issuance costs	(8,964)	(2,073)
Cash dividends paid	(14,555)	(14,587)
Net cash provided by financing activities	246,930	255,193
Effect of exchange rate changes	881	(163)
Net change in cash and cash equivalents and restricted cash and cash equivalents	292	(124,028)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	205,772	287,770
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 206,064	$ 163,742
Supplemental non-cash investing and financing activities:		
Change in accounts payable related to purchases of property, plant and equipment	$ (1,190)	$ (22,265)
Right of use assets obtained in exchange for new lease liabilities	$ 5,241	$ 3,548

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTE 1 — GENERAL AND BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements of Ormat Technologies, Inc. and its subsidiaries (collectively, the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements. Accordingly, they do not contain all information and notes required by U.S. GAAP for annual financial statements. In the opinion of management, these unaudited condensed consolidated interim financial statements reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of the Company's condensed consolidated balance sheets as of June 30, 2025, the condensed consolidated statements of operations and comprehensive income, the condensed consolidated statements of cash flows and the condensed consolidated statements of equity for the periods presented.

The financial data and other information disclosed in the notes to the condensed consolidated financial statements related to these periods are unaudited. The results for the periods presented are not necessarily indicative of the results to be expected for the year.

These condensed unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report"). The condensed consolidated balance sheet data as of December 31, 2024 was derived from the Company's audited consolidated financial statements for the year ended December 31, 2024 but does not include all disclosures required by U.S. GAAP.

Dollar amounts, except per share data, in the notes to these financial statements are rounded to the closest $1,000.

Dominica Limited-Recourse Loan

On June 23, 2025, one of the Company's subsidiaries ("GPCD"), entered into loan agreements (the "Dominica Loan Agreements") with the Caribbean Development Bank ("CDB") and Caricom Development Fund ("CDF"), (the "Lenders") pursuant to which GPCD will borrow up to $49.8 million aggregate principal amount at an interest rate of 2.4% in connection with GPCD's 10MW Geothermal Project in Dominica ("The Project") .

The loan (the "Dominica Loan") will be drawn over several drawdowns expected to occur during the second half of 2025, and the proceeds will be used to refinance and fund the development and construction costs of the Project, which were initially financed using equity.

The Dominica Loan is secured by all of the assets of GPCD. The GPCD Loan Agreements requires GPCD to comply with certain covenants, including, among others, restrictions on the incurrence of indebtedness or liens, amendment or modification of material project documents, or the ability of GPCD to merge or consolidate with another entity. In addition, there are restrictions on the ability of GPCD to make distributions to its shareholders after the commercial operation of The Project, which include a required historical and projected DSCR.

Blue Mountain Purchase Transaction

On June 18, 2025, the Company closed a purchase transaction with Cyrq Energy to acquire 100% ownership of the Blue Mountain geothermal power plant for a total consideration of $88.7 million (including customary post-closing working capital adjustments). The Blue Mountain power plant is a 20MW facility, located in Humboldt County, NV, under a Power Purchase Agreement ("PPA") with NV Energy that expires at the end of 2029.

As a result of the acquisition, the Company expanded its overall generation capacity and expects to improve the profitability of the power plant through cost reduction, synergies and upgrades. The Company accounted for the transaction in accordance with Accounting Standard Codification ("ASC") 805, Business Combinations, and following the transaction, the Company consolidates the power plant in accordance with ASC 810, Consolidation.

During the six months ended June 30, 2025, the Company incurred $0.7 million of acquisition- related costs. Such costs are included under "General and administrative expenses" in the condensed consolidated statements of operations and comprehensive income for the respective period. Accounting guidance provides that the allocation of the purchase price may be adjusted for up to one year from the date of the acquisition to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition date.

The following table summarizes the preliminary purchase price allocation to the fair value of the assets acquired and liabilities assumed (in millions):

Trade receivables and others [(1)]	$	1.7
Deferred income taxes		5.3
Property, plant and equipment and construction-in-process [(2)]		86.2
Operating lease right-of-use		1.4
Total assets acquired	$	94.6
Accounts payable, accrued expenses and others	$	0.3
Long-term operating lease liabilities		1.2
Other long-term liability [(3)]		16.8
Asset retirement obligation		3.7
Total liabilities assumed	$	22.0
Total assets acquired, and liabilities assumed, net	$	72.6
Goodwill [(4)]	$	16.1

[(1)] The gross amount of trade receivables was collected subsequent to the acquisition date.

[(2)] The fair value of Property, plant and equipment was estimated by applying the income approach and utilizing the discounted cash flow method. This methodology assesses the value of tangible assets by computing the anticipated cash flows expected to be generated by the respective assets.

[(3)] Other long-term liability is related to the long-term electricity PPA described above, and is amortized over the term of the PPA. The fair value of the long-term liability represents a PPA price that is relatively lower than the related prevailing market price, and was estimated by applying the income approach and utilizing the With and Without method.

[(4)] Goodwill is primarily related to the expected synergies, potential cost savings in operations as a result of the purchase transaction as well as potential future enhancements to the geothermal asset. The goodwill is allocated to the Electricity segment and is deductible for tax purposes.

During the three months ended June 30, 2025, the acquired power plant contributed $0.5 million to the Company’s Electricity revenues, and $0.3 million to the Company's earnings which were included in the Company's condensed consolidated statements of operations and comprehensive income for that period. Pro forma information is not provided as the Company deemed this information to be immaterial.

Hybrid Tax Equity Partnership

On May 20, 2025, the Company entered into a partnership agreement with a private investor under which the private investor acquired indirect membership interests in the Lower Rio and Arrowleaf storage facilities (the “Project Facilities”) for total consideration of $62.0 million, of which an initial contribution of $5.2 million was made on May 20, 2025 (the “Initial Contribution”). The remainder of the total consideration will be paid upon the achievement of substantial completion milestones of each of the Project Facilities. Such milestones are expected to be reached during the second half of 2025. Following the transaction, the Company continues to operate and maintain the Project Facilities.

Under the transaction agreements, prior to reaching the flip date, which was defined as the later of the date on which the private investor reaches its target return, and the end of the Investment Tax Credits (“ITCs”) recapture period (the “Flip Date”), the private investor receives substantially all of the distributable cash flow generated by the Project Facilities, and substantially all of the tax attributes of the Project Facilities. Following the Flip Date, the Company will receive substantially all of the distributable cash and taxable income, on a go-forward basis.

Following the Flip Date, but no later than May 19, 2033, the Company has the option to purchase the private investor’s interests at the greater of (i) the fair market value of the post-flip residual interest, (ii) five percent of the aggregate capital contributions of the private investor, (iii) the fair market value of the Class A units, and (iv) the private investor’s book value investment. If the Company exercises this purchase option, it will become the sole owner of the project again.

As further described below under the caption "Transferable Production and Investment Tax Credits", the Company accounts for ITCs under ASC 740 through the "Income tax (provision) benefit" line in the condensed consolidated statement of operations and comprehensive income, and therefore, proceeds allocated to ITCs were included in the "Income tax (provision) benefit line. Proceeds allocated to other tax attribute, will be included under "Income attributable to the sale of tax benefits" line in the condensed consolidated statement of operations and comprehensive income. The private investor's Initial Contribution of $5.2 million was primarily related to ITC benefits, and thus recorded against the related deferred tax asset. Contributions related to other tax attributes will be recorded to the liability associated with sales of tax benefits on the condensed consolidated balance sheets.

Discount 2025 II Loan

On May 14, 2025, the Company entered into a definitive loan agreement (the "Discount 2025 II Loan Agreement") with Discount Bank. The Discount 2025 II Loan Agreement provides for a loan by Discount Bank to the Company in an aggregate principal amount of $50.0 million (the "Discount 2025 II Loan"). The outstanding principal amount of the Discount 2025 II Loan will be repaid in 32 quarterly payments of $1.6 million each, commencing on August 22, 2025. The duration of the Discount 2025 II Loan is 8 years and it bears interest of 3-month SOFR+2.40%, payable every three months. The Discount 2025 II Loan Agreement includes various affirmative and negative covenants, including a requirement that the Company maintain (i) a net debt to adjusted EBITDA ratio not to exceed 6.0, (ii) a minimum equity capital amount of not less than $750 million, and (iii) an equity capital to total assets ratio of not less than 25%. The Discount 2025 II Loan Agreement includes other customary affirmative and negative covenants, including payment and covenant events of default.

Hapoalim 2025 Loan

On March 31, 2025, the Company entered into a definitive loan agreement (the "Hapoalim Loan Agreement 2025") with Bank Hapoalim B.M. The Hapoalim Loan Agreement 2025 provides for a loan by Bank Hapoalim B.M. to the Company in an aggregate principal amount of $100.0 million (the "Hapoalim 2025 Loan"). On June 30, 2025, the Company amended and restated the Hapoalim Loan Agreement 2025 in order to increase the original principal amount of the Hapoalim 2025 Loan by an additional aggregated principal amount of $50 million (the "Amended Hapoalim 2025 Loan"). The outstanding principal amount of the Amended Hapoalim 2025 Loan will be repaid in 31 quarterly payments of $4.74 million each, commencing on September 30, 2025. The duration of the Amended Hapoalim 2025 Loan is 8 years and it bears interest of 3-month SOFR+2.45%, payable every three months. The Amended Hapoalim Loan Agreement 2025 includes various affirmative and negative covenants, including a requirement that the Company maintain (i) a net debt to adjusted EBITDA ratio not to exceed 6.0, (ii) a minimum equity capital amount of not less than $750 million, and (iii) an equity capital to total assets ratio of not less than 25%. The Amended Hapoalim Loan Agreement 2025 includes other customary affirmative and negative covenants, including payment and covenant events of default.

Discount 2025 Loan

On March 27, 2025, the Company entered into a definitive loan agreement (the "Discount Loan Agreement 2025") with Discount Bank. The Discount Loan Agreement 2025 provides for a loan by Discount Bank to the Company in an aggregate principal amount of $50.0 million (the "Discount 2025 Loan"). The outstanding principal amount of the Discount 2025 Loan will be repaid in 32 quarterly payments of $1.6 million each, commencing on May 22, 2025. The duration of the Discount 2025 Loan is 8 years and it bears interest of 3-month SOFR+2.40%, payable every three months. The Discount Loan Agreement 2025 includes various affirmative and negative covenants, including a requirement that the Company maintain (i) a net debt to adjusted EBITDA ratio not to exceed 6.0, (ii) a minimum equity capital amount of not less than $750 million, and (iii) an equity capital to total assets ratio of not less than 25%. The Discount Loan Agreement 2025 includes other customary affirmative and negative covenants, including payment and covenant events of default.

Mizrahi 2025 Loan

On February 2, 2025, the Company entered into a definitive loan agreement (the "Mizrahi Loan Agreement 2025") with Mizrahi Bank. The Mizrahi Loan Agreement 2025 provides for a loan by Mizrahi Bank to the Company in an aggregate principal amount of $50.0 million (the "Mizrahi 2025 Loan"). The outstanding principal amount of the Mizrahi 2025 Loan will be repaid in 16 semi-annual payments of $3.1 million each, commencing on October 15, 2025. The duration of the Mizrahi 2025 Loan is 8 years and it bears interest of 6-month SOFR+2.35%, payable every six months. The Mizrahi Loan Agreement 2025 includes various affirmative and negative covenants, including a requirement that the Company maintain (i) a net debt to adjusted EBITDA ratio not to exceed 6.0, (ii) a minimum equity capital amount of not less than $750 million, and (iii) an equity capital to total assets ratio of not less than 25%. The Mizrahi Loan Agreement 2025 includes other customary affirmative and negative covenants, including payment and covenant events of default.

Settlement Agreement

As previously disclosed, on August 1, 2024, the Company entered into a settlement agreement, effective April 2024, (the "Agreement") with a third-party battery systems supplier (the "Supplier"). Under the Agreement, the Supplier paid to the Company $35.0 million as a recovery of damages, such as significant loss of potential profit due to project delays, as well as additional costs incurred by the Company, related to locating and purchasing substitute battery solutions from alternative vendors, (the "Recovery of Damages") to settle the dispute. On August 16, 2024, the Company received the Recovery of Damages payment contingent upon certain conditions which the Company expects to be met, on a pro-rata basis, during the period until March 31, 2026. The Company accounted for the Recovery of Damages amount under the guidance of ASC 450, Contingencies, and ASC 705, Cost of Sales and Services, and as a result, deemed $25.0 million as a recovery of damages, which is recognized as income once contingency conditions are met, and $10.0 million as a reduction to the cost of battery systems to be purchased under the Agreement. During the three and six months ended June 30, 2025, the Company recognized income of $3.1 million, and $6.3 million, respectively, under "Other operating income" in the condensed consolidated statements of operations and comprehensive income. These amounts represent the non-refundable portion of the recovery of damages for which contingency conditions have been met.

War in Israel

Starting October 7, 2023, Israel has been engaged in a complex multifront war in the Middle East. As of the date of these condensed consolidated financial statements, none of the Company's facilities or infrastructure have been damaged nor have its supply chains been significantly impacted since the war broke out. Management continuously monitors the effect of the war on the Company's financial position and results of operations. For more information, see Note 1 to the consolidated financial statements in the Company's 2024 Annual Report.

Write-offs of Unsuccessful Exploration and Storage Activities

The write-off of unsuccessful exploration and storage activities for the three and six months ended June 30, 2025 of $0.3 million, and $0.8 million, respectively, are related to a number of storage projects that the Company decided to no longer pursue. The write-off of unsuccessful exploration and storage activities for the three and six months ended June 30, 2024 of $1.4 million, is related to geothermal exploration projects that the Company decided to no longer pursue.

Reconciliation of Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents as reported on the balance sheet to the total of the same amounts shown on the statement of cash flows:

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
Cash and cash equivalents	$ 88,492	$ 94,395
Restricted cash and cash equivalents	117,572	111,377
Total cash and cash equivalents and restricted cash and cash equivalents	$ 206,064	$ 205,772

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash investments and accounts receivable.

Cash investments:

The Company places its cash investments with high credit quality financial institutions located in the United States ("U.S.") and in foreign countries. At June 30, 2025 and December 31, 2024, the Company had deposits totaling $10.2 million and $31.2 million, respectively, in ten U.S. financial institutions that were federally insured up to $250,000 per account. At June 30, 2025 and December 31, 2024, the Company's deposits in foreign countries amounted to approximately $74.4 million and $73.9 million, respectively.

Account receivables:

At June 30, 2025 and December 31, 2024, account receivables related to operations in foreign countries amounted to approximately $107.2 million, and $105.2 million, respectively. At June 30, 2025 and December 31, 2024, accounts receivable from the Company's primary customers, which each accounted for revenues in excess of 10% of total consolidated revenues for the related period, amounted to approximately 55% and 57% of the Company's trade receivables, respectively.

The aggregate amount of notes receivable exceeding 10% of total receivables as of June 30, 2025 and December 31, 2024 is $83.3 million, and $99.7 million, respectively.

The Company's revenues from its primary customers as a percentage of total revenues are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Southern California Public Power Authority ("SCPPA")	17.0 %	19.7 %	19.5 %	22.3 %
Sierra Pacific Power Company and Nevada Power Company	12.9	14.7	14.5	15.8
Kenya Power and Lighting Co. Ltd. ("KPLC")	12.5	13.1	12.3	12.7

The Company has historically been able to collect on substantially all of its receivable balances. As of June 30, 2025, the amount overdue from KPLC in Kenya was $36.7 million of which $13.9 million was paid in July of 2025. The Company believes it will be able to collect all past due amounts from KPLC. This belief is supported by the fact that in addition to KPLC's obligations under its power purchase agreement, the Company holds a support letter from the Government of Kenya that covers certain cases of KPLC non-payment (such as non-payments that are caused by government actions and/or political events).

In Honduras, as of June 30, 2025, the total amount overdue from Empresa Nacional de Energía Eléctrica ("ENEE") was $17.4 million of which $0.9 million was paid in July of 2025. In addition, due to the financial situation in Honduras, the Company may experience further delays in collection. The Company believes it will be able to collect all past due amounts from ENEE.

