

## **Shikun & Binui USA, a member of Red River Valley Alliance, LLC (RRVA), Reaches Financial Close on the Fargo-Moorhead Metropolitan Area Flood Risk Management Project**

Pittsburgh, PA – October 13, 2021

Shikun & Binui USA, a member of RRVA, (through its US construction subsidiary, Shikun & Binui America, Inc. and its US concessions and investment subsidiary, Shikun & Binui Concessions USA, Inc.), has reached financial close, with the Metro Flood Diversion Authority (MFDA) for the implementation of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project under a public-private partnership (P3) valued at approximately \$1.5 billion (including CAPEX, financing and development costs). RRVA was awarded the P3 (DBFOM, availability payments based) portion of the project on June 18, 2021 and reached financial close on October 13, 2021.

The total sources used to finance the Project add up to ~\$2.42 billion (including a revolving facility used during the construction period).

Shikun & Binui Concessions USA, Inc., through its affiliate, holds 42.5% of the equity interests in RRVA (along with its partners, ACCIONA and NACG). The designated contractor to RRVA, ASN Constructors, is a construction JV consisting of Shikun & Binui America Inc (35%), Acciona Construction USA Corp (35%) and North American Construction Group North Dakota Inc. (30%).

The comprehensive project will be constructed in partnership with the US Army Corps of Engineers (USACE). The P3 portion of the project includes the design, construction, financing operations and maintenance of the proposed 30-mile Diversion Channel and associated infrastructure that will protect the Fargo-Moorhead-West Fargo metro area during times of extreme flooding. The scope of work includes the design and construction of a diversion channel approximately 30 miles in length, as well as the design and construction of four interstate bridges, twelve county road bridges, four railroad crossings, two aqueducts, eleven drain inlets and two drop structures that divert flows from tributaries into the diversion channel. This project will take about six years to complete with the Design and Construction activity anticipated to begin in 4Q 2021.

“We are proud to have reached this significant milestone which allows us to move forward with the design and construction of this vital flood relief project” said Sharon Novak, Chief Executive Officer of Shikun & Binui USA. “We are excited to continue working closely with the Metro Flood Diversion Authority, USACE, the local communities and our RRVA partners to successfully deliver this project”.

### **Green Financing**

Shikun & Binui Concessions USA, as part of RRVA, intends to allocate the proceeds from Green Bonds, Notes and Loans to finance or refinance the Fargo-Moorhead Diversion Channel P3 Project in Fargo, North Dakota. This Green Financing Framework will help channel investment to the Fargo Diversion Channel and associated infrastructure projects that contribute to the global sustainability and resiliency agenda.



The purpose of the Project is to reduce the potentially devastating consequences of river floods in the area, with the goals of:

- Preparing the area for the effects of climate change and thus substantially contributing to climate change adaptation.
- Protecting the local population and the local economy from the damaging effects of catastrophic river floods.

North Dakota has the second-highest inland flood risk nationwide, behind only Louisiana according to Boston-based risQ.

“This project hopefully represents a significant step toward more climate resiliency projects procured as a P3”, stated Sam Headon, Managing Director of Business Development of Shikun & Binui Concessions USA, “RRVA’s \$273M (par value) bond sale to back this project, as part of a green financing framework to deliver the Project, was 4.6x oversubscribed.” Agentis Capital served as the financial advisor to RRVA, who will also issue a private placement of senior secured notes and a revolving credit facility.

The bonds, notes and revolving loans are designated as a “green financing” with an initial Baa3 Moody’s rating for both the Series 2021 bonds and senior secured notes, allowing investors to invest in bonds that support this initiative to help reduce the impacts of climate change.

### **About Shikun & Binui**

Established in 1924, Shikun & Binui Ltd. (S&B) is an experienced construction, development and real estate group, headquartered in Israel and active globally. S&B is publicly traded on the Tel Aviv Stock Exchange (SKBN) and is active in Israel and globally in the development and construction of large scale, complex heavy civil infrastructure. S&B has been active in the U.S. since 2012 and is now operating out of Pittsburgh, PA through its infrastructure development and equity subsidiary, S&B USA Concessions, its construction subsidiary, S&B USA Construction and Shikun & Binui Energy Ltd.’s subsidiary, S&B USA Energy.

### **About the Red River Valley Alliance**

The Red River Valley Alliance (RRVA) is a consortium of global developers charged with developing and maintaining the Metro Flood Diversion Project, as selected by the Metro Flood Diversion Authority. The members of RRVA are Shikun & Binui USA, ACCIONA, and the North American Construction Group. RRVA will be responsible for the construction of the diversion channel and the necessary associated infrastructure including bridges, railway crossings and aqueducts, plus operation and maintenance for 29 years.

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