SECOND QUARTER 2024 EARNINGS CONFERENCE CALL

Yonah Weisz: Director of Investor Relations

Thank you, Operator.

Good morning, everyone and thank you for joining our second quarter 2024 earnings conference call for Enlight Renewable Energy.

Before beginning this call, I would like to draw participants' attention to the following: Certain statements made on the call today, including but not limited to statements regarding business strategy and plans, our project portfolio, market opportunity, utility demand and potential growth, discussions with commercial counterparties and financing sources, pricing trends for materials, progress of Company projects, including anticipated timing of related approvals and project completion and anticipated production delays, expected impact from various regulatory developments, completion of development, the potential impact of the current conflicts in Israel on our operations and financial condition and Company actions designed to mitigate such impact, and the Company's future financial and operational results and guidance, including revenue and adjusted EBITDA, are forward-looking statements within the meaning of U.S. federal securities laws which reflect management's best judgment based on currently available information. We reference certain project metrics in this earnings call and additional information about such metrics can be found in our earnings release. These statements involve risks and uncertainties that may cause actual results to differ from our expectations. Please refer to our 2023 annual report filed with the SEC on March 28, 2024 and other filings for more information on the specific factors that could cause actual results to differ materially from our forward-looking statements. Although we believe these expectations are reasonable, we undertake no obligation to revise any statements to reflect changes that occur after this call. Additionally, non-IFRS financial measures may be discussed on the call. These non-IFRS measures should be considered in addition to and not as a substitute for or in isolation from our results prepared in accordance with IFRS. Reconciliations to the most directly comparable IFRS financial measures are available in the earnings release and the earnings presentation for today's call, which are posted on our Investor Relations webpage.

With me this morning are Gilad Yavetz, CEO and Co-founder of Enlight, Nir Yehuda, CFO of Enlight, and Adam Pishl, CEO and Co-founder of Clenera. Gilad will provide some opening remarks and will then turn the call over to Adam for a review of our U.S. activity and then to Nir for a review of our second quarter results. Our executive team will then be available to answer your questions.

Gilad Yavetz, CEO and Co-founder of Enlight

Thank you, Yonah, and thank you all for joining us today.

Enlight continues to deliver excellent performance as we progress through 2024, and we are pleased to present a very strong set of financial results for the first half and second quarter of 2024. Comparing the first half of 2024 to the same period in 2023, revenue grew 42% to $175m, Adjusted EBITDA grew 33% to $126m, net income dropped to $34m, and cash flow from operations was lower by 4% to $91m.

On a quarter-to-quarter basis compared to last year, revenue was up 61% to $85m, and Adjusted EBITDA grew 39% to $58m. Net income was $9m versus $22m, driven by inflation indexation impacts and the Clenera earnout calculation, which Nir will explain in more detail later on, while cash flow from operations rose to $56m, up 42%. On the back of these results, we are pleased to increase our full year 2024 guidance ranges. We now expect 2024 revenues of $345-$360m, up from $330m-$360m, while we now expect 2024 EBITDA of $245-$260m, up from $235m-$255m. This represents an increase of $5m and $7.5m at the midpoint, respectively.

Enlight is now in the midst of delivering on its major expansion plan, and we continued to execute on the build out of our mature portfolio. From the beginning of 2024, we have completed construction on 0.5 GW and 1.4 GWh of capacity, including our flagship Atrisco Solar and Energy project in New Mexico. This capacity is expected to contribute

$71m in revenues and $56m in EBITDA on a full year basis. In the next two quarters we will start with construction capex on 810 MW and more than 2 GWh at three additional projects in the US, which are expected contribute $132m in revenues and $106m in EBITDA on an annual basis when fully operational. In the next three years our global generation and storage capacity will triple, reaching 5.4 GW and 5.9 GWh by 2027.

The United States is now experiencing a transformation in electricity demand. Power consumption is rising fast, and it's estimated that two thirds of the growth in US power demand till the end of this decade can be attributed to the electricity needs of data centers, AI and electric vehicles alone. This is being reflected in higher PPA prices. Enlight is uniquely positioned for a tight power market environment, with a broad set of projects that are deliverable in the short to medium term.

These include our flagship Atrisco project, with 364 MW and 1.2 GWh capacity located in New Mexico, where we have recently achieved financial close for the Energy Storage portion of the complex for more than $400m in loans and tax equity. This completes the financing for the entire Atrisco complex, with the Solar portion financed in December 2023. Atrisco construction has been completed, with the gradual commencement of the Solar component planned to begin in the coming weeks. We expect full COD of the co-located solar and energy storage complex to be reached by the end of the year. We are also beginning to build additional capacity in the western US with Country Acres, Quail Ranch, and Roadrunner, three major projects totalling 810 MW and 2.0 GWh of capacity. We are now completing development and expect construction capex to begin by the end of 2024. Equipment prices remain favourable, with panels and battery prices having fallen by around 25% to 30% from the start of 2023.