Allowance for Credit Losses

The following table describes the changes in the allowance for expected credit losses for the three and six months ended June 30, 2025 and 2024 (all related to trade receivables):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)		(Dollars in thousands)	
Beginning balance of the allowance for expected credit losses	$ 249	$ 163	$ 224	$ 90
Change in the provision for expected credit losses for the period	26	37	51	110
Ending balance of the allowance for expected credit losses	$ 275	$ 200	$ 275	$ 200

Revenues from Contracts with Customers

Contract assets related to the Company's Product segment reflect revenue recognized and performance obligations satisfied in advance of customer billing. Contract liabilities related to the Company's Product segment reflect payments received in advance of the satisfaction of performance under the contract. The Company receives payments from customers based on the terms established in the contracts. Total contract assets and contract liabilities as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
Contract assets (*)	$ 12,926	$ 29,243
Contract liabilities (*)	$ (37,693)	$ (23,091)

(*) Contract assets and contract liabilities are presented as "Costs and estimated earnings in excess of billings on uncompleted contracts" and "Billings in excess of costs and estimated earnings on uncompleted contracts", respectively, on the condensed consolidated balance sheets. The contract liabilities balance at the beginning of the year was fully recognized as product revenues during the six months ended June 30, 2025 as a result of performance obligations having been fully satisfied as of June 30, 2025, except for certain immaterial amounts. Additionally, as of June 30, 2025, long-term costs and estimated earnings in excess of billings on uncompleted contracts related to the Dominica project in the amount of $55.4

million is included under "Deposits and other" in the condensed consolidated balance sheets, and not under the contract assets and contract liabilities above, due its long-term nature.

On June 30, 2025, the Company had approximately $261.9 million of remaining performance obligations not yet satisfied or partly satisfied related to our Product segment. The Company expects to recognize approximately 100% of this amount as Product revenues during the next 24 months.

Disaggregated revenues from contracts with customers for the three and six months ended June 30, 2025, and 2024 are disclosed under Note 8 - Business Segments, to the condensed consolidated financial statements.

Leases in which the Company is a Lessor

The table below presents lease income recognized as a lessor:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)		(Dollars in thousands)	
Lease income relating to lease payments from operating leases	$ 131,089	$ 129,420	$ 274,711	$ 276,521

Derivative Instruments

The Company maintains a risk management strategy that may incorporate the use of swap contracts, put options, forward exchange contracts, interest rate swaps, and cross-currency swaps to minimize significant fluctuation in cash flows and/or earnings that are caused by oil and natural gas prices, exchange rate or interest rate volatility.

Transferable Production and Investment Tax Credits

The Inflation Reduction Act ("IRA") that was signed into law in August 2022, introduces a transferability provision for certain tax credits related to the clean production of energy. The One Big Beautiful Bill continues to allow the transfer of the clean energy tax credits. Under this provision, a reporting entity can monetize such credits through sale to a third party. The option for transferability of credits applies to taxable years beginning after December 31, 2022. Several of the Company's projects, which are not currently part of a tax monetization transaction, generate eligible tax credits, such as investment tax credits ("ITCs") and production tax credits ("PTCs"), that are eligible to be transferred to a third-party under the provisions of the IRA. The Company accounts for ITCs under ASC 740 through the "Income tax (provision) benefit" line in the condensed consolidated statement of operations and comprehensive income. PTCs are accounted similarly to refundable or direct-pay credits outside of the "Income tax (provision) benefit" line with income recognized in the "Income attributable to sale of tax benefits" line in the condensed consolidated statement of operations and comprehensive income. Income recognized related to the expected sale of such transferable PTCs during the three and six months ended June 30, 2025, was $6.0 million and $13.3 million, respectively, net of discount, and $3.6 million, and $8.0 million, respectively, net of discount, for the three and six months ended June 30, 2024. Tax benefits recognized under Income tax (provision) benefit related to transferable ITCs during the three and six months ended June 30, 2025, was $10.3 million and $24.2 million, respectively, net of discount, and $6.2 million, and $17.7 million, respectively, net of discount, for the three and six months ended June 30, 2024.

NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements Effective in the six months ended June 30, 2025

None.

New accounting pronouncements effective in future periods

Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity

In May 2025, the FASB issued ASU 2025-03 "Business Combinations (Topic 805) and Consolidation (Topic 810)" to modify the Topic 805 framework for identifying the accounting acquirer in certain business combinations when the legal acquiree is a variable interest entity ("VIE"). Under current accounting guidance, when a VIE is acquired, the primary beneficiary (i.e., the entity that consolidates the VIE) is the accounting acquirer. The amendments in this ASU revise current guidance to: (1) limit situations in which entities must identify the primary beneficiary as the accounting acquirer in certain business combinations, and (2) require that when a business combination involving a VIE is primarily effected through exchanging equity interests, entities must consider the general factors in Topic 805 to determine which entity is the accounting acquirer. This ASU is effective for annual and interim reporting periods beginning after December 15, 2026. This ASU should be applied prospectively to any acquisition transaction that occurs after the initial application date. Early adoption is permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the potential impact of this guidance on its consolidated financial statements; however, it anticipates that the adoption of ASU 2025-03 will not have a material impact on its consolidated financial statements.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740)–Improvements to Income Tax Disclosures" to enhance the transparency and decision usefulness of income tax disclosures, primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU require that public entities, on an annual basis, disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. This ASU also requires that all entities disclose, on an annual basis, (1) the amount of income taxes paid disaggregated by federal, state, and foreign taxes, (2) the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal to or greater than five percent of total income taxes paid, (3) income or loss from continuing operations before income tax expense or benefit disaggregated between domestic and foreign, and (4) income tax expense or benefit from continuing operations disaggregated by federal, state, and foreign. The amendments in this ASU are effective for annual periods beginning after December 15, 2024, and should be applied on a prospective basis with the option to apply retrospectively. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is still evaluating the impact of this update and plans to implement these amendments in its 2025 consolidated annual financial statements.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)" to improve the disclosure about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The amendments in this ASU require disclosure of the following items in the notes to the financial statements at each interim and annual reporting date:

1 The amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contain any of the expense categories listed in (a) through (e).
2 A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
3 The total amount of selling expenses recognized in continuing operations, and the entity's definition of selling expenses.

The amendments of this ASU also require that an entity include certain amounts that are already required to be disclosed under current generally accepted accounting principles in the same disclosure as the other disaggregation requirements. The amendments in this ASU are effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, and should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of the ASU or (2) retrospectively to any or all prior periods presented in the financial statements. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of these amendments on its consolidated financial statements.

Induced Conversions of Convertible Debt Instruments

In November 2024, the FASB issued ASU 2024-04 "Debt – Debt with Conversion and Other Options (Subtopic 470-20)" to improve the relevance and consistency in application of induced conversion guidance. The amendments in this ASU clarify the assessment of whether a transaction should be accounted for as an induced conversion or extinguishment of convertible debt when changes are made to conversion features as part of an offer to settle the instrument. This ASU is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. This ASU can be adopted either on a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the potential impact of this guidance on its consolidated financial statements; however, it anticipates that the adoption of ASU 2024-04 will not have a material impact on its consolidated financial statements.

NOTE 3 — INVENTORIES

Inventories consist of the following:

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
Raw materials and purchased parts for assembly	$ 20,860	$ 20,575
Self-manufactured assembly parts and finished products	24,047	17,517
Total inventories	$ 44,907	$ 38,092

NOTE 4— FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurement guidance clarifies that fair value is an exit price, representing the amount that would be received upon selling an asset or paid upon transferring a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the fair value measurement guidance are described below:

Level 1 — unadjusted observable inputs that reflect quoted prices for identical assets or liabilities in active markets;

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly;

Level 3 — unobservable inputs.

The following table sets forth certain fair value information at June 30, 2025 and December 31, 2024 for financial assets and liabilities measured at fair value by level within the fair value hierarchy, as well as cost or amortized cost. As required by the fair value measurement guidance, assets and liabilities are classified in their entirety based on the lowest level of inputs that is significant to the fair value measurement.

		June 30, 2025			
		Fair Value			
	Carrying Value at June 30, 2025	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)				
Assets:					
Current assets:					
Cash equivalents (primarily restricted cash accounts)	$ 42,797	$ 42,797	$ 42,797	$ —	$ —
Derivatives: interest rate swap [(3)]	40	40	—	40	—
Derivatives: currency forward contracts [(2)]	2,954	2,954	—	2,954	—
Long-term assets:					
Cross currency swap [(1)]	3,341	3,341	—	3,341	—
Liabilities:					
Current liabilities:					
Derivatives: cross-currency swap [(1)]	(655)	(655)	—	(655)	—
Long term liabilities:					
Derivatives: interest rate swap [(3)]	(672)	(672)	—	(672)	—
	$ 47,805	$ 47,805	$ 42,797	$ 5,008	$ —

		December 31, 2024			
		Fair Value			
	Carrying Value at December 31, 2024	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)				
Assets:					
Current assets:					
Cash equivalents (primarily restricted cash accounts)	$ 52,031	$ 52,031	$ 52,031	$ —	$ —
Derivatives: interest rate swap (3)	180	180	—	180	—
Derivatives: currency forward contracts (2)	550	550	—	550	—
Liabilities:					
Current liabilities:					
Derivatives: cross-currency swap (1)	(3,500)	(3,500)	—	(3,500)	—
Long-term liabilities:					
Derivatives: cross-currency swap (1)	(6,653)	(6,653)	—	(6,653)	—
	$ 42,607	$ 42,607	$ 52,031	$ (9,424)	$ —

1. These amounts relate to cross-currency swap contracts valued primarily based on the present value of the cross-currency swap future settlement prices for U.S. Dollar ("USD") and New Israeli Shekel ("NIS") zero yield curves and the applicable exchange rate as of June 30, 2025 and December 31, 2024, as applicable. These amounts are included within "Deposits and other", "Accounts payable and accrued expenses" or "Other long-term liabilities", as applicable, in the condensed consolidated balance sheets on June 30, 2025 and December 31, 2024. Cash collateral deposits in the amount of $1.6 million and $9.7 million as of June 30, 2025, and December 31, 2024, respectively, are presented under "Receivables, other" in the condensed consolidated balance sheets.

2. These amounts relate to currency forward contracts valued primarily based on observable inputs, including forward and spot prices for currencies, net of contracted rates and then multiplied by notional amounts, and are included within "Receivables, other" or "Accounts payable and accrued expenses", as applicable, in the condensed consolidated balance sheets on June 30, 2025 and December 31, 2024, with the corresponding gain or loss being recognized within "Derivatives and foreign currency transaction gains (losses)" in the condensed consolidated statements of operations and comprehensive income.

3. This amount relates to interest rate swap contracts valued primarily based on the present value of the interest rate swap settlement prices and the future 3-month SOFR prices based on USD zero yield curve as of June 30, 2025 and December 31, 2024. This amount is included within "Receivables, other" or "Other long-term liabilities", as applicable, in the condensed consolidated balance sheets on June 30, 2025.

The following table presents the amounts of gain (loss) recognized in the condensed consolidated statements of operations and comprehensive income on derivative instruments:

Derivative instruments	Location of recognized gain (loss)	Amount of recognized gain (loss) Three Months Ended June 30, 2025	Amount of recognized gain (loss) Three Months Ended June 30, 2024	Amount of recognized gain (loss) Six Months Ended June 30, 2025	Amount of recognized gain (loss) Six Months Ended June 30, 2024
		(Dollars in thousands)		(Dollars in thousands)	
Derivatives not designated as hedging instruments					
Currency forward contracts (1)	Derivative and foreign currency transaction gains (losses)	$ 4,040	$ (185)	$ 3,693	$ (513)
Derivatives designated as cash flow hedging instruments					
Cross currency swap (2)	Derivative and foreign currency transaction gains (losses)	$ 18,648	$ (2,127)	$ 14,983	$ (5,363)
Interest rate swap (2)	Interest expense, net	$ 101	$ 433	202	890
Total		$ 18,749	$ (1,694)	$ 15,185	$ (4,473)

1. The foregoing currency forward transactions were not designated as hedge transactions and were marked to market with the corresponding gains or losses recognized within "Derivatives and foreign currency transaction gains (losses)" in the condensed consolidated statements of operations and comprehensive income.

2. The foregoing cross-currency and interest rate swap transactions were designated as a cash flow hedging instruments. The changes in the cross currency swap fair value are initially recorded in "Other comprehensive income (loss)" and a corresponding amount is reclassified out of "Accumulated other comprehensive income (loss)" to "Derivatives and foreign currency transaction gains (losses)" to offset the remeasurement of the underlying hedged transaction which also impacts the same line item in the condensed consolidated statements of operations and comprehensive income. The changes in the interest rate swap fair value are initially recorded in "Other comprehensive income (loss)" and a corresponding amount is reclassified out of "Accumulated other comprehensive income (loss)" to "Interest expenses, net" to offset the remeasurement of the underlying hedged transaction which also impacts the same line item in the condensed consolidated statements of operations and comprehensive income.

There were no transfers of assets or liabilities between Level 1, Level 2 and Level 3 during the three and six months ended June 30, 2025 and 2024.

The following table presents the effect of derivative instruments designated as cash flow hedges on the condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2025, and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)		(Dollars in thousands)	
Cash flow hedges:				
Balance in Accumulated other comprehensive income (loss) beginning of period	$ (3,294)	$ 1,309	$ 684	$ (318)
Gain or (loss) recognized in Other comprehensive income (loss):				
Cross currency swap	19,971	(3,315)	12,840	(5,990)
Interest rate swap	(132)	474	(543)	1,997
Amounts reclassified from Other comprehensive income (loss) into earnings:				
Cross currency swap	(18,648)	2,127	(14,983)	5,363
Interest rate swap	(101)	(433)	(202)	(890)
Balance in Accumulated other comprehensive income (loss) end of period	$ (2,204)	$ 162	$ (2,204)	$ 162

The estimated net amount of existing gain (loss) that is reported in "Accumulated other comprehensive income (loss)" as of June 30, 2025 that is expected to be reclassified into earnings within the next 12 months is immaterial. The maximum length of time over which the Company is hedging its exposure to the variability in future cash flow is from the transaction commencement date through June 2031.

The fair value of the Company's long-term debt approximates its carrying amount, except for the following:

	Fair Value Hierarchy Level	Fair Value		Carrying Amount (*)	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		(Dollars in millions)		(Dollars in millions)	
Limited and non-recourse loans: fixed rate	3	$ 604.0	$ 636.5	$ 622.6	$ 657.3
Full recourse loans:					
Fixed-rate	3	849.8	920.4	862.3	940.4
Variable-rate	3	348.3	48.5	340.6	48.4
Financing liability: fixed-rate	3	222.9	223.4	219.7	220.6
Convertible senior note	2	525.2	471.2	476.4	476.4

(*) The carrying amount value of the loans excludes the related deferred financing costs.

The fair value of the long-term debt is determined by a valuation model, which is based on a conventional discounted cash flow methodology, and utilizes assumptions of current borrowing rates, except for the fair value of the Convertible Senior Notes for which the fair value was estimated based on a quoted bid price of the Notes in an over-the-counter market on the last trading day of the reporting period. A hypothetical change in the quoted bid price will result in a corresponding change in the estimated fair value of these notes. The carrying value of the deposits of $10.1 million, the short term revolving credit lines with banks of $96.5 million, and the commercial paper of $100.0 million, approximate their fair value. In the past five years, interest rate for both short-term and long-term debt have increased, although they have decreased slightly recently. Additional changes to the related interest rate may have a direct impact on the fair value of the Company's long-term debt.

NOTE 5 — STOCK-BASED COMPENSATION

In March 2025, the Company granted certain members of its management and employees an aggregate of 210,961 restricted stock units ("RSUs") and 45,190 performance stock units ("PSUs") under the Company's 2018 Incentive Compensation Plan. The RSUs and PSUs have vesting periods of between 1 to 3 years from the grant date.

The fair value of each RSU and PSU on the grant date was $68.9 and $70.9, respectively. The Company calculated the fair value of each RSU and PSU on the grant date using the complex lattice, tree-based option-pricing model, and the Monte Carlo simulation, based on the following assumptions:

Risk-free interest rates	3.95%	–	4.08%
Expected life (in years)	1	–	3
Dividend yield		0.69%	
Expected volatility (weighted average)	27.0%	–	31.0%

There were no other significant grants that were made by the Company during the six months ended June 30, 2025.

NOTE 6 — INTEREST EXPENSE, NET

The components of interest expense are as follows:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2025	**2024**	**2025**	**2024**
	(Dollars in thousands)		**(Dollars in thousands)**	
Interest related to sale of tax benefits	$ 3,698	$ 4,343	$ 7,498	$ 9,239
Interest expense	37,281	33,621	71,717	62,745
Less — amount capitalized	(4,297)	(4,248)	(8,060)	(7,300)
Total interest expense, net	$ 36,682	$ 33,716	$ 71,155	$ 64,684

NOTE 7 — EARNINGS PER SHARE

Basic earnings per share attributable to the Company’s stockholders is computed by dividing net income or loss attributable to the Company’s stockholders by the weighted average number of shares of common stock outstanding for the period. The Company does not have any equity instruments that are dilutive, except for employee stock-based awards and convertible senior notes ("Notes").

The table below shows the reconciliation of the number of shares used in the computation of basic and diluted earnings per share (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted average number of shares used in computation of basic earnings per share	60,689	60,451	60,624	60,419
Additional shares from the assumed exercise of employee stock awards	330	304	349	236
Weighted average number of shares used in computation of diluted earnings per share	61,019	60,755	60,973	60,655

The number of stock-based awards that could potentially dilute future earnings per share and that were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive was 4.3 thousand, and 181.4 thousand for the three months ended June 30, 2025 and 2024, respectively, and 19.7 thousand, and 71.7 thousand, for the six months ended June 30, 2025 and 2024, respectively.

