

## **Rönesans Holding Looks Ahead to 2024 with Robust Growth and Strategic Expansion Plans**

- Rönesans expects to end 2023 with a revenue of €3.3billion, representing a 10% increase on 2022.
- Rönesans ceased its operations in Russia and is now focusing on an ambitious growth strategy worldwide. The company aims to invest into new markets and sectors and capitalise on its extensive experience in healthcare, the energy transition, and commercial buildings.
- In anticipation of a strong year in 2024, Rönesans Holding remains dedicated to upholding responsible growth and contributing to the impact economy, prioritising innovation, technical expertise, international experience, sustainability, and the implementation of robust health, safety, and environmental procedures.
- Working with its global partners and a variety of international financial institutions; Rönesans has expanded its operations globally with a focus on contributing to local economies through its construction projects.

Rönesans, a leading global contracting and investment group, expecting a revenue of €3.3billion in 2023, has today unveiled its review of 2023 performance, 2024 outlook and strategic expansion plans as it continues to establish itself as a key player in the impact economy.

The group's dedication to innovation, environmental responsibility, sustainable energy transition, and strategic investments enabled it to expand its footprint in important economic sectors in 2023, including energy transition, sustainable living, renewable energy, healthcare, and transportation infrastructure.

### **2023 Review**

Despite global and local challenges, Rönesans concluded the year with financial and social achievements, demonstrating strong and sustainable business growth and solidifying its position as one of Europe's top ten international construction companies.

Expecting to end 2023 with a revenue of €3.3billion, representing a 10% increase on 2022, Rönesans ensured a strong performance despite significant financial headwinds experienced throughout the year.

In 2023, Rönesans deepened its relationships with international partners and embarked on several new collaborations and investments, showcasing its successful implementation of the EPC-F (Engineering, Procurement, Construction, and Financing) model. These include the financing agreement with the UK government's export credit agency (UKEF) on behalf of the Turkish Ministry of Transport, which has underwritten €781m of funding (equivalent to £680m) of the €923 million total project financing for the complete construction of a high-speed electrified railway connecting Türkiye's second-largest container port in Mersin with the inland cities of Adana, Osmaniye and Gaziantep. It promises faster, more efficient transit over a distance greater than Paris to Brussels, boosting regional infrastructure and growth.

Furthermore, Rönesans also announced its agreement with TotalEnergies, in which TotalEnergies acquired a 50% stake in Rönesans Enerji and committed to jointly produce 2 GW of renewable energy capacity by 2028, worth US\$2billion. The agreement is one of the latest in Rönesans Holding's long history of successful strategic partnerships from all around the world. The company has collaborated with various partners and shareholders, including Government of Singapore Investment Corporation (GIC), Meridiam, a Paris-based infrastructure fund, Japanese trading house Sojitz Corporation, and International Finance Corporation (IFC), of the World Bank Group which is a shareholder in Rönesans, and Samsung C&T, among others.

Likewise, Rönesans has made significant progress with approximately €2.5billion financing of its pipeline projects, including the Ceyhan Polypropylene Production Plant, the Nakkaş-Başakşehir Highway Project, and the RERA-Wind projects.

On the international front, Rönesans is approaching the completion of the project development phase for its inaugural hospital in Kazakhstan. This hospital will be the first healthcare facility in Kazakhstan to be developed under the Public-Private Partnership (PPP) model. This project marks a crucial step towards realising transformative healthcare initiatives on an international stage.

As a company with a global footprint, Rönesans is generating more than 30% of its revenues from Europe via Ballast Nedam, Rönesans' longstanding Dutch arm, which is not only active in the Dutch market but also has projects from Caribbean to Sri Lanka.

### **Bridges, tunnels, utility buildings, ports, houses and highways**

Every day, Ballast Nedam builds and develops sustainable and often iconic landmarks that positively contribute to society. One such project is the A24 Blankenburgverbinding. Rijkswaterstaat commissioned Ballast Nedam and consortium partners DEME and Macquarie to build the 4 kilometer-long new highway and surrounding infrastructure. The contract includes the design, construction, 20 years of maintenance, and approximately €1 billion in financing. With two junctions, a land tunnel and a tunnel beneath the river Scheur, Ballast Nedam will play a key role in improving the accessibility of the Rotterdam region and contribute to the growth of the economy.

Over the course of 2024, Ballast Nedam, will continue to grow by focusing on energy transformation, sustainable living, and the renewal of European infrastructure projects. Sustainable construction and development are one of the biggest focuses for Ballast Nedam. Besides working towards 100% CO2-neutral construction sites by 2030, their ambition for 2040 is to transition to energy-neutral construction.

