EBRD and Erste Approve Financing for the Pupin Windfarm in Serbia

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A $101[1] million loan to Enlight is the first under new renewables auction scheme

- EBRD and Erste arrange a $101 million loan for Enlight's second power plant in Serbia
- The project is first to reach financial close under Serbia's 2023 renewables auction scheme
- Ninety-four-MW windfarm to begin operating commercially in the second half of 2025

TEL AVIV, Israel, March 27, 2024 (GLOBE NEWSWIRE) -- Enlight Renewable Energy ("Enlight") (NASDAQ: ENLT, TASE: ENLT), a leading global renewable energy platform, today announced The European Bank for Reconstruction and Development (EBRD), together with Erste Group Bank AG and its local bank Erste Bank a.d. Novi Sad (Erste), have approved a financing package worth $101 million for the construction of a new windfarm in Serbia, which will be built by Enlight. The financing package will provide a major boost to the country's goal of diversifying its energy mix.

The EBRD and Erste will provide parallel loans, worth $50.5 million each, including the associated debt service reserve facilities. Enlight's local subsidiary will use the proceeds to develop, construct and operate the 94-megawatt (MW) windfarm, which has been originated by Enlight and New Energy Solutions (NES), and named in honour of Mihajlo Pupin, one of Serbia's greatest scientists. The Pupin project is expected to begin operating commercially in the second half of 2025. It is an extension of the existing Kovacica (Blacksmith) windfarm in Vojvodina, which is also owned by Enlight and was financed by the same lenders in 2017.

Once commissioned, the Pupin windfarm will be able to supply clean, green electricity to more than 40,000 households, equivalent to the number of households in a medium-sized city like Zrenjanin. The windfarm will also help to reduce the carbon intensity of Serbia's power sector and advance its green economy transition. Coal still dominates electricity production in Serbia and the financing package comes at a time when the country faces an urgent need to diversify away from fossil fuels to help address its long-term structural energy challenges.

This project was financed under Serbia's first renewable energy auction for wind capacity, which took place in 2023 and awarded contract-for-difference for 400 MW. A second and third auction, each for 300 MW of wind capacity, are expected to take place in 2024 and 2025, respectively. Similar auctions will be held in parallel for solar power plants. The scheme was developed and launched with technical and policy support from the EBRD and was funded by the Swiss State Secretariat for Economic Affairs (SECO). The scheme encourages the market integration of renewables, as developers receive support in line with market prices, as well as income from the sale of electricity.

Matteo Colangeli, EBRD Regional Director for the Western Balkans, said: "Serbia's decision to move ahead with auctions is proving to be a game changer in terms of unlocking the country's renewable energy potential. We are pleased to see Pupin being the first project to reach financial close and moving quickly through implementation, proving that speed of execution and best practice in terms of environmental and social standards can go together. We are committed to support Serbia's second wind and solar auction later this year to continue accelerating the country's green transition."

"Building the Pupin windfarm in close proximity to our existing Kovacica (Blacksmith) site represents a noteworthy implementation of our 'Interconnection Expand' strategy," commented Gilad Yavetz, CEO and co-founder of Enlight Renewable Energy. "We were able to leverage the technical knowledge and transmission infrastructure that was already in place at Kovacica, resulting in greater efficiency and higher returns for Pupin. In addition, we were fortunate to engage once again with our partners EBRD and Erste for financing of the Pupin project; these are the same lenders who supported us in the development of the Kovacica site."

Wolfgang Hargassner, Head of Corporate Finance at Erste Group, commented: "The financing of the first windfarm project under Serbia's new renewable energy auction scheme marks a major step on the country's path to green energy transition and we hope it will pave the way for other projects in the future. The realisation of the Pupin project is thanks to the great cooperation and unwavering commitment among all the parties involved, including investors, banks, advisers, the power off-taker, the turbine supplier, and many others."

[1] All amounts in U.S. dollars in this report are calculated based on a U.S. dollar to Euro conversion rate of 1 to 0.9035, as reported on 29 December 2023.

About Enlight

Founded in 2008, Enlight develops, finances, constructs, owns, and operates utility-scale renewable energy projects. Enlight operates across the three largest renewable segments today: solar, wind and energy storage. A global platform, Enlight operates in the United States, Israel and 9 European countries. Enlight has been traded on the Tel Aviv Stock Exchange since 2010 (TASE: ENLT) and completed its US IPO (NASDAQ: ENLT) in 2023. Learn more at enlightenergy.co.il.

About Erste Group Bank

Erste Group Bank AG is one of the leading financial services providers in central and eastern Europe, with more than 16 million customers and total assets worth more than €337 billion.

About European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 72 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well governed, green, resilient and integrated.

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