As per ASU 2020-06, the if-converted method is required for calculating any potential dilutive effect from convertible instruments. For the three and six months ended June 30, 2025, the average price of the Company's common stock did not exceed the per share conversion price of the Notes of $90.27, and other requirements for the Notes to be convertible were not met and as such, there was no dilutive effect from the Notes in respect with the aforementioned periods.

NOTE 8 — BUSINESS SEGMENTS

The Company has three reporting segments: the Electricity segment, the Product segment and the Energy Storage segment. These segments are managed and reported separately as each offers different products and serves different markets.

- Under the Electricity segment, the Company builds, owns and operates geothermal, solar PV and recovered energy-based power plants ("REG") in the United States and geothermal power plants in foreign countries, and sells the electricity generated by those power plants.
- Under the Product segment, the Company designs, manufactures and sells equipment for geothermal and recovered energy-based electricity generation and provide services relating to the engineering, procurement and construction ("EPC") of geothermal and recovered energy-based power plants.
- Under the Energy Storage segment, the Company owns and operates grid connected In-Front-of-the-Meter battery energy storage systems ("BESS"), which provide capacity, energy and/or ancillary services directly to the electric grid.

The accounting policies of the segments are the same as those described under Note 1 to the condensed consolidated financial statements. Transfer prices between the segments were determined on current market values or cost plus markup of the seller's segment. The Company's Chief Operating Decision Maker ("CODM") is comprised of its CEO and CFO. To evaluate segment performance and allocate the Company's resources, the CODM uses segment measures of gross profit and operating income. The CODM reviews budget-to-actual variances of both profit measures on a monthly basis when making decisions about allocation of the Company's resources to the segments.

Summarized financial information concerning the Company's reportable segments is shown in the following tables, including the Company's disaggregated revenues from contracts with customers as required by ASC 606, Revenue from Contracts with Customers ("ASC 606"). Total consolidated revenues, gross profit (loss) and operating income (loss) of the Company's business segments exclude intersegment revenues, gross profit (loss) and operating income (loss) as these activities are eliminated in consolidation and are not included in CODM's evaluation of performance of each segment.

	Electricity	Product	Energy Storage	Consolidated
	(Dollars in thousands)			
Three Months Ended June 30, 2025:				
Revenues from external customers:				
United States [1]	$ 111,417	$ 3,523	$ 14,494	$ 129,434
Foreign [2]	48,495	56,089	—	104,584
Net revenue from external customers	159,912	59,612	14,494	234,018
Less:				
Depreciation and amortization expenses [3]	58,106	2,632	7,071	67,809
Other cost of revenues expenses [4]	63,130	40,486	5,698	109,314
Segment gross profit (loss)	38,676	16,494	1,725	56,895
Less:				
Segment operating expenses (income) [5]	16,705	6,294	(1,422)	21,577
Segment operating income	$ 21,971	$ 10,200	$ 3,147	$ 35,318
Total depreciation and amortization expense [6]	$ 59,945	$ 2,955	$ 7,130	$ 70,030
Segment assets at period end [7] [*]	5,225,398	238,082	552,132	6,015,612
Expenditures for long-lived assets	34,405	1,809	98,610	134,824
* Including unconsolidated investments	160,178	—	—	160,178
Three Months Ended June 30, 2024:				
Revenues from external customers:				
United States [1]	$ 119,695	$ 1,615	$ 8,908	$ 130,218
Foreign [2]	46,531	36,214	—	82,745
Net revenue from external customers	166,226	37,829	8,908	212,963

Less:				
Depreciation and amortization expenses (3)	52,827	2,467	4,784	60,078
Other cost of revenues expenses (4)	57,688	30,195	3,616	91,499
Segment gross profit (loss)	55,711	5,167	508	61,386
Less:				
Segment operating expenses (5)	20,297	4,141	1,821	26,259
Segment operating income (loss)	$ 35,414	$ 1,026	$ (1,313)	$ 35,127
Total depreciation and amortization expense (6)	$ 56,256	$ 2,780	$ 4,764	$ 63,800
Segment assets at period end (7) (*)	4,955,806	192,092	358,904	5,506,802
Expenditures for long-lived assets	106,867	1,690	38,282	146,839
* Including unconsolidated investments	129,664	—	—	129,664
Six Months Ended June 30, 2025:				
Revenues from external customers:				
United States (1)	$ 245,631	$ 6,762	$ 32,246	$ 284,639
Foreign (2)	94,522	84,619	—	179,141
Net revenue from external customers	340,153	91,381	32,246	463,780
Less:				
Depreciation and amortization expense (3)	114,976	5,203	13,922	134,102
Other cost of revenues expenses (4)	126,093	62,599	11,165	199,856
Segment gross profit (loss)	99,084	23,579	7,159	129,822
Less:				
Segment operating expenses (income) (5)	36,270	9,743	(2,422)	43,591
Segment operating income	62,814	13,836	9,581	86,231
Total depreciation and amortization expenses (6)	119,921	5,849	14,037	139,808
Segment assets at period end (7) (*)	5,225,398	238,082	552,132	6,015,612
Expenditures for long-lived assets	205,755	3,009	118,662	327,426
* Including unconsolidated investments	160,178	—	—	160,178
Six Months Ended June 30, 2024:				
Revenues from external customers:				
United States (1)	$ 263,511	$ 2,491	$ 16,989	$ 282,991
Foreign (2)	93,968	60,170	—	154,138
Net revenue from external customers	357,479	62,661	16,989	437,129
Less				
Depreciation and amortization expense (3)	105,016	5,030	9,235	119,281
Other cost of revenues expenses (4)	122,229	48,786	6,637	177,652
Segment gross profit (loss)	130,234	8,845	1,117	140,196
Less:				
Segment operating expenses (income) (5)	42,139	6,977	3,370	52,486
Segment operating income (loss)	88,095	1,868	(2,253)	87,710
Total depreciation and amortization expenses (6)	111,305	5,653	9,194	126,152
Segment assets at period end (7) (*)	4,955,806	192,092	358,904	5,506,802

Expenditures for long-lived assets	199,030	3,012	48,183	250,225
* Including unconsolidated investments	129,664	—	—	129,664

(1) Electricity segment revenues in the United States are all accounted for under lease accounting except for $31.4 million and $71.5 million, in the three and six months ended June 30, 2025, respectively, and $37.5 million and $82.3 million, in the three and six months ended June 30, 2024, respectively, that are accounted for under ASC 606. Product and Energy Storage segment revenues in the United States are accounted for under ASC 606, except for Energy Storage revenues of $2.5 million and $6.1 million, for the three and six months ended June 30, 2025, respectively, and $0.7 million and $1.4 million, for the three and six months ended June 30, 2024, respectively, that are accounted for under lease accounting.

(2) Electricity segment revenues in foreign countries are all accounted for under lease accounting. Product segment revenues in foreign countries are all accounted for under ASC 606.

(3) Depreciation and amortization expense amounts align with the segment-level information that is regularly provided to the CODM, and do not include intersegment transactions. Depreciation and amortization expenses included in the segment measure of gross profit are related to the specific tangible and intangible assets associated with each of the reportable segments.

(4) Other cost of revenues expenses for each reportable segment include:

Electricity: primarily cost of manpower, utilities, repair and maintenance, royalties, and property taxes.

Products: primarily cost of raw materials and finished goods used in manufacturing, manpower, transportation, and third-party subcontractors.

Energy Storage: primarily cost of manpower, utilities, and insurance.

(5) Segment operating expenses include research and development expenses, selling and marketing expenses, and general and administrative expenses such as manpower, depreciation and amortization, legal and professional services. Such expenses do not include intersegment transactions. Segment operating expenses related to the Energy Storage segment are directly related to this segment. Segment operating expenses related to the Electricity and Product segments are allocated between these two segments based on their weighted contribution to revenues, except for certain specific expenses or gains that are specifically allocated to one of these segments, as applicable, such as impairment of long-lived assets, write-off of unsuccessful exploration activities, and other operating income.

(6) Total depreciation and amortization expenses for each segment are related to the specific tangible and intangible assets associated with the respective reportable segment.

(7) Electricity segment assets include goodwill in the amount of $165.8 million, and $146.4 million as of June 30, 2025 and 2024, respectively. Energy Storage segment assets include goodwill in the amount of $4.6 million, and $4.6 million as of June 30, 2025 and 2024, respectively. No goodwill is included in the Product segment assets as of June 30, 2025 and 2024.

Reconciling information between reportable segments and the Company's consolidated totals is shown in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)		(Dollars in thousands)	
Reconciliation of profit or loss (segment gross profit):				
Total segment gross profit (loss)	$ 56,895	$ 61,386	$ 129,822	$ 140,196
Less operating expenses:				
Research and development expenses	1,439	1,730	3,981	3,294
Selling and marketing expenses	4,370	4,167	8,542	9,293
General and administrative expenses	19,786	18,026	37,695	37,563
Other operating income	(4,269)	—	(7,394)	—
Impairment of long-lived assets	—	957	—	957
Write-off of unsuccessful exploration and storage activities	251	1,379	767	1,379
Operating income	$ 35,318	$ 35,127	$ 86,231	$ 87,710
Interest income	1,929	2,604	3,242	4,443
Interest expense, net	(36,682)	(33,716)	(71,155)	(64,684)
Derivatives and foreign currency transaction gains (losses)	5,068	(332)	7,128	(1,914)
Income attributable to sale of tax benefits	16,251	15,798	33,822	33,274
Other non-operating income, net	76	74	298	100
Total consolidated income before income taxes and equity in income of investees	$ 21,960	$ 19,555	$ 59,566	$ 58,929
Reconciliation of profit or loss (segment operating income):				
Total segment operating income	$ 35,318	$ 35,127	$ 86,231	$ 87,710
Interest income	1,929	2,604	3,242	4,443
Interest expenses, net	(36,682)	(33,716)	(71,155)	(64,684)
Derivatives and foreign currency transaction gains (losses)	5,068	(332)	7,128	(1,914)
Income attributable to sale of tax benefits	16,251	15,798	33,822	33,274
Other non-operating income, net	76	74	298	100
Total consolidated income before income taxes and equity in income of investees	$ 21,960	$ 19,555	$ 59,566	$ 58,929

NOTE 9 — COMMITMENTS AND CONTINGENCIES

On July 29, 2024, a former employee filed a class action against the Company in Imperial County, California alleging violations of the California Labor Code, to act in a representative capacity for other Ormat employees in California alleging violations of California wage and hour regulations. The complaint was amended on September 12, 2024 to add companion Private Attorneys General Act claims. The complaint seeks recovery of various damages as well as equitable relief. The parties attended a mediation in April 2025 and have reached a settlement in principle for an immaterial amount, which is subject to approval by the Court.

On February 7, 2025, Engie Resources, LLC and certain of its affiliates filed an action against the Company's wholly owned subsidiary in the United States District Court for the Northern District of Texas. The matter was dismissed for lack of jurisdiction and refiled in state court. The complaint alleges that the Company breached its contractual obligations, including certain indemnity obligations, under certain service agreements with or involving the plaintiffs, by failing to properly schedule responsive reserve service on behalf of the plaintiffs during the power crisis in Texas in February 2021. The complaint seeks recovery from the Company of $47.5 million in damages, as well as equitable relief. No amounts have been accrued for potential losses under this matter, as the Company considers it has strong legal defenses and intends to vigorously defend itself against the claims and take all necessary legal actions to have them dismissed. Due to the early stage of the matter, the Company cannot reasonably predict the outcome of the proceedings, which is inherently uncertain, however, the Company believes that the probability of the claimant receiving a material award is low.

Additionally, from time to time, the Company is named as a party to other various lawsuits, claims and other legal and regulatory proceedings that arise in the ordinary course of the Company's business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to such lawsuits, claims and proceedings, the Company accrues reserves when a loss is probable, and the amount of such loss can be reasonably estimated. It is the opinion of the Company's management that the outcome of these proceedings, individually and collectively, will not be material to the Company's consolidated financial statements as a whole.

Other Matters

In Kenya, since 2021, various task forces have been appointed by the President and/or the Senate to review and analyze Power Purchase Agreements ("PPA"s) entered into between KPLC and various independent power producers (including our long-term PPA for the Olkaria complex), with the recommendation that KPLC review its contracts and attempt renegotiation with these independent power producers to reduce PPA tariffs within existing contractual arrangements. The Company has been approached by certain of these task forces and has participated in requested discussions with them, which remain ongoing.

NOTE 10 — INCOME TAXES

The Company's effective tax rate benefit for the three months ended June 30, 2025 and 2024 was (24.9)% and (16.3)%, respectively, and (15.5)% and (5.6)%, for the six months ended June 30, 2025 and 2024, respectively. The effective rate differs from the federal statutory rate of 21% primarily due to the generation of investment tax credits, and the jurisdictional mix of earnings at differing tax rates.

The Organization for Economic Co-operation and Development ("OECD") issued a framework to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2). Certain aspects of Pillar 2 became effective January 1, 2024, and other aspects became effective January 1, 2025. Effective January 1, 2025, the Company met the revenue threshold requirements and is now subject to Pillar 2. The impact of Pillar 2 is not a material component of income tax expense in the six months ended June 30, 2025.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBB") was enacted into law in the United States. The OBBB includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017 and numerous changes to the energy tax credits initially introduced and expanded under the IRA. The legislation allows for geothermal and battery storage to qualify for 100% PTC or ITC related to projects that start construction by the end of December 2033, 75% PTC or ITC by the end of December 2034 and 50% PTC or ITC by the end of December 2035. In order to qualify for 100% energy credit, solar projects must start construction by July 4, 2026 and be placed-in-service within four years, or start construction after July 3, 2026 and be placed-in-service by December 31, 2027. The law seeks to limit content from foreign entities of concern ("FEOC") used in energy related projects that start construction after December 31, 2025. The FEOC restrictions apply at both the product and taxpayer levels, which primarily affects products and ownership related to China. The Company is currently evaluating the impact of the OBBB on our consolidated financial statements.

NOTE 11 — SUBSEQUENT EVENTS

Cash Dividend

On August 6, 2025, the Board of Directors of the Company declared, approved and authorized payment of a quarterly dividend of $7.3 million ($0.12 per share) to all holders of the Company's issued and outstanding shares of common stock on August 20, 2025, payable on September 3, 2025.

Heber 1 and 2 Tax Monetization Transaction

On July 10, 2025, one of the Company's wholly-owned subsidiaries that indirectly owns the Heber 1 and Heber 2 geothermal power plants entered into a partnership agreement with a private investor. Under the transaction documents, the private investor acquired membership interests in the two Heber Geothermal power plants for an initial purchase price of approximately $77.1 million and for which it will pay additional installments that are expected to amount to approximately $25.7 million. The Company continues to operate and maintain the power plants and will receive substantially all the distributable cash flow generated by the power plant, as described below.

Under the transaction documents, prior to December 31, 2032 ("Target Flip Date"), the Company's wholly-owned subsidiary, Ormat Nevada Inc. ("Ormat Nevada"), receives substantially all of the distributable cash flow generated by the project, while the private investor receives substantially all of the tax attributes of the project. Following the later of the Target Flip Date and the date on which the private investor reaches its target return, Ormat Nevada will receive 95% of the distributable cash and taxable income, on a go-forward basis. In the event that the private investor will not reach its target return by the Target Flip Date, then for the period between the Target Flip Date and the date on which the private investor reaches its target return, the private investor will receive 75% of the distributable cash generated by the power plant and 99% of the tax attributes as long as the project is generating PTCs.

On the Target Flip Date, Ormat Nevada has the option to purchase the private investor's interests at the then-current fair market value, plus an amount that causes the private investor to reach its target return, if needed. If Ormat Nevada exercises this purchase option, it will become the sole owner of the project again.

Geothermie Bouillante Loan

On July 31st, 2025, Geothermie Bouillante S.A., a subsidiary of the Company that owns and operates the geothermal power plant in Guadeloupe in which the Company indirectly holds a 63.75% ownership interest ("GB"), entered into loan agreements (the "GB Loan Agreements") with a consortium of French banks, pursuant to which GB will borrow up to approximately €99.8 million aggregate principal amount, in connection with GB's geothermal project in Guadeloupe.

The loan (the "GB Loan") is comprised of two tranches. One tranche covers the refinancing of sponsors' investment in the existing power plants, bears interest of 4.1%, and matures in 5 years. The second tranche covers the construction of GB's 10MW expansion project which is expected to be commissioned in 2026, bears interest of 4.8%, and matures in 21 years. The GB Loan will be drawn over several drawdowns expected to occur during the second half of 2025, and the first half of 2026.

