

Berlin, April 30, 2019

Siemens and Iraqi Government sign roadmap implementation agreement

- **The agreement with Ministry of Electricity paving way to full execution of Iraq Roadmap**
- **Roadmap scope covers short, mid- and long-term addition of new highly efficient power generation capacity**
- **Includes rehabilitation, upgrade of existing plants, expansion of transmission and distribution networks**
- **Three contracts valued at around EUR 700m awarded for Phase 1 of the Roadmap**

In a move that takes the roadmap for rebuilding Iraq's power sector a step further, Siemens and the Ministry of Electricity of the Republic of Iraq signed an implementation agreement to kick off the actual execution of the roadmap.

The agreement builds on the exclusive Memorandum of Understanding signed between the ministry and Siemens in October last year, and outlines the specific projects, associated budgets and timelines for the execution phase, covering all essential elements of the electrification of Iraq. This includes the addition of new and highly-efficient power generation capacity, rehabilitation and upgrade of existing plants and the expansion of transmission and distribution networks. The document was signed by Joe Kaeser, President and CEO of Siemens AG, and Luay al-Khatteeb, Iraq's Minister of Electricity, in Berlin in the presence of Adil Abdul-Mahdi, Prime Minister of Iraq and Angela Merkel, Chancellor of the Federal Republic of Germany.

Within the implementation agreement, the parties also agreed on the award of contracts valued at approximately 700 million euros for Phase 1 of the Roadmap.

These include the EPC construction of a 500 megawatt gas-fired power plant in Zubaidiya; the upgrade of 40 gas turbines with upstream cooling systems; and the installation of 13 of 132 kilovolt substations along with 34 transformers across Iraq.

The 'Siemens Roadmap for the Electrification of the New Iraq' is a series of short, medium and long-term plans designed to meet the reconstruction goals of Iraq and support the country's economic development. Along with the electrification scope, Siemens had also committed to the donation of a smart health clinic, a 60 million US-dollar software grant for universities of Iraq, and the training of more than 1,000 Iraqis in vocational education. The clinic will be equipped with the company's medical devices to make healthcare more accessible to Iraqis and will support the rehabilitation of populations in liberated areas of the country, with the capacity to treat up to 10,000 patients per year. As for the grant, it will empower local university students with the digital skills essential for the future.

The economic viability of the plan is secured by billions of US dollars in potential fuel savings and revenue generation for the electricity sector. The company also envisions the creation of tens of thousands of jobs over the course of the projects. The roadmap focuses on energy, education, compliance and financing, aiming to advance sustainable economic development, national security and quality of life for the people of Iraq. Siemens initially presented the Roadmap to the Government of Iraq during the Iraq Reconstruction Conference in Kuwait, in February 2018.

"Our mission is to secure reliable and affordable electricity for the Iraqi people and help them rebuild their country," said Kaeser. "This binding agreement addresses the various aspects of the roadmap. We are also committed to supporting Iraq in arranging financing for the projects, creating attractive jobs and opportunities for small and medium enterprises. Investing in the country's future workforce through education and training is close to our heart. Contributing to social and economic development is at the core of what we do and forms a significant part of this agreement."

This press release and a press picture is available at

www.siemens.com/press/PR2019040254COEN

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