



SolarEdge Announces Safe Harbor Agreements and Second 45X Credit Sale

January 6, 2025

MILPITAS, Calif.--(BUSINESS WIRE)--Jan. 6, 2025-- SolarEdge Technologies, Inc. (Nasdaq: SEDG), a global leader in smart energy technology, today announced safe harbor agreements with two of the largest installers and financiers of residential solar installations in the United States, as well as its second sale of §45X Advanced Manufacturing Production Tax Credits.

Safe harbor agreements signed with key US residential solar installation and financing companies

In late December, the Company signed safe harbor agreements with Sunrun (Nasdaq: RUN), as well as with one of the largest financiers of residential solar installations in the United States. Under the agreements, SolarEdge will provide inverters, Power Optimizers and batteries manufactured at its facilities in the United States, which, when paired with other U.S. made equipment, are expected to enable its partners to qualify for domestic content bonus tax credits. Deliveries under the safe harbor agreements are expected to take place throughout 2025.

By safe harboring domestically produced inverters, Power Optimizers, and batteries, SolarEdge's installation and financing partners plan to lock in prevailing investment and domestic content bonus tax credits, providing business planning clarity and greater certainty around project economics.

Transaction for the sale of §45X Advanced Manufacturing Production Tax Credits

In late December, the Company also closed its second transaction for the sale of §45X Advanced Manufacturing Production Tax Credits. The transaction includes a portion of the credits that were generated in the third quarter of 2024 that were backed by both U.S. manufactured inverters and U.S. manufactured Power Optimizers, making them eligible for the 11c/w advanced manufacturing production credit. The transaction was facilitated by the Crux platform.

Bertrand Vandewiele, General Manager of SolarEdge in North America, said: "We are proud to be supporting two of the largest installers and financiers of residential solar installations in the United States with our U.S. manufactured technology, including inverters, Power Optimizers and batteries. These agreements will help our partners to secure a reliable supply of high-quality, domestically-produced equipment."

Shuki Nir, Chief Executive Officer of SolarEdge, said: "The safe harbor agreements and 45X credit sale announced today are important milestones on our recovery path. They improve visibility into our business outlook, and we believe that they will enhance our cash position, strengthen our balance sheet and further advance our priority of financial stability. I look forward to sharing further updates on our progress in the quarters ahead."

About SolarEdge

SolarEdge is a global leader in smart energy technology. By leveraging world-class engineering capabilities and with a relentless focus on innovation, SolarEdge creates smart energy solutions that power our lives and drive future progress. SolarEdge developed an intelligent inverter solution that changed the way power is harvested and managed in photovoltaic (PV) systems. The SolarEdge DC optimized inverter seeks to maximize power generation while lowering the cost of energy produced by the PV system. Continuing to advance smart energy, SolarEdge addresses a broad range of energy market segments through its PV, storage, EV charging, batteries, and grid services solutions. SolarEdge is online at www.solaredge.com

Forward-Looking Statements:

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include information, among other things, concerning: possible or assumed future results of operations; future demands for solar energy solutions; statements regarding our safe harbor agreements and deliveries under the same; our competitive positioning; cost action plans associated cost-savings; improved operational efficiency; business strategies; industry and regulatory environment; general economic conditions; potential growth opportunities; cancellations and pushouts of existing backlog; installation rates; and the effects of competition. These forward-looking statements are often characterized by the use of words such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negative or plural of those terms and other like terminology.

Forward-looking statements are only predictions based on our current expectations and our projections about future events. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Given these factors, you should not place undue reliance on these forward-looking statements. These factors include, but are not limited to, our ability to deliver on our restructuring plan and efforts and workforce reduction initiative; our future cash payments associated with these initiatives; ability to benefit from safe harbor agreements and deliveries under the same; potential future impairment charges; future demand for renewable energy including solar energy solutions; changes, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications; changes in the U.S. trade environment; federal, state, and local regulations governing the electric utility industry with respect to solar energy; changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act; the retail price of electricity derived from the utility grid or alternative energy sources; interest rates and supply of capital in the global financial markets in general and in the solar market specifically; competition, including introductions of power optimizer, inverter and solar photovoltaic system monitoring products by our competitors; developments in alternative technologies or improvements in distributed solar energy generation; historic cyclical nature of the solar industry; product quality or performance problems in our products; our ability to forecast demand for our products accurately and to match production to such demand as well as our customers' ability to forecast demand based on inventory levels; our dependence upon a small number of outside contract manufacturers and limited or single source suppliers; capacity constraints, delivery schedules, manufacturing yields, and costs of our contract manufacturers and availability of components; delays, disruptions, and quality control problems in manufacturing; existing and future responses to and effects of pandemics, epidemics, or other health crises; disruption in our global supply chain and rising prices of oil and raw materials as a result of various conflicts, including the evolving state of war in Israel; our customers' financial stability and our ability to retain customers; our ability to retain key personnel and attract additional qualified

personnel; our ability to manage effectively the growth of our organization and expansion into new markets and integration of acquired businesses; unrest and terrorism; macroeconomic conditions in our domestic and international markets, as well as inflation concerns, financial institutions instability, rising interest rates, and recessionary concerns; consolidation in the solar industry among our customers and distributors; cyber incidents; and other matters discussed in the section entitled "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 26, 2024 and our quarterly reports filed on Form 10-Q, Current Reports on Form 8-K and other reports filed with the SEC. All information set forth in this press release is as of the date of this press release. The Company undertakes no duty or obligation to update any forward-looking statements contained in this release, whether as a result of new information, future events or changes in its expectations or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

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