The GB Loan is secured by all of the assets of GB and by sponsors' ownership interests in GB. The GB Loan Agreements require GB to comply with certain covenants, including, among others, restrictions on the incurrence of indebtedness or liens, amendment or modification of material project documents, or the ability of GB to merge or consolidate with another entity. In addition, there are restrictions on the ability of GB to make distributions to its shareholders, which include a required historical and projected DSCR. The drawdowns are subject to typical conditions for draws, including, among others, verification of project costs, compliance with certain gearing ratios.

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Cautionary Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this quarterly report that address activities, events or developments that we expect or anticipate will or may occur in the future, including such matters as our projections of annual revenues, expenses and debt service coverage with respect to our debt securities, future capital expenditures, business strategy, competitive strengths, goals, development or operation of generation assets, market and industry developments and the growth of our business and operations, are forward-looking statements. When used in this quarterly report on Form 10-Q, the words "may", "will", "could", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "projects", "potential", "contemplate", 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. The forward-looking statements in this quarterly report are primarily located in the material set forth under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", and "Notes to Condensed Consolidated Financial Statements", but are found in other locations as well. These forward-looking statements generally relate to our plans, objectives and expectations for future operations and are based upon management's current estimates and projections of future results or trends. Although we believe that our plans and objectives reflected in or suggested by these forward-looking statements are reasonable, we may not achieve these plans or objectives. You should read this quarterly report on Form 10-Q completely and with the understanding that actual future results and developments may be materially different from what we expect attributable to a number of risks and uncertainties, many of which are beyond our control.

These forward-looking statements are made only as of the date hereof, and, except as legally required, we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

During the period covered by this quarterly report on Form 10-Q, there have been no material changes in our risk factors previously disclosed in our 2024 Annual Report. A summary of the risks that may cause actual results to differ from our expectations include, but are not limited to the following:

Risks Related to the Company's Business and Operation

- Our financial performance depends on the successful operation of our geothermal, REG, solar PV power plants under the Electricity segment as well as our energy storage facilities, which are subject to various operational risks.
- Our exploration, development, and operation of geothermal energy resources are subject to geological risks and uncertainties, which may result in insufficient prospects to support our growth, decreased performance or increased costs for our power plants.
- We may decide not to implement, or may not be successful in implementing, one or more elements of our multi-year strategic plan, and the plan may not achieve its goal of enhancing shareholder value.
- Changes in U.S. and foreign government policy, including the imposition of or increases in tariffs and changes to existing trade agreements, could have a material adverse effect on global economic conditions and our business, results of operations, prospects and financial condition.
- Our investments in BESS technology involves new technologies and expected advanced technologies with relatively limited history with respect to reliability and performance and may not perform as expected. In addition, our investments and profitability may be negatively affected by a number of factors, including increases in storage costs, expanded trade restrictions, risk of fire and volatility in merchant prices.
- Concentration of customers, specific projects and regions may expose us to heightened financial exposure.
- Our international operations expose us to risks related to the application of foreign laws and regulations.
- Political, economic and other conditions in the emerging economies where we operate, including Israel, may subject us to greater risk than in the developed U.S. economy.
- Conditions in and around Israel, where the majority of our senior management and our main production and manufacturing facilities are located, may adversely affect our operations and may limit our ability to produce and sell our products, and support our Electricity segment.

- Responses in various countries where we have business operations to Israel's ongoing military conflicts on some of its borders or future similar conflicts may adversely affect our operations and may limit our ability to produce and sell our products.
- Some of our leases will terminate if we do not extract geothermal resources in "commercial quantities" or if we fail to comply with the terms or stipulations of such leases or any of the provisions of the Geothermal Steam Act or if the lessor under any such lease defaults on any debt secured by the relevant property, thus requiring us to enter into new leases or secure rights to alternate geothermal resources, none of which may be available on terms as favorable to us as any such terminated lease, if at all.
- Our business development activities may not be successful and our projects under construction or facilities undergoing enhancement and repowering may encounter delays.
- Our future growth depends, in part, on the successful enhancement of a number of our existing facilities.
- We rely on power transmission facilities that we do not own or control.
- Our use of joint ventures may limit our flexibility with jointly owned investments.
- Our operations could be adversely impacted by climate change and other extreme weather events..
- We could be impacted by regulatory and other responses to climate change.
- We may not be able to successfully complete acquisitions, and we may not be able to successfully integrate, or realize anticipated synergies from, companies that we have acquired and may acquire in the future.
- We encounter intense competition from electric utilities, other power producers, power marketers, developers and third-party investors.
- Changes in costs and technology may significantly impact our business by making our power plants and products less competitive, resulting in our inability to sign new or recontracted PPAs for our Electricity segment and new supply and EPC contracts for our Products segment.
- Our intellectual property rights may not be adequate to protect our business.
- We may experience a cyber-incident, cyber security breach, severe natural event or physical attack on our operational networks and information technology systems.

Risks Related to Governmental Regulations, Laws and Taxation

- Our financial performance could be adversely affected by changes in the legal and regulatory environment affecting our operations.
- Pursuant to the terms of some of our PPAs with investor-owned electric utilities and publicly-owned electric utilities in states that have renewable portfolio standards, the failure to supply the contracted capacity and energy thereunder may result in the imposition of penalties.
- If any of our domestic power plants lose their current Qualifying Facility status under the U.S. Public Utility Regulatory Policies Act of 1978 ("PURPA"), or if amendments to PURPA are enacted that substantially reduce the benefits currently afforded to Qualifying Facilities, our domestic operations could be adversely affected.
- The reduction, elimination or inability to monetize government incentives could adversely affect our business, financial condition, future results and cash flows.
- We are a holding company and our cash depends substantially on the performance of our subsidiaries and the power plants they operate, most of which are subject to restrictions and taxation on dividends and distributions.
- The costs of compliance with federal, state, local and foreign environmental laws and our ability to obtain and maintain environmental permits and governmental approvals required for development, construction and/or operation may result in liabilities, costs and delays in construction (as well as any fines or penalties that may be imposed upon us in the event of any non-compliance or delays with such laws or regulations).
- We could be exposed to significant liability for violations of hazardous substances laws because of the use or presence of such substances at our power plants.
- U.S. federal, state and foreign country income tax reform could adversely affect us.

Risks Related to Economic and Financial Conditions

- We may be unable to obtain the financing we need on favorable terms to pursue our growth strategy and any future financing we receive may be less favorable to us than our current financing arrangements.
- We have incurred substantial indebtedness that may decrease our business flexibility, access to capital, and/or increase our borrowing costs, and we may still incur substantially more debt, which may adversely affect our operations and financial results.
- Our debt obligations may adversely affect our ability to raise additional capital and will be a burden on our future cash resources, particularly if we elect to settle these obligations in cash upon conversion or upon maturity or required repurchase.
- The capped call transactions, into which we entered in connection with the issuance of the June 2022 convertible notes, (the "Notes"), may affect the value of the Notes and our common stock and we are subject to counterparty risk with respect to the capped call transactions.
- Our foreign power plants and foreign manufacturing operations expose us to risks related to fluctuations in currency rates, which may reduce our profits from such power plants and operations.
- Our power plants have generally been financed through a combination of our corporate funds and limited or non-recourse project finance debt and lease financing. If our project subsidiaries default on their obligations under such limited or non-recourse debt or lease financing, we may be required to make certain payments to the relevant debt holders, and if the collateral supporting such leveraged financing structures is foreclosed upon, we may lose certain of our power plants.
- We may experience fluctuations in the costs of construction, raw materials, commodities and drilling.
- Our commodity derivative activity may limit potential gains, increase potential losses, result in earnings volatility and involve other risks.
- We are exposed to swap counterparty credit risk.

Risks Related to Force Majeure

- The existence of a prolonged force majeure event or a forced outage affecting a power plant, or the transmission systems could reduce our net income.
- Threats of terrorism may impact our operations in unpredictable ways and could adversely affect our business, financial condition, future results and cash flow.

Risks Related to Ownership of our Common Stock

- Future equity issuances, including through our current or any future equity compensation plans, could result in dilution, which could cause the price of our shares of common stock to decline.
- The price of our common stock has in the past and may in the future fluctuate substantially, and your investment may decline in value.
- We may issue additional shares of our common stock in connection with conversions of the Notes, and thereby dilute our existing stockholders and potentially adversely affect the market price of our common stock.
- The fundamental change provisions of the Notes may delay or prevent an otherwise beneficial takeover attempt of us.

Investors are cautioned that these forward-looking statements are inherently uncertain. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein. Other than as required by law, we undertake no obligation to update forward-looking statements even though our situation may change in the future. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes included elsewhere in this quarterly report and the “Risk Factors” section of our 2024 Annual Report on Form 10-K for the year ended December 31, 2024 and any updates contained herein as well as those set forth in our reports and other filings made with the SEC.

General

Overview

We are a leading vertically integrated company that is primarily engaged in the geothermal energy power business. We leverage our core capabilities and global presence to expand our activity in recovered energy generation and into different energy storage services and solar PV (including hybrid geothermal and solar PV as well as Solar plus Energy Storage). Our objective is to become a leading global provider of renewable energy and help to mitigate climate change by providing a replacement to carbon-intensive energy sources. We have adopted a strategic plan to focus on several key initiatives to expand our business.

We currently conduct our business activities in three business segments:

- *Electricity Segment*. In the Electricity segment, we develop, build, own and operate geothermal, solar PV and recovered energy-based power plants in the United States and geothermal power plants in other countries around the world and sell the electricity they generate. In the three and six months ended June 30, 2025, we derived 69.7% and 72.2%, respectively, of our Electricity segment revenues from our operations in the United States, and 30.3% and 27.8%, respectively, from the rest of the world.
- *Product Segment*. In the Product segment, we design, manufacture and sell equipment for geothermal and recovered energy-based electricity generation and provide services relating to the engineering, procurement and construction of geothermal and recovered energy-based power plants. In the three and six months ended June 30, 2025, we derived 5.9% and 7.4%, respectively, of our Product segment revenues from our operations in the United States and 94.1% and 92.6%, respectively, from the rest of the world.
- *Energy Storage Segment*. In the Energy Storage segment, we own and operate grid connected In Front of the Meter BESS, which provide capacity, energy and/or ancillary services directly to the electric grid. In the three and six months ended June 30, 2025, we derived all of our Energy Storage segment revenues from our operations in the United States.

Our current generating portfolio of approximately 1.6 GW includes geothermal power plants in the United States, Kenya, Guatemala, Honduras, Guadeloupe and Indonesia, as well as energy storage facilities, recovered energy generation and Solar PV power plants in the United States.

Recent Developments

The most significant developments in our Company and business since January 1, 2025 are described below.

- In July 2025, we entered into loan agreements with a consortium of French banks pursuant to which we will borrow up to approximately €99.8 million aggregate principal amount in connection with our new Bouillante geothermal power plant in Guadeloupe.
- In July 2025, we entered into a tax partnership agreement with a private investor, under which the private investor paid approximately $77.1 million for the tax benefits related to Heber 1&2 Geothermal power plants that are part of our Heber Complex. The private investor will pay over eight years additional installments that are expected to amount to approximately $25.7 million.
- In June, 2025, we entered into loan agreements with the Caribbean Development Bank and Caricom Development Fund pursuant to which we will borrow up to $49.8 million aggregate principal amount in connection with the 10MW Geothermal Project in Dominica.
- In June 2025, we closed the acquisition of the Blue Mountain geothermal power plant from Cyrq Energy. The 20MW facility, located in Humboldt County, NV, was purchased for $88.7 million for 100% of the equity interest in the power plant. The power plant, built using Ormat technology, features an existing 51MW interconnection capacity and a PPA with NV Energy ("NVE") that expires at the end of 2029. Ormat plans to upgrade the power plant and increase its capacity by 3.5MW. Additionally, subject to permit and PPA approval, Ormat intends to add a 13MW solar facility to support the plant's auxiliaries.
- In May 2025, we announced the signing of a $62.0 million Hybrid Tax Equity partnership with Morgan Stanley Renewables, Inc. The partnership's transaction covers the Lower Rio 60MW/120MWh storage facility and the Arrowleaf 35MW/140MWh storage and 42MW solar projects, which are expected to achieve Commercial Operation Date ("COD") by the end of 2025.
- In February 2025, we won a tender issued by the Israeli Electricity Authority and have been awarded two separate 15-year tolling agreements for two Energy Storage facilities. The facilities under the tolling agreements are expected to have a combined capacity of approximately 300MW/1200MWh. The ownership of the projects will be shared, 50/50 between Ormat and Allied Infrastructure LTD, a leading infrastructure company in Israel.

- In February 2025, we announced the successful COD for the Ijen geothermal power plant that is owned jointly with PT Medco Power Indonesia ("Medco Power"). The Ijen Geothermal Power Plant, equipped with OEC, began operations with its first phase, delivering 35 MW of electricity power to the Java grid, Ormat's share of the facility is 17MW.
- In January 2025, we announced the signing of a 10-year PPA with Calpine Energy Solutions, one of North America's largest energy suppliers. Under this agreement, Calpine Energy Solutions agreed to purchase up to 15MW of clean, renewable energy from the Mammoth 2 geothermal power plant located near Mammoth Lakes, California, to support demand within its retail portfolio. Energy deliveries under the PPA are scheduled to begin in the first quarter of 2027 and will replace the existing PPA with Southern California Edison. The new PPA includes an increase in production capacity and a higher price point.

Trends and Uncertainties

Different trends, factors and uncertainties may impact our operations and financial condition, including many that we do not or cannot foresee. However, we believe that our results of operations and financial condition for the foreseeable future will be primarily affected by trends, factors and uncertainties discussed in our 2024 Annual Report under "Part II - Item 7 – Management Discussion and Analysis of Financial Condition and Results of Operation", in addition to the information set forth in this quarterly report. These trends, factors and uncertainties are, from time to time, also subject to market cycles.

- During 2025, the United States introduced actions to increase import tariffs at various rates, including on certain products imported from almost all countries and individualized higher tariffs on certain other countries, such as China. Other countries have announced retaliatory actions or plans for retaliatory actions in response. Some of these tariff announcements were followed by limited exemptions and temporary pauses. As of the date of this quarterly report, discussions remain ongoing regarding U.S. trade restrictions and tariffs on imports and retaliatory tariffs from numerous countries, and there continues to be significant uncertainty about the future relationship between the United States and other countries regarding such trade policies, treaties, and tariffs. Accordingly, we can make no assurance about the eventual impact on our operating results and business. Our Energy Storage segment growth relies on imported batteries from China, and the growth of projects in the United States in the Electricity segment requires raw materials and equipment from various countries.

  While there has so far been only limited impact on short-term growth in both of these segments, a significant increase in tariffs may lead to a slowdown in the growth of our Energy Storage segment in the United States if we are unable to pass the price increases from tariffs through to our customers. This could affect our long-term growth targets, specifically in our Energy Storage segment in the United States, and, to a lesser extent, across our business. Additionally, increases in the cost of raw materials and equipment resulting from tariffs could increase our capital expenditures for projects built in the United States under our Electricity segment. We have worked to accelerate imports into the United States and have expedited Chinese imports prior to the potential reinstatement of higher tariffs. However, we can make no assurance that we will succeed in avoiding any of these negative consequences. In addition, current uncertainties about tariffs and their effects on trading relationships may contribute to inflation in the markets in which we operate. For more information, see Part II, Item 1A "Risk Factors"

- On July 4, 2025, the OBBB was signed into law by the President of the United States. For more information, see Note 10 of notes to the unaudited condensed consolidated financial statements contained in this quarterly report. The Company is currently evaluating the impact of the OBBB on its consolidated financial statements.

Revenues

For the six months ended June 30, 2025, 94.0% of our Electricity segment revenues were derived from PPAs with fixed energy rates, which are not affected by fluctuations in energy commodity prices. We have a variable price PPA in Hawaii, which provides for payments based on the local utilities' avoided cost, which is the incremental cost that the power purchaser avoids by not having to generate such electrical energy itself or purchase it from others. In Hawaii, the prices paid for electricity pursuant to the 25MW PPA for the Puna Complex in Hawaii change primarily as a result of variations in the price of oil, as well as other commodities. In 2024, the HPUC approved a new PPA related to Puna with fixed prices, increased capacity and an extension of the term until 2052.

To comply with obligations under their respective PPAs, certain of our project subsidiaries are structured as special purpose, bankruptcy remote entities and their assets and liabilities are ring-fenced. Such assets are not generally available to pay our debt, other than debt at the respective project subsidiary level. However, these project subsidiaries are allowed to pay dividends and make distributions of cash flows generated by their assets to us, subject in some cases to restrictions in debt instruments, as described below.

Electricity segment revenues are also subject to seasonal variations and are affected by higher-than-average ambient temperatures, as described below under "Seasonality". These variations became severe in recent years due to extreme weather events and in some cases cannot be forecasted.