Ballast Nedam reached a crucial milestone with the successful immersion of the tunnel sections of the Maasdeltatunnel. This marks a historic occasion, as tunnel sections of this size have not been built and immersed before in the Netherlands. An immersed tunnel is an underwater passage constructed from tunnel elements that were fabricated elsewhere. These elements are then floated and towed to the tunnel alignment, where they are submerged and interconnected. Successfully immersing the tunnel sections of the Maasdeltatunnel was a precise, controlled and challenging operation that requires technical expertise and innovative thinking, requiring the temporary closure of one of the world's busiest waterways.

In Russia, Rönesans divested its construction business in May 2022 and its real estate business in June 2023, redirecting investment and attention to diverse locations worldwide. This transition and the strategic decision to pivot away from direct management in that market has transformed Rönesans' growth strategy. The group's global footprint now extends to various regions, anchored in Turkey and spanning the Netherlands, Germany and CIS countries, with a growing focus on Kazakhstan and Turkmenistan.

These projects, underscore Rönesans' commitment to driving growth, sustainability and fostering international relationships. With its focus on reducing environmental impact and regenerating infrastructure Rönesans has shown it is a dynamic and forward-thinking business, poised for a prosperous future.

### **Local impact**

In February 2023, the company responded promptly to provide humanitarian support in the aftermath of the devastating earthquakes in Gaziantep-Kahramanmaraş. Notably, UNICEF and Rönesans Group joined forces to establish Child, Adolescent, and Family Support Hubs within temporary living spaces built and designed for more than 10,000 people by Rönesans Holding in Malatya, Turkey. These hubs aim to provide essential services and support to those affected by the disaster, offering psychosocial well-being, education, and overall development. The Rönesans team constructed container cities in the region to accommodate tens of thousands of earthquake victims one month after the devastating earthquakes in the region.

With Rönesans' intentions to support earthquake stricken areas a key part of its 2023 agenda, the completion of the Gaziantep Hospital project, taken over by Rönesans and Meridiam in September 2022, stands out as another remarkable achievement. Finalised in 11 months ahead of schedule by Rönesans Construction in 2023 the project was implemented in collaboration with Rönesans Healthcare Investment, Samsung C&T, Meridiam, and İstanbul Asset Management. An international collaborative success, this marks the sixth city hospital completed under the PPP scheme by Rönesans Holding, representing approximately 35% of the market. With a total capacity of 1,875 beds, Gaziantep City Hospital is designed to provide world-class healthcare services across Southern Turkey and the wider region.

### **2024 Outlook**

İpek Ilıcak Kayaalp, Chair of the Board of Directors of Rönesans, commented, "In 2024, Rönesans Holding will continue to focus its investments and attention on innovation, global growth, sustainable living and the energy transition, as well as maintaining operational excellence. With our strategic pivot, we are confident that we'll make good progress with our expansion plans in 2024, setting ourselves up for long-term growth."

Looking ahead to 2024, the company will continue to deliver on its commitment to responsible growth and the impact economy, prioritising innovation, technical and international experience and health, safety and environment procedures.

Ceasing operations in Russia, Rönesans is planning to expand into new markets, growing its global presence and leveraging its expertise in healthcare, energy and commercial construction. Recognising the challenges in the contractor landscape, Rönesans is also proactively addressing

financial pressures, focusing on cost optimisation for customers without compromising on quality, ensuring sustainability and profitability.

The group has set a target turnover of €4.5 billion for 2024, expecting strong growth from construction revenues stemming from international and local investments projects spanning hospitals and windfarms.

2024 will also be the year Rönesans takes its first step towards opening to the public, announcing the IPO process of Rönesans Real Estate Investment. This IPO will be the first of potentially many others, as momentum grows for Rönesans Group.

With strong business growth in its sights for 2024, Rönesans will still continue to support earthquake relief efforts and humanitarian projects, responding to the needs of vulnerable members of society.

### **About Rönesans Group**

Rönesans Holding, the conglomerate's top investment entity headquartered in Ankara, is the 38th largest international contracting company globally and the 9th largest in Europe. With operations spanning 30 countries across Europe, Central Asia, and Africa, including subsidiaries such as Ballast Nedam in the Netherlands and Heitkamp Industrial Solutions GmbH in Germany, Rönesans has been operating as the main contractor and investor successfully for 30 years in construction, real estate development, healthcare and energy. Putting resilience and growth through innovation at the core of the company, with a priority on sustainability and social development, Rönesans has developed projects supporting students with scholarships, academic platforms and initiatives; been a signatory of the UN Global Compact since 2015; and a signatory of the UN Women's Empowerment Principles since 2016.

Under the leadership of its president, Erman Ilıcak, and Chair of the board, İpek Ilıcak Kayaalp, Rönesans, along with its partners GIC, Meridiam Infrastructure, Sojitz, Samsung C&T, TotalEnergies, and IFC of the World Bank Group (minority shareholder in the group), has invested more than EUR8 billion into pioneering projects globally.