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TAQA, ENGIE and EWEC Announce Financial Closing for Mirfa 2 Reverse Osmosis Desalination Plant

AED 2.3 billion (USD \$620 million) Mirfa 2 Reverse Osmosis plant (M2 RO) will produce 120 million imperial gallons per day and will be the third largest reverse osmosis plant in the UAE

TAQA Group holds a 60% stake in this low carbon desalination project alongside ENGIE holding a 40% stake

TAQA and ENGIE to take on the operations and maintenance of the M2 RO plant, with EWEC procuring the water supplied from the plant for 30 years

Abu Dhabi, UAE – 31 May, 2023: Abu Dhabi National Energy Company PJSC (TAQA), one of the largest listed integrated utility companies in the Middle East and North Africa region, alongside ENGIE, a global leader in low-carbon energy solutions, and EWEC (Emirates Water and Electricity Company), a leading company in the integrated coordination of planning, purchasing and supply of water and electricity across the UAE, announced the successful financial closing of the AED 2.3 billion (USD \$620 million) low carbon Mirfa 2 Reverse Osmosis (M2 RO) desalination project.

The project is primarily funded (78%) through debt financing from both local and international banks, including Abu Dhabi Islamic Bank (ADIB), BNP Paribas Fortis SA/NV, Sumitomo Mitsui Banking Corporation (SMBC), The Norinchukin Bank, BNP Paribas (BNPP) and KfW IPEX-Bank GmbH. This follows TAQA and ENGIE signing the water purchase agreement with EWEC in February of this year.

Serving as the third largest RO desalination plant in the UAE, M2 RO will produce 120 million imperial gallons per day (MIGD) of water once fully operational, equating to roughly 550,000 cubic metres per day of potable water.

Expected to be operational in Q4 2025, the plant will be owned by TAQA holding a 60% share and ENGIE taking a 40% share. Both companies will also take on the

operations and maintenance (O&M) of the plant with ENGIE taking a 60% stake in the O&M company and TAQA taking a 40% stake. EWEC will procure the water supplied from the plant for 30 years.

Farid Al Awlaqi, Executive Director of Generation, TAQA, commented: “TAQA is proud to invest in the development, ownership, and operation of this critical water project in Abu Dhabi, which will contribute to the UAE’s decarbonisation efforts as well as TAQA’s own emissions reductions targets. In line with our ESG and growth strategies to expand investment in and deployment of high efficiency RO technology to reach two-thirds of our capacity by 2030, Mirfa 2 RO also enables us to accelerate how we decouple power and water operations across our assets to further reduce our carbon impact. Critically, this project also sees TAQA continuing to expand on its O&M capabilities, which is a core part of our strategic growth ambition for 2030.

“In the ‘Year of Sustainability’ and COP28, it is important that we showcase world-class projects like these which exemplify sustainability and also contribute to water security, a global issue and an important agenda item at the conference taking place in the UAE this year.”

Othman Al Ali, Chief Executive Officer of EWEC, said: “It gives us great pleasure to support our partners in the financial closing of the Mirfa 2 RO water desalination project. Mirfa 2 RO is EWEC’s fifth low-carbon intensive RO desalination project to date and will be the third largest RO plant in the UAE once fully operational. Achieving this significant milestone demonstrates EWEC’s leadership in enabling world-class utility-scale projects backed by strong local and international partners that accelerate at pace the UAE’s energy transition, while ensuring a sustainable, affordable, and secure supply of water in line with UAE Water Security Strategy 2036.

“Creating a pipeline of RO projects that attract investment in the sector is an integral part of EWEC’s strategic initiative to decouple water and power generation, which in turn will enable us to realise the Abu Dhabi Department of Energy’s Clean Energy Strategic Targets 2035 to reduce carbon emissions by up to 75 per cent. Through our initiatives, we forecast that over 90 per cent of our water production will be from RO technology by 2030, resulting in an 88 per cent reduction in carbon emissions associated with water production.”

Commenting on the announcement, Frederic Claux, Managing Director, Flexible Generation and Retail AMEA, ENGIE, said: “Strong partnerships are key to a successful collaboration, and we are delighted to have partnered with TAQA, once again, on another large-scale desalination asset.

“With more than 30-years’ experience in the Middle East and more than 1,300 MIGD of water desalination capacity, ENGIE is a long-term partner for the region. The

Group's extensive expertise in desalination focuses on developing assets that use Reverse Osmosis membrane technology. With a global target to achieve net zero by 2045, ENGIE continues to explore ways to decarbonise our current operations while researching new membrane technologies and asset configurations to optimise energy efficiencies. We are delighted to have achieved financial close and look forward to commencing build and ultimately operations!"

M2 RO will leverage highly efficient RO desalination, which is up to up to six times more efficient compared to traditional thermal desalination. The technology also enables plant operators to reduce carbon emissions by decoupling of water and power generation processes, thus supporting the wider efforts of the energy sector to cut costs and achieve sustainability targets.

A project of the size and scale of M2 RO brings local economic benefits. The engineering procurement, construction (EPC) contractors on the project will be local Abu Dhabi contractor Al Nasr Contracting Company LLC alongside Société Internationale de Dessalement (SIDEM).

Importantly, the project further positions and supports the UAE's advancement in more efficient water desalination capabilities, a very important skill as the world faces more threats of water scarcity from climate change, and the project will bring in-country value (ICV) and create jobs for the Mirfa area in the Al Dhafra region.

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About TAQA

Established in 2005, TAQA is a diversified utilities and energy group headquartered in Abu Dhabi, the capital of the United Arab Emirates, and listed on the Abu Dhabi Securities Exchange (ADX: TAQA). TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The Company's assets are in the United Arab Emirates as well as Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Kingdom and the United States. TAQA is a shareholder in Abu Dhabi Future Energy Company (Masdar).

For more information, please visit: www.taqa.com and follow us @TAQAGroup on [LinkedIn](#), [Twitter](#), [Instagram](#) and [YouTube](#).

About EWEC

Emirates Water and Electricity Company (EWEC) drives the planning, forecasting, purchase and supply of water and electricity in Abu Dhabi and beyond. EWEC performs its role as the sole procurer of water and electricity from independent producers, ensuring the short- and long-term balancing of bulk supply and demand for distribution companies. EWEC is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy. For more information, please visit www.ewec.ae.

About ENGIE Group

ENGIE is a global reference in low-carbon energy and services. With its 96,000 employees, its customers, partners and stakeholders, the Group is committed to accelerate the transition towards a carbon-neutral world, through reduced energy consumption and more environmentally-friendly solutions. Inspired by its purpose ("raison d'être"), ENGIE reconciles economic performance with a positive impact on people and the planet, building on its key businesses (gas, renewable energy, services) to offer competitive solutions to its customers. Turnover in 2022: 93.9 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, Euronext 100, FTSE Euro 100, MSCI Europe) and non-financial indices (DJSI World, Euronext Vigeo Eiris - Europe 120 / France 20, MSCI EMU ESG screened, MSCI EUROPE ESG Universal Select, Stoxx Europe 600 ESG-X).