Revenues attributable to our Product segment are based on the sale of equipment, engineering, procurement and construction contracts and the provision of various services to our customers, or as related to the Dominica project, under a BOT agreement with the Commonwealth of Dominica. Product segment revenues vary from period to period because of the timing of our receipt of purchase orders and the progress of our equipment manufacturing and execution of the relevant project.

Revenues attributable to our Energy Storage segment are generated by several grid-connected BESS facilities that we own and operate that sell energy, capacity and/or ancillary services in merchant markets like PJM Interconnect, ISO New England, ERCOT and CAISO or under tolling agreements that have fixed revenues. The revenues fluctuate over time since a large portion of such revenues are generated in the merchant markets, where price volatility is inherent. We are seeking to reduce volatility by increasing the amount of long-term tolling agreements in our portfolio.

The following table sets forth a breakdown of our revenues for the periods indicated:

	Revenue		Increase (Decrease)		% of Revenues for Period Indicated	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2025	2024	2025		2025	2024
	(Dollars in thousands)					
Revenues:						
Electricity	$ 159,912	$ 166,226	$ (6,314)	(3.8)%	68.3 %	78.1 %
Product	59,612	37,829	21,783	57.6	25.5	17.8
Energy storage	14,494	8,908	5,586	62.7	6.2	4.2
Total	$ 234,018	$ 212,963	$ 21,055	9.9 %	100.0 %	100.0 %

	Revenue		Increase (Decrease)		% of Revenues for Period Indicated	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025		2025	2024
	(Dollars in thousands)					
Revenues:						
Electricity	$ 340,153	$ 357,479	$ (17,326)	(4.8)%	73.3 %	81.8 %
Product	91,381	62,661	28,720	45.8	19.7	14.3
Other	32,246	16,989	15,257	89.8	7.0	3.9
Total	$ 463,780	$ 437,129	$ 26,651	6.1 %	100.0 %	100.0 %

The following table sets forth the geographic breakdown of the revenues attributable to our Electricity, Product and Energy Storage segments for the periods indicated:

	Revenue		Increase (decrease)		% of Revenues for Period Indicated	
	Three Months Ended June 30,		Three Months Ended March 31,		Three Months Ended June 30,	
	2025	2024	2025		2025	2024
Electricity Segment:	(Dollars in thousands)					
United States	$ 111,417	$ 119,695	$ (8,277)	(6.9)%	69.7%	72.0%
Foreign	48,495	46,531	1,964	4.2	30.3	28.0
Total	$ 159,912	$ 166,226	$ (6,313)	(3.8)%	100.0%	100.0%
Product Segment:						
United States	$ 3,523	$ 1,615	$ 1,908	118.1 %	5.9%	4.3%
Foreign	56,089	36,214	19,875	54.9	94.1	95.7
Total	$ 59,612	$ 37,829	$ 21,783	57.6 %	100.0%	100.0%
Energy Storage Segment:						
United States	$ 14,494	$ 8,908	$ 5,587	62.7 %	100.0%	100.0%
Total	$ 14,494	$ 8,908	$ 5,587	62.7 %	100.0%	100.0%

	Revenue		Increase (decrease)		% of Revenues for Period Indicated	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025		2025	2024
	(Dollars in thousands)					
Electricity Segment:						
United States	$ 245,631	$ 263,511	$ (17,880)	(6.8)%	72.2%	73.7%
Foreign	94,522	93,968	554	0.6	27.8	26.3
Total	$ 340,153	$ 357,479	$ (17,326)	(4.8)%	100.0%	100.0%
Product Segment:						
United States	$ 6,762	$ 2,491	$ 4,271	171.5 %	7.4%	4.0%
Foreign	84,619	60,170	24,449	40.6	92.6	96.0
Total	$ 91,381	$ 62,661	$ 28,720	45.8 %	100.0%	100.0%
Energy Storage Segment:						
United States	$ 32,246	$ 16,989	$ 15,257	89.8 %	100.0%	100.0%
Total	$ 32,246	$ 16,989	$ 15,257	89.8 %	100.0%	100.0%

In the six months ended June 30, 2025 and 2024, 38.6% and 35.3% of our total revenues, respectively, were derived from foreign locations, and 44.7% and 38.9%, for the three months ended June 30, 2025 and 2024, respectively. Our foreign operations had higher Electricity gross margins than our U.S. operations in each of those periods. A substantial portion of Electricity segment foreign revenues came from Kenya and to a lesser extent, from Honduras, Guadeloupe and Guatemala. Our operations in Kenya contributed disproportionately to gross profit and net income. The contribution to combined pre-tax income of our domestic and foreign operations within our Electricity segment and Product segment differ in a number of ways, as summarized below.

Electricity Segment. Our Electricity segment domestic revenues were approximately 72.2% and 73.7% of our total Electricity segment revenues for the six months ended June 30, 2025 and 2024, respectively, and 69.7% and 72.0%, for the three months ended June 30, 2025 and 2024, respectively. Our Electricity segment foreign revenues were approximately 27.8% and 26.3% of our total Electricity segment revenues for the six months ended June 30, 2025 and 2024, respectively and 30.3% and 28.0%, for the three months ended June 30, 2025 and 2024, respectively. However, domestic operations have higher costs of revenues and expenses than our foreign operations. Our foreign power plants are located in lower-cost regions, like Kenya, Guatemala, and Honduras, which favorably impact payroll, maintenance expenses and other items. Our power plants in those foreign locations are also newer than most of our domestic power plants and therefore tend to have lower maintenance costs and higher availability factors than our domestic power plants. Consequently, in the six months ended June 30, 2025 and 2024, our foreign operations of the segment accounted for 40.1% and 36.9%, respectively, of our total gross profits, 70.5% and 74.3%, respectively, of our net income (assuming the majority of corporate operating expenses and financing are recorded under our domestic jurisdiction), and 28.6% and 31.0%, respectively, of our EBITDA.

Product Segment. Our Product segment foreign revenues were approximately 92.6% and 96.0% of our total Product segment revenues for the six months ended June 30, 2025 and 2024, respectively, and 94.1% and 95.7%, for the three months ended June 30, 2025 and 2024, respectively.

Energy Storage Segment. Our Energy Storage segment domestic revenues were 100% of our total Energy Storage segment revenues for each of the three and six months ended June 30, 2025 and 2024.

Seasonality

Electricity generation from some of our geothermal power plants is subject to seasonal variations. In the winter, our power plants produce more energy primarily attributable to the lower ambient temperature, which has a favorable impact on the energy component of our Electricity segment revenues as the prices under many of our contracts are fixed throughout the year with no time-of-use impact. The prices paid for electricity under the PPAs for the Mammoth Complex and the North Brawley power plant in California, the Raft River power plant in Idaho, the Neal Hot Springs power plant in Oregon and the Dixie Valley power plant in Nevada are higher in the months of June through September. The higher payments payable under these PPAs in the summer months partially offset the negative impact on our revenues from lower generation in the summer attributable to a higher ambient temperature. As a result, we expect the revenues and gross profit in the winter months to be higher than the revenues and gross profit in the summer months and in general we expect the first and fourth quarters to generate higher revenues than the second and third quarters. In the Energy Storage segment pursuant to the Bottleneck tolling agreement, approximately 45% of the revenues are generated in the third quarter, and the rest is nearly even between the first, second and fourth quarters.

Breakdown of Cost of Revenues

The principal cost of revenues attributable to our three segments are discussed in our 2024 Annual Report under "Part II - Item 7 – "Management Discussion and Analysis of Financial Condition and Results of Operations."

Critical Accounting Estimates and Assumptions

A comprehensive discussion of our critical accounting estimates and assumptions is included in our 2024 Annual Report under "Part II, Item 7 — "Management Discussion and Analysis of Financial Condition and Results of Operations."

New Accounting Pronouncements

See Note 2 to our condensed consolidated financial statements set forth in Item 1 of this quarterly report for information regarding new accounting pronouncements.

Results of Operations

Our historical operating results in U.S. dollars and as a percentage of total revenues are presented below for each of the periods indicated.

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Statements of Operations Historical Data:				
Revenues:				
Electricity	$ 159,912	$ 166,226	$ 340,153	$ 357,479
Product	59,612	37,829	91,381	62,661
Energy storage	14,494	8,908	32,246	16,989
Total Revenues	234,018	212,963	463,780	437,129
Cost of revenues:				
Electricity	121,236	110,515	241,069	227,245
Product	43,118	32,662	67,802	53,816
Energy storage	12,769	8,400	25,087	15,872
Total cost of revenues	177,123	151,577	333,958	296,933
Gross profit				
Electricity	38,676	55,711	99,084	130,234
Product	16,494	5,167	23,579	8,845
Energy storage	1,725	508	7,159	1,117
Total gross profit	56,895	61,386	129,822	140,196
Operating expenses:				
Research and development expenses	1,439	1,730	3,981	3,294
Selling and marketing expenses	4,370	4,167	8,542	9,293
General and administrative expenses	19,786	18,026	37,695	37,563
Other operating income	(4,269)	—	(7,394)	—
Impairment of long-lived assets	—	957	—	957
Write-off of unsuccessful exploration and storage activities	251	1,379	767	1,379
Operating income	35,318	35,127	86,231	87,710
Other income (expense):				
Interest income	1,929	2,604	3,242	4,443
Interest expense, net	(36,682)	(33,716)	(71,155)	(64,684)
Derivatives and foreign currency transaction gains (losses)	5,068	(332)	7,128	(1,914)
Income attributable to sale of tax benefits	16,251	15,798	33,822	33,274
Other non-operating income, net	76	74	298	100
Income from operations before income tax and equity in earnings (losses) of investees	21,960	19,555	59,566	58,929
Income tax (provision) benefit	5,466	3,178	9,261	3,325
Equity in earnings of investees	773	1,232	406	2,061
Net income	28,199	23,965	69,233	64,315
Net income attributable to noncontrolling interest	(153)	(1,722)	(825)	(3,485)
Net income attributable to the Company's stockholders	$ 28,046	$ 22,243	$ 68,408	$ 60,830
Earnings per share attributable to the Company's stockholders:				

Basic:	$ 0.46	$ 0.37	$ 1.13	$ 1.01
Diluted:	$ 0.46	$ 0.37	$ 1.12	$ 1.00
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic	60,689	60,451	60,624	60,419
Diluted	61,019	60,755	60,973	60,655

Operating results as a percentage of total revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Statements of Operations Data:				
Revenues:				
Electricity	68.3 %	78.1 %	73.3 %	81.8 %
Product	25.5	17.8	19.7	14.3
Energy storage	6.2	4.2	7.0	3.9
Total Revenues	100.0	100.0	100.0	100.0
Cost of revenues:				
Electricity	75.8	66.5	70.9	63.6
Product	72.3	86.3	74.2	85.9
Energy storage	88.1	94.3	77.8	93.4
Total cost of revenues	75.7	71.2	72.0	67.9
Gross profit				
Electricity	24.2	33.5	29.1	36.4
Product	27.7	13.7	25.8	14.1
Energy storage	11.9	5.7	22.2	6.6
Total gross profit	24.3	28.8	28.0	32.1
Operating expenses:				
Research and development expenses	0.6	0.8	0.9	0.8
Selling and marketing expenses	1.9	2.0	1.8	2.1
General and administrative expenses	8.5	8.5	8.1	8.6
Other operating income	(1.8)	—	(1.6)	—
Impairment of long-lived assets	—	0.4	—	0.2
Write-off of unsuccessful exploration and storage activities	0.1	0.6	0.2	0.3
Operating income	15.1	16.5	18.6	20.1
Other income (expense):				
Interest income	0.8	1.2	0.7	1.0
Interest expense, net	(15.7)	(15.8)	(15.3)	(14.8)
Derivatives and foreign currency transaction gains (losses)	2.2	(0.2)	1.5	(0.4)
Income attributable to sale of tax benefits	6.9	7.4	7.3	7.6
Other non-operating income, net	—	—	0.1	—
Income from operations before income tax and equity in earnings (losses) of investees	9.4	9.2	12.8	13.5
Income tax (provision) benefit	2.3	1.5	2.0	0.8
Equity in earnings of investees	0.3	0.6	0.1	0.5
Net income	12.0	11.3	14.9	14.7
Net income attributable to noncontrolling interest	(0.1)	(0.8)	(0.2)	(0.8)
Net income attributable to the Company's stockholders	12.0 %	10.4 %	14.8 %	13.9 %

Comparison of the Three Months Ended June 30, 2025 to the Three Months Ended June 30, 2024

Total Revenues

The table below compares revenues for the three months ended June 30, 2025 to the three months ended June 30, 2024.

	Three Months Ended June 30,		
	2025	**2024**	**Change**
	(Dollars in millions)		
Electricity segment	$ 159.9	$ 166.2	(3.8)%
Product segment	59.6	37.8	57.6
Energy Storage segment	14.5	8.9	62.7
Total revenues	$ 234.0	$ 213.0	9.9 %

Electricity Segment

Revenues attributable to our Electricity segment for the three months ended June 30, 2025 were $159.9 million, compared to $166.2 million for the three months ended June 30, 2024. This decrease of $6.3 million was mainly attributable to: (i) a $6.9 million decrease in the second quarter of 2025 primarily due to a temporary reduction in power generation in our Puna power plant, caused primarily by wellfield issues; and (ii) a $5.5 million decrease related to the McGinness Hills complex and the Tungsten power plant, primarily as a result of curtailments from the transmission system operator. This decrease was partially offset by: (i) a $3.4 million increase in the Dixie Valley power plant compared to the second quarter 2024 during which the power plant had an unscheduled outage; and (ii) a $2.1 million increase in the Beowawe power plant, primarily due to the commencement of operation of the 6MW repower project in the second quarter of 2024, resulting in higher revenues, period over period.

Power generation in our power plants increased by 0.9% from 1,731,282 MWh in the three months ended June 30, 2024 to 1,747,022 MWh in the three months ended June 30, 2025.

Product Segment

Revenues attributable to our Product segment for the three months ended June 30, 2025 were $59.6 million, compared to $37.8 million for the three months ended June 30, 2024. This increase of $21.8 million, or 57.6%, is primarily related to the progress in our projects and timing of when revenues are recognized during the period. During the three months ended June 30, 2025 and 2024, Product revenues included projects primarily in New Zealand and Dominica.

Energy Storage Segment

Revenues attributable to our Energy Storage segment for the three months ended June 30, 2025 were $14.5 million compared to $8.9 million for the three months ended June 30, 2024. This increase of $5.6 million is primarily related to $3.2 million from new energy storage facilities with COD in the fourth quarter of 2024, such as Bottleneck and Montague, as well as higher energy rates at PJM interconnect facilities in the three months ended June 30, 2025, compared to the same period in the previous year.

Total Cost of Revenues

The table below compares cost of revenues for the three months ended June 30, 2025 to the three months ended June 30, 2024.

	Three Months Ended June 30,		
	2025	2024	Change
	(Dollars in millions)		
Electricity segment	$ 121.2	$ 110.5	9.7 %
Product segment	43.1	32.7	32.0
Energy Storage segment	12.8	8.4	52.0
Total cost of revenues	$ 177.1	$ 151.6	16.9 %

Electricity Segment

Total cost of revenues attributable to our Electricity segment for the three months ended June 30, 2025 was $121.2 million, compared to $110.5 million for the three months ended June 30, 2024, which represents an increase of $10.7 million, or 9.7%. This increase is primarily attributable to (i) an increase in the aggregated amount of power plants depreciation of $5.2 million, as a results of our investments in our power plants; (ii) an increase of $1.4 million in the Dixie Valley power plant compared to the second quarter 2024 during which the power plant had an unscheduled outage; (iii) a $1.3 million increase in the Heber power plant, primarily as a result of property tax charge relating to prior years which was recorded in the second quarter of 2025; and (iv) additional increases in lower amounts in our other power plants.

Our total Electricity segment cost of revenues for the three months ended June 30, 2025 was 75.8% of Electricity segment revenues, compared to 66.5% for the three months ended June 30, 2024. The cost of revenues attributable to our international power plants for the three months ended June 30, 2025 was 18.0% of our total Electricity segment cost of revenues for this period compared to 19.1% for the same period in the prior year.

Product Segment

Total cost of revenues attributable to our Product segment for the three months ended June 30, 2025 was $43.1 million, compared to $32.7 million for the three months ended June 30, 2024, which represented a 32.0% increase. This increase is primarily attributable to the increase in Product segment revenues, as discussed above. As a percentage of total Product segment revenues, total cost of revenues attributable to our Product segment for the three months ended June 30, 2025, and 2024, was 72.3% and 86.3%, respectively, which results from the different profitability of the different projects included in each period.

Energy Storage Segment

Cost of revenues attributable to our Energy Storage segment for the three months ended June 30, 2025 was $12.8 million compared to $8.4 million for the three months ended June 30, 2024. This increase is primarily related to the new energy storage facilities which commenced commercial operation in the fourth quarter of 2024, such as Bottleneck and Montague.