All these factors create extremely beneficial tailwinds for the projects that we will be building between now and 2027, which we expect to yield an attractive unlevered return of approximately 10.5%. Adding in financing between 5.5% to 6.0% results in levered returns in the mid to high teens.

Our European projects are benefiting from robust market conditions. Spanish electricity prices, now in the 60 -70 Euro range, are resulting in excellent financial performance at Gecama. The profitability of this project is well above what we modeled when we first planned it, and we have already recovered half of our equity investment in the past three years. We have hedged 65% of Gecama's anticipated 2024 generation for EUR 100 per MWh, and have already begun building up a hedge for 2025, which so far covers 45% of next year's output at a price EUR 64 per MWh. Gecama continues to excel on an operational level, with generation volumes up 14% and 17% for 2Q24 and 1H24 respectively when compared to the same periods last year.

Construction at project Pupin in Serbia continues on pace, with turbines now being delivered and installed on-site. This 94 MW windfarm achieved financial close last quarter, and is scheduled to reach COD during the second half 2025. Finally, Tapolca, a 60 MW fully merchant solar project, began operations on schedule at the end of July, marking the completion of our fifth project in Hungary.

Enlight keeps on broadening its presence in Israel. Yesha and Re'im, two projects that are part of the 248 MW and 593 MWh Israel Solar & Storage Cluster, reached COD during the second quarter. The Cluster is approaching its full capacity, with three more projects left to be completed during 2024. We also received approval for 200 MW of additional interconnect to Israel's national grid, which will be used to expand the offtake of existing projects as well as support the launching of new ones. On the commercial side, we continue expand our reach into Israel's newly deregulated power sector. Our joint venture with Electra Power to supply electricity to the country's household sector was formally launched in July, and we signed five additional PPAs with industrial customers.

To sum up: this quarter showed strong financial performance, which is reflected in our results and increased guidance ranges. The US market presents a compelling opportunity to drive Enlight's rapid growth: power demand continues to rise, while equipment costs remain low, resulting in higher PPA prices and attractive project returns. We continue to progress with our development goals and project CODs on a global scale. And it is exactly such an environment which positions Enlight to realize its dual goal of delivering higher-than-market growth at higher-than-market returns. I'd now like to hand the call over to Adam.

Adam Pishl, CEO and Co-founder of Clenera

Enlight and Clenera continue to deliver on our rapid expansion strategy in the US renewable energy market. We are currently focused on commissioning the Atrisco project, as well as financing and starting construction on the Quail Ranch, Roadrunner and Country Acres projects. Together these four projects total approximately 1.2 GW of solar and 3.2 GWh of energy storage capacity.

Let us begin with a closer look at Atrisco. This project has a capacity of 364 MW of solar and 1.2 GWh of energy storage, and is one of the largest battery projects in the U.S. The first portion of the solar facility is expected to be connected to the grid imminently, and we expect the remaining solar and energy storage components to be connected and achieve COD later this year. In addition, we recently reached financial close on the energy storage portion of the project, receiving more than 400 million dollars of debt and tax equity from top-tier lenders including HSBC and U.S. Bank. This financing, from the world's leading banks, demonstrates the quality of our projects and our ability to fund our growth. We are proud to have earned their trust and are excited to build upon these key relationships.

As Atrisco nears completion, we continue to focus on Country Acres, Quail Ranch, and Roadrunner.   These projects total 810 MW of solar and over 2 GWh of energy storage capacity. All three projects are nearing construction. Development of Country Acres, a 392 MW energy and 688 MWh battery project in California, is progressing, and we are finalizing details with the utility. Quail Ranch, a New Mexico Project, is a 128 MW solar and 400 MWh storage brownfield expansion of Atrisco. It awaits regulatory and legal approval of the PPA and ESA agreements. Roadrunner is a 290 MW solar and 940 MWh energy storage project in Arizona. It is currently awaiting government permits ahead of construction.

We are also excited to highlight our CO Bar complex in Arizona. The CO Bar complex is currently made up of three projects totaling 1.2 GW of solar and 824 MWh of energy storage, with the potential to expand the energy storage portion to an additional 3.2 GWh, making it the largest complex we have announced in the US. The project has been delayed due to the interconnection queue reform announced by APS in the third quarter of 2023. This process is still ongoing, and we continue to work with the utility to help enable completion of the interconnection facilities as rapidly as possible.

