



SolarEdge Technologies, Inc. Announces Pricing of Private Offering of \$550 Million of 0.00% Convertible Senior Notes due 2025

September 23, 2020

FREMONT, Calif.--(BUSINESS WIRE)--Sep. 23, 2020-- SolarEdge Technologies, Inc. (Nasdaq: SEDG) ("SolarEdge") today announced the pricing of \$550 million aggregate principal amount of 0.00% Convertible Senior Notes due 2025 (the "Notes") in a private offering (the "Offering") to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). In connection with the Offering, SolarEdge has granted the initial purchasers of the Notes a 13-day option to purchase up to an additional \$82.5 million aggregate principal amount of the Notes on the same terms and conditions. The sale of the Notes to the initial purchasers is expected to settle on September 25, 2020, subject to customary closing conditions.

The Notes will not bear regular interest. The Notes will mature on September 15, 2025, unless earlier repurchased or converted in accordance with their terms prior to such date. The Notes will not be redeemable prior to their maturity date.

Holders of the Notes will have the right to require SolarEdge to repurchase all or a portion of their Notes upon the occurrence of a fundamental change (as defined in the indenture governing the Notes) in cash at a fundamental change repurchase price of 100% of their principal amount plus any accrued and unpaid special interest to, but not including, the fundamental change repurchase date. Following certain corporate events, SolarEdge will, under certain circumstances, increase the conversion rate for holders who elect to convert their Notes in connection with such corporate event.

The Notes will be convertible based on an initial conversion rate of 3.5997 shares of SolarEdge's common stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$277.80 per share of common stock, which represents a conversion premium of approximately 50% to the last reported sale price of SolarEdge's common stock on the Nasdaq Global Select Market on September 22, 2020). Prior to the close of business on the business day immediately preceding June 15, 2025, the Notes will be convertible at the option of the holders of the Notes only upon the satisfaction of specified conditions and during certain periods. On or after June 15, 2025 until the close of business on the second scheduled trading day immediately prior to the maturity date, the Notes will be convertible, at the option of the holders of Notes, at any time regardless of such conditions. The Notes will be convertible into cash, shares of common stock of SolarEdge or a combination thereof, with the form of consideration to be determined at SolarEdge's election.

When issued, the Notes will be SolarEdge's senior unsecured obligations and will rank senior in right of payment to any of SolarEdge's unsecured indebtedness that is expressly subordinated in right of payment to the Notes; equal in right of payment to any of SolarEdge's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of SolarEdge's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of SolarEdge's subsidiaries.

SolarEdge intends to use the net proceeds from the Offering for general corporate purposes.

The Notes were offered only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The offer and sale of the Notes and any shares of common stock of SolarEdge issuable upon conversion of the Notes, if any, have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction, and unless so registered, the Notes and such shares, if any, may not be offered or sold in the United States except pursuant to an applicable exemption from such registration requirements.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any offer or sale of, the Notes (or any shares of common stock of SolarEdge issuable upon conversion of the Notes) in any state or jurisdiction in which the offer, solicitation, or sale would be unlawful prior to the registration or qualification thereof under the securities laws of any such state or jurisdiction.

Forward-Looking Statements

This press release contains forward-looking statements, including, among other things, about whether SolarEdge will be able to consummate the Offering, the terms of the Offering and the satisfaction of customary closing conditions with respect to the Offering and the anticipated use of the net proceeds of the Offering. The words such as "may," "should," "will," "believe," "expect," "anticipate," "target," "project," and similar phrases that denote future expectations or intent are intended to identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially, including (i) changes as a result of market conditions or for other reasons, (ii) the risk that the Offering will not be consummated, and (iii) the impact of general economic, industry or political conditions in the United States or internationally.

The forward-looking statements contained in this press release are also subject to additional risks, uncertainties, and factors, including those more fully described in SolarEdge's filings with the Securities and Exchange Commission (the "SEC"), including its annual report on Form 10-K for the fiscal year ended December 31, 2019 and its quarterly reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that SolarEdge makes with the SEC from time to time.

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