Research and Development Expenses, Net

Research and development expenses for the three months ended June 30, 2025 were $1.4 million, compared to $1.7 million for the three months ended June 30, 2024. The decrease in research and development expenses, net is primarily related to the timing of when we allocate resources to research and development projects.

Selling and Marketing Expenses

Selling and marketing expenses for the three months ended June 30, 2025 were $4.4 million compared to $4.2 million for the three months ended June 30, 2024. Selling and marketing expenses for the three months ended June 30, 2025 and 2024 constituted 1.9% and 2.0% of total revenues, respectively.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2025 were $19.8 million compared to $18.0 million for the three months ended June 30, 2024. General and administrative expenses for the three months ended June 30, 2025 and 2024 constituted 8.5% and 8.5% of total revenues, respectively. The increase in general and administrative expenses of $1.8 million is primarily attributable to certain merger and acquisition expenses incurred during the three months ended June 30, 2025, including $0.6 million related to the Blue Mountain purchase transaction, as well as timing of when we incur services from our vendors.

Other Operating Income

Other operating income for the three months ended June 30, 2025 was $4.3 million compared to none for the three months ended June 30, 2024. Other operating income primarily represents the non-refundable portion of the recovery of damages received from a third-party battery systems supplier as part of a settlement agreement entered into in August 2024, for which contingency conditions have been met.

Impairment of Long-Lived Assets

There was no impairment of long-lived assets in the three months ended June 30, 2025. The Company recorded an impairment of long-lived assets of $1.0 million in the three months ended June 30, 2024, related to the termination of the waste heat agreement between the Company's wholly-owned subsidiary, OREG4, and Highline Electric Association, Inc., effective May 2024.

Write-off of Unsuccessful Exploration and Storage Activities

Write-off of unsuccessful exploration and storage activities for the three months ended June 30, 2025 was $0.3 million compared to $1.4 million for the three months ended June 30, 2024. The write-offs in the three months ended June 30, 2024 are primarily related to geothermal exploration projects that the Company decided to no longer pursue.

Interest Income

Interest Income for the three months ended June 30, 2025 was $1.9 million, compared to $2.6 million for the three months ended June 30, 2024. Interest income is primarily related to interest earned on cash and cash equivalents held by the Company during the period. The decrease in interest income is primarily related to lower average balances of cash and cash equivalents period over period.

Interest Expense, Net

Interest expense, net for the three months ended June 30, 2025 was $36.7 million, compared to $33.7 million for the three months ended June 30, 2024. This increase of $3.0 million was primarily attributable to interest expense relating to loan agreements entered into during, or subsequently to, the second quarter of 2024 such as: (i) the Discount 2024 Loan and the Discount 2024 II loans entered into in May 2024 and September 2024, respectively; (ii) the Bottleneck Loan entered into in November 2024; (iii) the issuance of the Additional 2.50% Senior Convertible Notes in July 2024; (iv) the Mizrahi 2025 Loan entered into in February 2025; (v) the Discount 2025 Loan and Hapoalim 2025 Loan entered into in March 2025; and (vi) the Discount 2025 II Loan entered into in May 2025. This increase was partially offset by lower interest expenses on other existing loans as a result of scheduled payments.

Derivatives and Foreign Currency Transaction Gains (Losses)

Derivatives and foreign currency transaction gains and losses for the three months ended June 30, 2025 was a gain of $5.1 million, compared to a loss of $0.3 million for the three months ended June 30, 2024. Derivatives and foreign currency transaction gains and losses primarily include gain and losses from foreign currency forward contracts which were not accounted for as hedge transactions, and the impact of changes in foreign currency exchange rate related to foreign locations where the Company operates in, against the U.S. Dollar.

Income Attributable to Sale of Tax Benefits

Income attributable to the sale of tax benefits for the three months ended June 30, 2025 was $16.3 million, compared to $15.8 million for the three months ended June 30, 2024. This income primarily represents the value of production tax credits ("PTCs") and taxable income or loss generated by certain of our power plants which are allocated to investors under tax equity transactions, as well as to income related to the expected sale of transferable PTCs under the IRA regulations.

Other Non-Operating Income (Expense), Net

Other non-operating income (expense), net for the three months ended June 30, 2025 was an income of $0.1 million, compared to an income of $0.1 million for the three months ended June 30, 2024.

Income Taxes

Income tax benefit for the three months ended June 30, 2025 was $5.5 million compared to income tax benefit of $3.2 million for the three months ended June 30, 2024. Our effective tax rate for the three months ended June 30, 2025 and 2024, was (24.9)% and (16.3)%, respectively. The effective rate differs from the federal statutory rate of 21% primarily due to the generation of additional investment tax credits and the jurisdictional mix of earnings at differing tax rates.

Equity in Earnings (Losses) of Investees, Net

Equity in earnings of investees, net for the three months ended June 30, 2025 was earnings of $0.8 million, compared to earnings of $1.2 million for the three months ended June 30, 2024. Equity in earnings (losses) of investees, net is derived from our 12.75% share in the earnings or losses in the Sarulla Consortium ("Sarulla") and our 49% share in the earnings or losses in the Ijen geothermal project.

Net Income Attributable to the Company's Stockholders

Net income attributable to the Company's stockholders for the three months ended June 30, 2025 was $28.0 million, compared to $22.2 million for the three months ended June 30, 2024, which represents an increase of $5.8 million. This increase is attributable to a increase of $4.2 million in net income which was affected by the explanations described above, and a decrease of $1.6 million in net income attributable to noncontrolling interest, which is primarily related to the noncontrolling share in the net results of the Puna and Guadeloupe power plants.

Comparison of the Six Months Ended June 30, 2025 to the Six Months Ended June 30, 2024

Total Revenues

The table below compares revenues for the six months ended June 30, 2025 to the six months ended June 30, 2024.

	Six Months Ended June 30,		
	2025	**2024**	**Change**
	(Dollars in millions)		
Electricity segment	$ 340.2	$ 357.5	(4.8)%
Product segment	91.4	62.7	45.8
Energy Storage segment	32.2	17.0	89.8
Total revenues	$ 463.8	$ 437.1	6.1 %

Electricity Segment

Revenues attributable to our Electricity segment for the six months ended June 30, 2025, were $340.2 million, compared to $357.5 million for the six months ended June 30, 2024. The decrease of $17.3 million in our Electricity segment revenues was mainly attributable to: (i) a $6.4 million decrease due to a temporary reduction in generation in our Puna power plant, primarily caused by wellfield issues in the first half of 2025; (ii) a $6.5 million decrease related to curtailments mainly from McGinness Hills, Tungsten and Dixie Valley; (iii) a $2.6 million decrease related to the Stillwater power plant, primarily due to planned repowering of the power plant; and (iv) an additional reduction in revenues in lower amounts at a number of other power plants. This decrease was partially offset by a $3.6 million increase in revenues in the Beowawe power plant, primarily due to a full year of operation of the Beowawe power plant.

Power generation in our power plants decreased by 0.1% from 3,761,131 MWh in the six months ended June 30, 2024 to 3,756,619 MWh in the six months ended June 30, 2025.

Product Segment

Revenues attributable to our Product segment for the six months ended June 30, 2025 were $91.4 million, compared to $62.7 million for the six months ended June 30, 2024. This increase of $28.7 million, or 45.8%, is primarily related to the progress in our projects which results in the timing of when revenues are recognized. During the six months ended June 30, 2025, Product revenues included projects primarily in New Zealand and Dominica, and during the six months ended June 30, 2024, Product revenues primarily included projects in New Zealand, Dominica and Indonesia.

Energy Storage Segment

Revenues attributable to our Energy Storage segment for the six months ended June 30, 2025 were $32.2 million compared to $17.0 million for the six months ended June 30, 2024. The increase of $15.3 million is primarily related to the new energy storage facilities which commenced commercial operation after the first half of 2024 such as Montague and Bottleneck in the fourth quarter of 2024, and the East Flemington energy storage facility which commenced commercial operations during the first quarter of 2024, as well as higher energy rates at PJM interconnect facilities in the six months ended June 30, 2024, compared to the same period in the previous year.

Total Cost of Revenues

The table below compares cost of revenues for the six months ended June 30, 2025 to the six months ended June 30, 2024.

	Six Months Ended June 30,		
	2025	2024	Change
	(Dollars in millions)		
Electricity segment	$ 241.1	$ 227.2	6.1 %
Product segment	67.8	53.8	26.0
Energy Storage segment	25.1	15.9	58.1
Total cost of revenues	$ 334.0	$ 296.9	12.5 %

Electricity Segment

Total cost of revenues attributable to our Electricity segment for the six months ended June 30, 2025 was $241.1 million, compared to $227.2 million for the six months ended June 30, 2024, which represents an increase of $13.8 million, or 6.1%. The increase is primarily attributable to (i) an increase in the aggregated amount of power plants depreciation of $10.0 million, as a results of our investments in our power plants; (ii) an increase of $1.5 million and $1.3 million, in the CD4 power plant and the Heber complex, respectively, associated with property tax expenses relating to prior years which were recorded in 2025; and (iii) additional increases in lower amounts in our other power plants.

Our total Electricity segment cost of revenues for the six months ended June 30, 2025 was 70.9% of Electricity revenues, compared to 63.6% for the six months ended June 30, 2024. The cost of revenues attributable to our international power plants for the six months ended June 30, 2025 was 17.6% of our total Electricity segment cost of revenues for this period, compared to 18.6% for the same period in the prior year.

Product Segment

Total cost of revenues attributable to our Product segment for the six months ended June 30, 2025 was $67.8 million, compared to $53.8 million for the six months ended June 30, 2024, which represented a 26.0% increase. This increase was primarily attributable to the increase in Product segment revenues as discussed above. As a percentage of total Product segment revenues, our total cost of revenues attributable to our Product segment for the six months ended June 30, 2025, and 2024, was 74.2% and 85.9%, respectively, which results from the different profitability of the different projects included in each period.

Energy Storage Segment

Cost of revenues attributable to our Energy Storage segment for the six months ended June 30, 2025 was $25.1 million compared to $15.9 million for the six months ended June 30, 2024. This increase is primarily related to the new energy storage facilities which commenced commercial operation in the fourth quarter of 2024, such as Bottleneck and Montague.

Research and Development Expenses, Net

Research and development expenses for the six months ended June 30, 2025 were $4.0 million, compared to $3.3 million for the six months ended June 30, 2024. The increase in research and development expenses is mainly attributable to the timing of research and development projects that took place during the six months ended June 30, 2025 compared to the corresponding period in 2024.

Selling and Marketing Expenses

Selling and marketing expenses for the six months ended June 30, 2025 were $8.5 million compared to $9.3 million for the six months ended June 30, 2024. Selling and marketing expenses for the six months ended June 30, 2025, constituted 1.8% of total revenues for such period, compared to 2.1% for the six months ended June 30, 2024.

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2025 were $37.7 million compared to $37.6 million for the six months ended June 30, 2024. The increase of $0.1 million in general and administrative expenses is primarily attributable to the timing of when we incur services from our vendors.

Other Operating Income

Other operating income for the six months ended June 30, 2025 was $7.4 million compared to none for the six months ended June 30, 2024. Other operating income primarily represents the non-refundable portion of the recovery of damages received from a third-party battery systems supplier as part of a settlement agreement entered into in August 2024, for which contingency conditions have been met.

Impairment of Long-Lived Assets

There was no impairment of long-lived assets in the six months ended June 30, 2025. Impairment of long-lived assets for the six months ended June 30, 2024 of $1.0 million was related to the termination of the waste heat agreement between the Company's wholly-owned subsidiary, OREG4, and Highline Electric Association, Inc., effective May 2024.

Write-off of Unsuccessful Exploration and Storage Activities

Write-off of unsuccessful exploration and storage activities for the six months ended June 30, 2025 was $0.8 million, compared to $1.4 million for the six months ended June 30, 2024. These write-offs are related to accumulated costs of geothermal exploration and storage projects that the Company decided to no longer pursue.

Interest Income

Interest Income for the six months ended June 30, 2025 was $3.2 million, compared to $4.4 million for the six months ended June 30, 2024. Interest income is primarily related to interest earned on cash and cash equivalents held by the Company during the period. The decrease in interest income is primarily related to lower average balances of cash and cash equivalents period over period.

Interest Expense, Net

Interest expense, net for the six months ended June 30, 2025 was $71.2 million, compared to $64.7 million for the six months ended June 30, 2024. This increase of $6.5 million is primarily attributable to interest expenses relating to loan agreements entered into during, or subsequent to, the six months ended June 30, 2024 such as: (i) the Mammoth Senior Secured Notes entered into in March 2024; (ii) the DEG 4 Loan entered into in April 2024; (iii) the Discount 2024 Loan and the Discount 2024 II loans entered into in May 2024 and September 2024, respectively; (iv) the issuance of the Additional 2.50% Senior Convertible Notes in July 2024; (v) the Bottleneck Loan entered into in November 2024; (vi) the Mizrahi 2025 Loan entered into in February 2025; (vii) the Discount 2025 Loan and Hapoalim 2025 Loan entered into in March 2025; and (viii) the Discount 2025 II Loan entered into in May 2025. This increase was partially offset by lower interest expenses on other long-term loans as a result of regular principal payments.

Derivatives and Foreign Currency Transaction Gains (Losses)

Derivatives and foreign currency transaction gains and losses for the six months ended June 30, 2025 was a gain of $7.1 million, compared to a loss of $1.9 million for the six months ended June 30, 2024. Derivatives and foreign currency transaction gains and losses primarily includes losses from foreign currency forward contracts which were not accounted for as hedge transactions, and the impact of changes in the foreign currency exchange rate related to foreign locations where the Company operates in, against the U.S. Dollar.

Income Attributable to Sale of Tax Benefits

Income attributable to the sale of tax benefits for the six months ended June 30, 2025 was $33.8 million, compared to $33.3 million for the six months ended June 30, 2024. This income primarily represents the value of PTCs and taxable income or loss generated by certain of our power plants which are allocated to investors under tax equity transactions, and to income related to the expected sale of transferable production tax credits under the IRA regulations.

Other Non-Operating Income (Expense), Net

Other non-operating income (expense), net for the six months ended June 30, 2025 was $0.3 million, compared to $0.1 million for the six months ended June 30, 2024.

Income Taxes

Income tax benefit for the six months ended June 30, 2025 was $9.3 million compared to income tax benefit of $3.3 million for the six months ended June 30, 2024. Our effective tax rate for the six months ended June 30, 2025 and 2024, was (15.5)% and (5.6)%, respectively. The effective rate differs from the federal statutory rate of 21% for the six months ended June 30, 2025 primarily due to the generation of additional investment tax credits and the jurisdictional mix of earnings at differing tax rates.

Equity in Earnings (losses) of Investees, Net

Equity in earnings and losses of investees, net for the six months ended June 30, 2025 was earnings of $0.4 million, compared to earnings of $2.1 million for the six months ended June 30, 2024. Equity in earnings and losses of investees, net is mainly derived from our 12.75% share in the earnings or losses in the Sarulla consortium and our 49% share in the earnings or losses from the Ijen geothermal project. The increase in equity in earnings of investees is primarily related to the increase in net income generated by the Ijen project.

Net Income Attributable to the Company's Stockholders

Net income attributable to the Company's stockholders for the six months ended June 30, 2025 was $68.4 million, compared to $60.8 million for the six months ended June 30, 2024, which represents an increase of $7.6 million. This increase was attributable to the increase of $4.9 million in net income which was affected by the explanations described above, as well as a decrease of $2.7 million in net income attributable to noncontrolling interest, which is primarily related to the noncontrolling share in the net results of the Puna and Guadeloupe power plants.

Liquidity and Capital Resources

Our principal sources of liquidity have been derived from cash flows from operations, proceeds from third party debt such as borrowings under our credit facilities, private or public offerings and issuances of debt or equity securities, project financing and tax monetization transactions, short term borrowing under our lines of credit, and proceeds from the sale of equity interests in one or more of our projects. We have utilized this cash to develop and construct power plants, fund our acquisitions, pay down existing outstanding indebtedness, and meet our other cash and liquidity needs.

As of June 30, 2025, we had access to (i) $88.5 million in cash and cash equivalents, of which $35.4 million is held by our foreign subsidiaries; and (ii) $358.6 million of unused corporate borrowing capacity under existing committed lines for credit and letters of credit with different commercial banks.

Our estimated capital needs for the remainder of 2025 include $295 million for capital expenditures on new projects under development or construction including energy storage projects, exploration activity and maintenance capital expenditures for our existing projects. In addition, $120.9 million will be needed for long-term debt repayment.

We expect to finance these requirements with: (i) the sources of liquidity described above; (ii) positive cash flows from our operations; and (iii) future project financings and re-financings (including construction loans and tax equity transactions). Management believes that, based on the current stage of implementation of our strategic plan, the sources of liquidity and capital resources described above will address our anticipated liquidity, capital expenditures, and other investment requirements.