The energy market continues to provide compelling support for our project fundamentals. Increased demand for renewable energy is reinforcing PPA pricing, which reflects the scarcity of new projects. Both solar module and battery prices are lower than at the beginning of last year. Additionally, there is some indication interest rates may begin to drop, which would have a positive impact on our cost to finance.

Our relationship with suppliers remains strong and we have been able to adapt to the new AD/CVD framework. For example, one of our key panel suppliers has relocated cell production to non-affected Southeast Asian countries, which enables a stable supply of modules for future projects. In light of the current U.S. regulatory environment, we are expanding relationships with suppliers to further diversify our supply chain and pursue more domestic content qualifications.

These important partnerships, our ability to adapt to changing market conditions, and continuing to deliver high-quality projects are propelling our U.S. expansion strategy.

I'd now like to turn the call over to Nir for a review of our quarterly results.

Nir?

Nir Yehudah, CFO of Enlight

Thank you Adam.

In the second quarter of 2024, the Company's revenues increased to $85m, up from $53m last year, a growth rate of 61% year over year. Growth was mainly driven by new projects compared to last year as well as higher production and inflation indexation at some of our operational projects.

Since the second quarter of 2023, 12 new projects in the US, Hungary, and Israel started selling electricity. The most important of these is Genesis Wind which contributed $10m to revenue, followed by the Israel Storage and Solar Cluster, which added an additional $6m. Björnberget, which sold limited amounts of power during 2Q23, contributed $5m in this quarter.

Gecama revenues increased 37% year over year to $13m, as the project benefited from positive pricing and production trends. We sold electricity at an average of EUR 71 per MWh versus EUR 58 per MWh for the same period this year, while production was up 14% from the same period last year. The average price realized through our hedging strategy was EUR 85 per MWh, covering 70% of the quarter's production. Current market conditions have significantly firmed up, with prices in the range of 60 – 70 Euro per MWh .

Finally, the reclassification of financial asset projects in Israel to fixed asset projects boosted revenues by $5m.

Second quarter net income decreased from $22m last year to $9m this year, a decline of 58% year over year. The impact of new projects added $6m. In addition, we experienced a significant indexation impact on our Shekel denominated debt, which resulted in a non-cash financial expense of $5m. We also expect revenues to rise higher due to the index linkage for the majority of our electricity PPAs in Israel which will be reflected in our financial statements starting from 2025 onwards. Overall, this represents a net benefit to the Company. The reclassification of the financial asset reduced financial income by $3. In addition, other income in the second quarter of last year was higher by $10m net of tax due to one-off benefits linked to changes in the Clenera earnout calculations and recognition of LDs from Siemens Gamesa due to the delay in reaching full production at project Björnberget.

In the second quarter of 2024, the Company's Adjusted EBITDA grew by 39% to $58m compared to $42m for the same period in 2023. On the whole Adjusted EBITDA growth was driven by the same positive factors which affected our revenue growth and which contributed $24m. Note that adjusted EBITDA for 2Q23 was boosted by $8m from the recognition of LDs compensation.

Looking to our balance sheet, Enlight achieved the major financial closing of Atrisco Energy Storage in the US at the end of July. We raised $407m in term loans and tax equity for the construction of Energy Storage component of the project. When adding the $303m raised at the financial close of the Solar portion in December 2023, the total financing and tax equity amounts to $710m for the entire Solar and Energy Storge complex. Financial and tax equity arrangements for the entire Atrisco project are now complete. We also recycled $234m of excess capital back to Enlight as a result of this transaction; these funds will be used to propel Enlight's future growth forward.

In addition, Enlight has $320m of revolving credit facilities at Israeli and international banks, of which $170m have been drawn as of the publication of this report. Moreover, in the second quarter of 2024 Cash flow from operations was $56m, an increase of 42% year over year.

Moving to 2024 guidance, given the strong set of results we delivered for the second quarter and first half of 2024, we are raising our Financial Outlook for the year. On the back of sound operational performance as well as O&M and G&A cost savings, our range for 2024 revenue guidance rises to $345-$360m from $335-$360m previously, and our adjusted EBITDA guidance range rises to $245-$260m from $235-$255m previously.

This represents an increase of $5m and $7.5m from previous midpoints respectively, and further demonstrates the financial strength of the Company as it continues to deliver rapid growth and expansion

I’ll now turn the call over to the operator for questions.