As of June 30, 2025, we continue to maintain our assertion to no longer indefinitely reinvest foreign funds held by our foreign subsidiaries, and have accrued the incremental foreign withholding taxes. Accordingly, during the six months ended June 30, 2025, we included a foreign income tax expense of $0.6 million related to foreign withholding taxes on accumulated earnings of all of our foreign subsidiaries.

As further described under Note 1 to the condensed consolidated financial statements, the Company entered into the following new loan agreements during the six months ended June 30, 2025: (i) the Mizrahi 2025 Loan in February 2025 for $50.0 million; (ii) the Discount 2025 Loan in March 2025 for $50.0 million; (iii) the Hapoalim 2025 Loan in March 2025, and later in June 2025, for total of $150.0 million; and (iv) the Discount 20205 II Loan in May 2025 for $50 million. Additionally, in May 2025, the Company entered into a hybrid tax equity partnership with a private investor for the purpose of monetizing ITCs for a total consideration of $62.0 million, which will be paid upon the achievement of substantial completion milestones, and as further described under Note 11 to the condensed consolidated financial statements, in July

20205, the Company entered in a tax monetization transaction with a private investor for the purpose of monetizing PTCs for a total consideration of $77.0 million and additional installments expected to amount to approximately $25.6 million.

Letters of Credits Under Credit Agreements

Some of our customers require our project subsidiaries to post letters of credit in order to guarantee their respective performance under relevant contracts. We are also required to post letters of credit to secure our obligations under various leases and licenses and may, from time to time, decide to post letters of credit in lieu of cash deposits in reserve accounts under certain financing arrangements. In addition, our subsidiary, Ormat Systems, is required from time to time to post performance letters of credit in favor of our customers with respect to orders of products.

Credit Agreements	Amount Issued	Issued and Outstanding as of June 30, 2025	Termination Date
	(Dollars in millions)		
Committed lines for credit and letters of credit	$ 533.0	$ 174.4	August 2025-June 2028
Committed lines for letters of credit	155.0	91.9	August 2025-March 2026
Non-committed lines	—	44.9	October 2025
Total	$ 688.0	$ 311.2	

Restrictive Covenants

Our obligations under the credit agreements, the loan agreements, and the trust instrument governing the bonds described above, are unsecured, but we are subject to a negative pledge in favor of the banks and the other lenders and certain other restrictive covenants. These include, among other things, restraints on: (i) creating any floating charge or any permanent pledge, charge or lien over our assets without obtaining the prior written approval of the lender; (ii) guaranteeing the liabilities of any third party without obtaining the prior written approval of the lender; and (iii) selling, assigning, transferring, conveying or disposing of all or substantially all of our assets, or a change of control in our ownership structure. Some of the credit agreements, the term loan agreements, and the trust instrument contain cross-default provisions with respect to other material indebtedness owed by us to any third party. In some cases, we have agreed to maintain certain financial ratios, which are measured quarterly, such as: (i) equity of at least $750 million and in no event less than 25% of total assets; and (ii) 12-month debt, net of cash, cash equivalents, and short-term bank deposits to Adjusted EBITDA ratio not to exceed 6. As of June 30, 2025: (i) total equity was $2,618.8 million and the actual equity to total assets ratio was 43.5% and (ii) the 12-month debt, net of cash, cash equivalents, to Adjusted EBITDA ratio was 4.39. During the six months ended June 30, 2025, we distributed interim dividends in an aggregate amount of $14.6 million. The failure to perform or observe any of the covenants set forth in such agreements, subject to various cure periods, would result in the occurrence of an event of default and would enable the lenders to accelerate all amounts due under each such agreement.

As described above, we are currently in compliance with our covenants with respect to the credit agreements, the loan agreements and the trust instrument (except as described below), and believe that the restrictive covenants, financial ratios and other terms of any of our full-recourse bank credit agreements will not materially impact our business plan or operations.

As of June 30, 2025, we did not meet the dividend distribution criteria related to the Mammoth Senior Secure Notes, which resulted in certain equity distribution restrictions from this related subsidiary. The amount restricted for distribution by this subsidiary was $4.7 million as of June 30, 2025. Additionally, as of June 30, 2025, we were not in compliance with the Platanares DFC Loan finance agreement due to a breach of payment terms by the offtaker under the PPA. We are currently discussing with the lender on an amendment to the finance agreement in order to rectify the issue. The amount restricted for distribution by this subsidiary was $3.0 million as of June 30, 2025. There were no restrictions on the retained earnings or net income of Ormat Technologies, Inc., as the parent company, in respect of these matters, as of June 30, 2025.

Future minimum payments

Future minimum cash payments under long-term obligations (including long-term debt, lease obligations and financing liability), as of June 30, 2025, are as follows:

		(Dollars in thousands)
Year ending December 31:		
2025	$	134,914
2026		299,907
2027		769,283
2028		318,660
2029		295,675
Thereafter		881,551
Total	$	2,699,990

Third-Party Debt

Our third-party debt consists of (i) non-recourse and limited-recourse project finance debt or acquisition financing debt that we or our subsidiaries have obtained for the purpose of developing and constructing, refinancing or acquiring our various projects; (ii) full-recourse debt incurred by us or our subsidiaries for general corporate purposes; (iii) financing liability related to the business combination purchase transaction of the Terra-Gen geothermal assets; (iv) convertible senior notes; (v) commercial paper; and (vi) short term revolving credit lines with banks which may be drawn as needed.

Non-Recourse, Limited-Recourse, Full-Recourse Third-Party Debt, Financial Liability and Convertible Senior Notes

Loan		Amount Outstanding as of June 30, 2025	Interest Rate Range	Maturity Date
		(Dollars in millions)		
Limited and non-recourse loans: fixed rate	$	622.6	1.7% - 7.0%	March-26 - July-47
Full recourse loans:				
Fixed-rate		862.3	2.9% - 7.9%	January-28- February-33
Variable-rate		340.6	6.6% - 6.7%	September-28 - May-33
Financing liability (1)		219.7	6.0%	June-38
Convertible senior notes (2)		476.4	2.5%	July-27
Short term revolving credit lines with banks		96.5	6.5% - 8.8%	December-25 - June-26

(1) Financing Liability

The financing liability is related to the sale and lease back transaction of the Dixie Valley power plant which was acquired as part of the business combination transaction of the Terra-Gen geothermal assets in July 2021. The financing liability bears a fixed interest rate of 6.03% per annum, principal and interest are payable semi-annually, and it matures in June 2038.

(2) Convertible Senior Notes

The Original Convertible Notes due 2027 were issued in June 2022 in a single series of a $431.3 million aggregate principal amount. The Original Convertible Notes bear annual interest at a rate of 2.5%, payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2023. The Original Convertible Notes mature on July 15, 2027, unless earlier converted, redeemed or repurchased. In July 2024, the Company issued an additional $45.2 million aggregate principal amount of its 2.50% Original Convertible Notes.

Short-term Commercial Paper

In October 2023, the Company completed the issuance of the commercial paper in the aggregate amount of $73.2 million, and subsequently on December 11, 2023, the Company issued an additional amount of $26.8 million, under the same terms of the commercial paper framework agreement (together, the "Commercial Paper"). The Commercial Paper was issued for a period of 90 days and extends automatically for additional 90-day periods for up to five years, unless the Company notifies the participants otherwise or a notice of termination is provided by the participants in accordance with the provisions of the Commercial Paper agreement. The Commercial Paper bears an annual interest of three months SOFR +1.1% which is paid at the end of each 90-day period. As of June 30, 2025, the base rate was 4.3%, and the aggregate outstanding amount of the Commercial Paper is $100.0 million.

Dividends

The Company has declared and distributed quarterly dividends of $0.12 per share during the past two years.

Historical Cash Flows

The following table sets forth the components of our cash flows for the periods indicated:

	Six Months Ended June 30,	
	2025	**2024**
	(Dollars in thousands)	
Net cash provided by operating activities	$ 184,907	$ 145,904
Net cash used in investing activities	(432,426)	(524,962)
Net cash provided by financing activities	246,930	255,193
Translation adjustments on cash and cash equivalents	881	(163)
Net change in cash and cash equivalents and restricted cash and cash equivalents	$ 292	$ (124,028)

For the Six Months Ended June 30, 2025

Net cash provided by operating activities for the six months ended June 30, 2025 was $184.9 million, compared to $145.9 million for the six months ended June 30, 2024, representing an increase of $39.0 million. Net cash provided by operating activities for the six months ended June 30, 2025 was primarily attributable to net income of $69.2 million, adjusted for certain non-cash items such as depreciation and amortization, and deferred income tax provision, among others, and primarily by: (i) a net change of $29.4 million in the short-term costs and estimated earnings in excess of billings on uncompleted contracts and short-term billings in excess of costs and estimated earnings on uncompleted contracts, as a result of the timing of billing to our customers; and (ii) a net decrease in trade receivables of $15.9 million, due to the timing of collection from our customers. This was partially offset by: (i) a net increase of $29.4 million in the long-term costs and estimated earnings in excess of billings on uncompleted contracts related to the Dominica project; (ii) a net decrease in accounts payable and accrued expenses of $18.2 million as a result of the timing of payments to our suppliers; and (iii) a net increase in inventories of $6.8 million, primarily related to the timing of allocating costs to projects under construction. Net cash provided by operating activities for the six months ended June 30, 2024 was primarily attributable to net income of $64.3 million for the period, adjusted for certain non-cash items, such as depreciation and amortization, and deferred income tax provision, among others, and primarily to the net decrease in trade receivables of $53.1 million, due to the timing of collection from our customers. This was partially offset by (i) a net decrease in accounts payable and accrued expenses of $42.8 million as a result of timing of payments to our suppliers; (ii) a net increase of $13.7 million in costs and estimated earnings in excess of billings on uncompleted contracts and billings in excess of costs and estimated earnings on uncompleted contracts, as a result of timing of billing to our customers; and (iii) an increase in prepaid expenses and other of $14.0 million, primarily related to timing of prepayments to suppliers and governmental authorities.

Net cash used in investing activities for the six months ended June 30, 2025 was $432.4 million, compared to $525.0 million for the six months ended June 30, 2024. The principal factors that affected our net cash used in investing activities during the six months ended June 30, 2025, and 2024 were: (i) capital expenditures of $327.4 million during the six months ended June 30, 2025, compared to $250.2 million, in the same period of the prior year, primarily for our facilities under construction that support our growth plan; and (ii) cash paid for the business acquisition of the Blue Mountain power plant of $88.7 million in the six months ended June 30, 2025, compared to $274.6 million for the purchase of a portfolio of assets from Enel in the six months ended June 30, 2024.

Net cash provided by financing activities for the six months ended June 30, 2025 was $246.9 million, compared to $255.2 million for the six months ended June 30, 2024. The principal factors that affected the net cash provided by financing activities during the six months ended June 30, 2025 were: (i) net proceeds of $299.3 million from long-term loans entered into during the first half of 2025; (ii) net cash received from revolving credit lines with banks of $96.5 million; and (iii) cash received from noncontrolling interest in the amount of $10.3 million. These cash inflows were partially offset by: (i) scheduled repayments of long-term debt in the amount of $136.8 million; (ii) cash paid in relation to debt issuance transactions of $9.0 million, (iii) cash dividend payment of $14.6 million; and (iv) a cash paid to noncontrolling interest of $3.3 million. The principal factors that affected our net cash provided by financing activities during the six months ended June 30, 2024 were: (i) net proceeds of $392.8 million from long-term loans entered into during the first half of 2024; and (ii) cash received from noncontrolling interest in the amount of $12.3 million. These cash inflows were partially offset by: (i) scheduled repayments of long-term debt in the amount of $108.6 million; (ii) cash paid to noncontrolling interest of $4.0 million; (iii) net proceeds from revolving credit lines with banks of $20.0 million; and (iv) a cash dividend payment of $14.6 million.

Non-GAAP Measures: EBITDA and Adjusted EBITDA

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 and storage 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.

Net income for the three and six months ended June 30, 2025 was $28.2 million and $69.2 million, respectively, compared to $24.0 million and $64.3 million, for the three and six months ended June 30, 2024, respectively.

Adjusted EBITDA for the three and six months ended June 30, 2025 was $134.6 million and $284.9 million, respectively, compared to $126.1 million and $267.3 million, for the three and six months ended June 30, 2024, respectively.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the three and six months period ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)		(Dollars in thousands)	
Net income	$ 28,199	$ 23,965	$ 69,233	$ 64,315
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs)	34,753	31,112	67,913	60,241
Income tax provision (benefit)	(5,466)	(3,178)	(9,261)	(3,325)
Adjustment to investment in unconsolidated companies: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla and Ijen	3,856	3,418	7,277	6,770
Depreciation, amortization and accretion	70,676	62,683	139,832	124,359
EBITDA	$ 132,018	$ 118,000	$ 274,994	$ 252,360
Mark-to-market (gains) or losses of derivative instruments	(3,343)	466	(2,404)	1,279
Stock-based compensation	4,621	5,077	9,533	9,845
Allowance for bad debts	25	221	51	221
Impairment of long-lived assets	—	957	—	957
Merger and acquisition transaction costs	1,009	—	1,009	1,299
Settlement agreement	—	—	900	—
Write-off of unsuccessful exploration and storage activities	251	1,379	767	1,379
Adjusted EBITDA	$ 134,581	$ 126,100	$ 284,850	$ 267,341

As of June 30, 2025, the outstanding carrying value of long-term debt owed by SOL and Ijen, our unconsolidated investments, was $681.0 million, and $105.0 million, respectively, in which our proportionate share was $86.8, million, and $51.5 million, respectively.

Capital Expenditures

Our capital expenditures primarily relate to: (i) the development and construction of new power plants, (ii) the enhancement of our existing power plants; and (iii) investment in activities under our strategic plan.

The following is an overview of projects that are fully released for construction:

Zunil Upgrade (Guatemala). We are expanding the Zunil geothermal power plant in Guatemala to add 5MW of additional capacity. We are planning to sell the electricity generated under the existing PPA with the local utility, Institute Nacional de Electrification or "INDE". Construction has been completed and drilling was delayed to 2026.

Bouillante Repowering (Guadeloupe). We are currently in the process of upgrading the Bouillante project and planning to install a new Ormat energy converter that will add net capacity of 10MW. Major equipment arrived to the site and construction is ongoing. The PPA was recently signed. We expect commercial operation in the second quarter of 2026.

Topp 2 (New Zealand). We are developing the 50MW Topp 2 geothermal power plant in New Zealand which was recently released for construction. We signed an agreement with Eastland Generation Limited ("EGL"), under which the Company will design, build, commission and own the power plant. EGL will operate and maintain the power plant under a separate services arrangement. As part of the development agreement with EGL, the Company has granted EGL a contractual option to purchase the power plant at an agreed purchase price, subject to certain conditions. Construction is progressing towards commissioning. We expect commercial operation in the fourth quarter of 2025.

Dominica. We are developing the 10MW Dominica geothermal power plant in the Dominica Island. We signed a 25-year PPA with the local utility. At the end of the agreement term, ownership of the power plant will be transferred to the local Government. Construction is progressing towards commissioning. An extreme rainy season caused construction delays and we expect commercial operation in the first quarter of 2026.

Cove Fort Upgrade (U.S.). We are upgrading the power plant that was purchased in January 2024 to add 7MW. Construction is ongoing and we expect commercial operation in the first half of 2026.

Stillwater Upgrade (U.S.). We are upgrading the power plant that was purchased in January 2024 to add 5MW. Commissioning is ongoing and we expect commercial operation in the second half of 2025.

Salt Wells Upgrade (U.S.). We are upgrading the power plant that was purchased in January 2024 to add 5MW. Construction is ongoing and we expect commercial operation in the first quarter of 2026.

Blue Mountain Upgrade (U.S.). We are upgrading the power plant that was purchased in June 2025 to add 3.5MW. Engineering work commenced and commercial operation is expected to start in the first half of 2027.

In addition, we are in the process of repowering the Puna power plant.

In the Energy Storage segment, we are currently in the process of constructing several facilities as detailed below:

Project Name	**Size**	**Location**	**Customer**	**Expected COD**
Lower Rio	60MW/120MWh	TX	ERCOT	Q3 2025
Arrowleaf	35MW/140MWh	CA	SDCP	Q4 2025
Bird Dog	60MW/120MWh	CA	SDCP	Q2 2026
Shirk	80MW/320MWh	CA	CAISO	Q1 2026
Israel High Voltage (*)	150MW/600MWh	Israel	Israeli Electricity Authority	2028

(*) Represents our share of two projects, which are joint ventures.

We have budgeted approximately $440.0 million in capital expenditures for the construction of new projects and enhancements to our existing power plants in the Electricity segment, of which we had invested $234.2 million as of June 30, 2025. We expect to invest approximately $85.0 million in the rest of 2025 and the remaining amount of approximately $120.8 million thereafter.

In addition, we estimate approximately $210.0 million in additional capital expenditures in 2025 to be allocated as follows: (i) approximately $85.0 million for the exploration, drilling and development of new projects and enhancements of existing power plants that are not yet released for full construction; (ii) approximately $20.0 million for maintenance capital expenditures for our operating power plants; (iii) approximately $95.0 million for the construction and development of energy storage projects; and (iv) approximately $10.0 million for enhancements to our production facilities.

In the aggregate, we estimate our total capital expenditures for the last three quarters of 2025 to be approximately $295 million.

Exposure to Market Risks

Based on current conditions, we believe that we have sufficient financial resources to fund our activities and execute our business plans. However, due to various factors (including those discussed in "—General—Trends and Uncertainties" in this quarterly report and in the same section of Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2024 Annual Report), the cost of obtaining financing for our project needs may increase significantly or such financing may be difficult to obtain.

We, like other power plant operators, are exposed to electricity price volatility risk. Our exposure to such market risk is currently limited (except for the 25MW PPA for the Puna complex) because the majority of our long-term PPAs have fixed or escalating rate provisions that limit our exposure to changes in electricity prices. Our energy storage projects sell primarily on a "merchant" basis and are exposed to changes in the electricity market prices.

The Puna Complex is currently benefiting from energy prices which are higher than the floor under the 25MW PPA as a result of higher fuel costs that impact HELCO's avoided cost. In 2024, the HPUC approved a new PPA for our Puna power plant, which has a fixed energy price with no escalation and de-links it from oil prices, as discussed above.

As of June 30, 2025, 86.5% of our consolidated long-term debt was at fixed interest rates, and therefore not subject to interest rate volatility risk. During the six months ended June 30, 2025, we entered into the following variable interest rate loans: the Hapoalim 2025 Loan, the Mizrahi 2025 Loan, the Discount 2025 Loan, and the Discount 2025 II Loan, which increased the portion of our variable interest rate in our total consolidated long-term debt. Our short-term commercial paper, which was issued on October 23, 2023, bears an annual interest rate of three months SOFR plus 1.1%, therefore presenting an exposure to interest rate volatility. The outstanding amount of the short-term commercial paper as of June 30, 2025 was $100.0 million.

Our cash equivalents are subject to interest rate risk. We currently maintain our surplus cash in short-term, interest-bearing bank deposits, money market funds, corporate bonds and debt securities that are classified as available for sale (with a minimum investment grade rating of A+ by Standard & Poor’s Ratings Services).

We are also exposed to foreign currency exchange risk, in particular the fluctuation of the U.S. dollar versus the New Israeli Shekel ("NIS") in Israel and the Euro. Risks attributable to fluctuations in currency exchange rates can arise when we, or any of our foreign subsidiaries, borrow funds or incur operating or other expenses in one type of currency but receive revenues in another. In such cases, an adverse change in exchange rates can reduce such subsidiary’s ability to meet its debt service obligations, reduce the amount of cash and income we receive from such foreign subsidiary, or increase such subsidiary’s overall expenses. In Kenya, the tax related asset and liability are recorded in Kenyan Shillings ("KES"), therefore, any change in the exchange rate in the KES versus the U.S. dollar has an impact on our financial results. Risks attributable to fluctuations in the foreign currency exchange rates can also arise when the currency denomination of a particular contract is not the U.S. dollar. Substantially all of our PPAs in the international markets are either U.S. dollar-denominated or linked to the U.S. dollar except for our operations on Guadeloupe, where we own and operate the Bouillante power plant which sells its power under a Euro-denominated PPA with Électricité de France S.A. Our construction contracts from time to time contemplate costs which are incurred in local currencies. The way we often mitigate such risk is to receive part of the proceeds from the contract in the currency in which the expenses are incurred. Currently, we have forward and cross-currency swap contracts in place to reduce our NIS/U.S. dollar currency exposure and expect to continue to use currency exchange and other derivative instruments to the extent we deem such instruments to be the appropriate tool for managing such exposure.

On July 1, 2020, we concluded an auction tender and accepted subscriptions for senior unsecured bonds comprised of NIS 1.0 billion aggregate principal amount (the “Senior Unsecured Bonds - Series 4”). The Senior Unsecured Bonds - Series 4 were issued in New Israeli Shekels and converted to approximately $290 million using a cross-currency swap transaction shortly after the completion of such issuance.

In June 2022, we issued $431.3 million aggregate principal amount of our 2.5% convertible senior notes due in 2027. The convertible senior notes bear annual interest at a rate of 2.5%, payable semiannually in arrears, and mature on July 15, 2027, unless earlier converted, redeemed or repurchased. In July 2024, we issued an additional $45.2 million aggregate principal amount of our 2.50% senior secured notes.

We performed a sensitivity analysis on the fair values of our long-term debt obligations, commercial paper and foreign currency exchange forward contracts. The foreign currency exchange forward contracts listed below principally relate to trading activities. The sensitivity analysis involved increasing and decreasing forward rates at June 30, 2025 and December 31, 2024 by a hypothetical 10% and calculating the resulting change in the fair values.

At this time, the development of our strategic plan has not exposed us to any additional market risk. However, as the implementation of the plan progresses, we may be exposed to additional or different market risks.

The results of the sensitivity analysis calculations as of June 30, 2025 and December 31, 2024 are presented below:

Risk	Assuming a 10% Increase in Rates June 30, 2025	Assuming a 10% Increase in Rates December 31, 2024	Assuming a 10% Decrease in Rates June 30, 2025	Assuming a 10% Decrease in Rates December 31, 2024	Change in the Fair Value of:
	(Dollars in thousands)				
Foreign currency	$ 188	$ (700)	$ 4,453	$ 2,078	Foreign currency forward contracts
Interest rate	(1,024)	—	1,058	—	Mizrahi 2025 Loan
Interest rate	(1,041)	—	1,076	—	Discount 2025 Loan
Interest rate	(1,109)	—	1,147	—	Discount 2025 II Loan
Interest rate	(3,082)	—	3,184	—	Hapoalim 2025 Loan
Interest rate	(2,865)	(2,986)	3,045	3,180	Bottleneck Loan
Interest rate	(4,823)	(5,096)	5,170	5,469	Mammoth Senior Secured Notes
Interest rate	(424)	(574)	430	584	Mizrahi Loan
Interest rate	(726)	(886)	746	914	Mizrahi Loan 2023
Interest rate	(498)	(679)	506	691	Hapoalim Loan
Interest rate	(1,576)	(1,708)	1,625	1,762	Hapoalim Loan 2023
Interest rate	(1,115)	(1,295)	1,145	1,333	Hapoalim 2024 Loan
Interest rate	(214)	(289)	217	294	HSBC Loan
Interest rate	(904)	(1,213)	917	1,233	HSBC Bank 2024 Loan
Interest rate	(594)	(759)	605	776	Discount Loan
Interest rate	(529)	(599)	544	617	Discount 2024 Loan
Interest rate	(645)	(851)	658	871	Discount 2024 II Loan
Interest rate	(8,903)	(9,275)	9,467	9,882	Financing Liability
Interest rate	(2,389)	(2,617)	2,466	2,704	OFC 2 Senior Secured Notes
Interest rate	(1,566)	(1,909)	1,607	1,965	Olkaria III - DFC Loan
Interest rate	(824)	(924)	852	960	DEG 4 Loan
Interest rate	(3,226)	(3,542)	3,323	3,661	Senior Unsecured Bonds
Interest rate	(178)	(240)	181	245	DEG 2 Loan
Interest rate	(1,053)	(1,142)	1,095	1,189	DAC 1 Senior Secured Notes
Interest rate	(2,074)	(2,491)	2,125	2,561	Senior Unsecured Loan (Migdal)
Interest rate	(792)	(835)	839	886	Prudential - NV
Interest rate	(519)	(583)	535	603	DOE Loan
Interest rate	(1,916)	(2,026)	2,043	2,164	Prudential - Idaho Refinancing Loan
Interest rate	(1,361)	(1,517)	1,410	1,574	Platanares DFC Loan
Interest rate	(146)	(197)	148	201	DEG 3 Loan
Interest rate	(21)	(22)	21	22	Commercial paper
Interest rate	(17)	(17)	17	17	Other long-term loans

Effect of Inflation

While inflation has recently slowed to more normal levels, we saw an increase in overall operating and other costs from early 2022 until early 2024, as the result of higher inflation rates, in particular in the United States. The inflation rates in the U.S. may rise due to expected changes in the import tariffs. In order to address the possibility of rising inflation, some of our contracts include certain provisions that mitigate inflation risk, such as escalating price provisions built into some of our PPAs.

In connection with the Electricity segment, none of our U.S. PPAs, including the SCPPA Portfolio PPA, are directly linked to the Consumer Price Index ("CPI"). Inflation may directly impact expenses we incur for the operation of our projects, thereby increasing our overall operating costs and reducing our profit and gross margin. The negative impact of inflation would be partially offset by price adjustments built into some of our PPAs that could be triggered upon such occurrences. In our Product segment, inflation may directly impact fixed and variable costs incurred in the construction of third-party power plants, thereby lowering our profit margins at the Product segment. We are more likely to be able to offset long term, all or part of this inflationary impact through our project pricing. With respect to power plants that we build for our own electricity production, inflationary pricing may impact our operating costs which may be partially offset in the pricing of the new long-term PPAs that we negotiate. Interest rates for both short-term and long-term debt have increased in the past five years, although they have decreased slightly recently. Although our outstanding debt mostly bears fixed interest rates, as we refinance it, or borrow additional amounts, we may incur additional interest expense as a result.

Contractual Obligations and Commercial Commitments

We have various contractual obligations, which are recorded as liabilities in our consolidated condensed financial statements. Other items are not recognized as liabilities in our consolidated condensed financial statements but are required to be disclosed. There have been no material changes, outside of the ordinary course of business, to our contractual obligations as previously disclosed in our 2024 Annual Report.

Concentration of Credit Risk

Our credit risk is currently concentrated with the following major customers: Sierra Pacific Power Company and Nevada Power Company (subsidiaries of NV Energy), SCPPA and KPLC. If any of these electric utilities fail to make payments under its PPAs with us, such failure would have a material adverse impact on our financial condition. Also, as we implement our multi-year strategic plan we may be exposed, by expanding our customer base, to different credit profile customers than our current customers.

The Company's revenues from its primary customers as a percentage of total revenues are as follows:

	Three Months Ended June 30,		Six Months Ended June	
	2025	2024	2025	2024
Sierra Pacific Power Company and Nevada Power Company	12.9 %	14.7 %	14.5 %	15.8 %
Southern California Public Power Authority ("SCPPA")	17.0	19.7	19.5	22.3
Kenya Power and Lighting Co. Ltd. ("KPLC")	12.5	13.1	12.3	12.7

The Company has historically been able to collect on substantially all of its receivable balances. As of June 30, 2025, the amount overdue from KPLC in Kenya was $36.7 million of which $13.9 million was paid in July of 2025. The Company believes it will be able to collect all past due amounts from KPLC. This belief is supported by the fact that in addition to KPLC's obligations under its power purchase agreement, the Company holds a support letter from the Government of Kenya that covers certain cases of KPLC non-payment (such as non-payments that are caused by government actions and/or political events).

In Honduras, as of June 30, 2025, the total amount overdue from Empresa Nacional de Energía Eléctrica ("ENEE") was $17.4 million of which $0.9 million was paid in July of 2025. In addition, due to the financial situation in Honduras, the Company may experience further delays in collection. The Company believes it will be able to collect all past due amounts from ENEE.

Government Grants and Tax Benefits

A comprehensive discussion on government grants and tax benefits is included in "Part II - Item 7 – Management Discussion and Analysis of Financial Condition and Results of Operation" of our 2024 Annual Report, as updated by "General—Trends and Uncertainties" in Part I, Item 2 of this quarterly report on Form 10-Q.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

The information appearing under the headings “Exposure to Market Risks” and “Concentration of Credit Risk” in Part I, Item 2 of this quarterly report on Form 10-Q is incorporated by reference herein.

ITEM 4. *CONTROLS AND PROCEDURES*

a. Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our CEO (principal executive officer) and CFO (principal financial officer), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of our disclosure controls and procedures as of June 30, 2025. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2025 to provide the reasonable assurance described above.

b. Changes in internal control over financial reporting

There were no changes in our internal controls over financial reporting in the second quarter of 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

The information required with respect to this item can be found under "Commitments and Contingencies" in Note 9 of notes to the unaudited condensed consolidated financial statements contained in this quarterly report and is incorporated by reference into this Item 1.

ITEM 1A. *RISK FACTORS*

A comprehensive discussion of our other risk factors is included in the "Risk Factors" section of our annual report on Form 10-K for the year ended December 31, 2024 which was filed with the SEC on February 27, 2025. The risks described in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. During the period covered by this quarterly report on Form 10-Q, there have been no material changes in our risk factors previously disclosed in our 2024 Annual Report, except as reflected in the disclosure in "General—Trends and Uncertainties" in Part I, Item 2 of this quarterly report on Form 10-Q.

ITEM 2. *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

None.

ITEM 3. *DEFAULTS UPON SENIOR SECURITIES*

None.

ITEM 4. *MINE SAFETY DISCLOSURES*

None.

ITEM 5. *OTHER INFORMATION*

(a) None.

(b) None

(c) During the fiscal quarter ended June 30, 2025,certain of our officers entered into written "Rule 10b5-1 trading arrangements" as defined in Item 408(a) of Regulation S-K on certain dates, providing for the sale of certain shares of our common stock until certain expiration dates, namely: Doron Blachar, our Chief Executive Officer, who entered into a plan on June 30, 2025, relating to 45,365 shares underlying SARs until the earlier of July 1, 2026 or when all shares are sold; Ofer Ben Yosef, our Executive Vice President—Energy Storage and Business Development, who entered into a plan on June 26, 2025, relating to 25,672 shares underlying SARs, until the earlier of June 26, 2026 or when all shares are sold; and Jessica Woelfel, our General Counsel, Chief Compliance Office and Corporate Secretary, who entered into a plan on June 30, 2025, relating to 16,401 shares underlying SARs and 1,801 shares relating to RSUs, until the earlier of June 15, 2026 or when all shares are sold. All of Mr. Blachar's SARs and the majority of Mr. Ben Yosef's and Ms. Woelfel's SARs covered by their "Rule 10b5-1 trading arrangements" expire within the next 12 months. Except as described above, during the fiscal quarter ended June 30, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

We hereby file, as exhibits to this quarterly report, those exhibits listed on the Exhibit Index below.

EXHIBIT INDEX

Exhibit No.	Document
10.1+	Employment Agreement, dated June 4, 2025, between Ormat Technologies, Inc. and Aron John Willis.
31.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1#	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
32.2#	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
101.SC*	Inline XBRL Taxonomy Extension Schema Document.
101.CA*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DE*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LA*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PR*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101).

*	Filed herewith
#	Furnished herewith.
+	Management contract or compensatory plan in which directors and/or executive officers are eligible to participate.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ORMAT TECHNOLOGIES, INC.

By:	/s/ ASSAF GINZBURG
Name:	Assaf Ginzburg
Title:	Chief Financial Officer and Authorized Signatory

Date: August 7, 2025

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Doron Blachar, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2025 of Ormat Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Doron Blachar
Name: Doron Blachar
Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2025

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Assaf Ginzburg, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2025 of Ormat Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Assaf Ginzburg
Name: Assaf Ginzburg
Title: Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2025

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Doron Blachar, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge, the quarterly report of Ormat Technologies, Inc. on Form 10-Q for the quarter ended June 30, 2025 (i) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and (ii) that information contained in such quarterly report on Form 10-Q fairly presents in all material respects the financial condition, results of operations and cash flows of Ormat Technologies, Inc. as of and for the periods presented in such Quarterly Report on Form 10-Q. This written statement is being furnished to the Securities and Exchange Commission as an exhibit accompanying such quarterly report and shall not be deemed filed pursuant to the Exchange Act.

By: /s/ Doron Blachar
Name: Doron Blachar
Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2025

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Assaf Ginzburg, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the quarterly report of Ormat Technologies, Inc. on Form 10-Q for the quarter ended June 30, 2025 (i) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and (ii) that information contained in such quarterly report on Form 10-Q fairly presents in all material respects the financial condition, results of operations and cash flows of Ormat Technologies, Inc. as of and for the periods presented in such Quarterly Report on Form 10-Q. This written statement is being furnished to the Securities and Exchange Commission as an exhibit accompanying such quarterly report and shall not be deemed filed pursuant to the Exchange Act.

By: /s/ Assaf Ginzburg

Name: Assaf Ginzburg
Title: Chief Financial Officer

(Principal Financial Officer)

Date: August 7, 2025