

دلسر  
DUSSUR



# 2020 ANNUAL REPORT



## CONTENTS

04	CHAIRMAN'S MESSAGE
06	CEO'S MESSAGE
08	SHAREHOLDERS
10	BOARD OF DIRECTORS
12	VISION & MISSION
14	INVESTMENT PHILOSOPHY
16	PORTFOLIO
18	GENERAL ELECTRIC SAUDI ADVANCED TURBINES (GESAT)
20	SAUDI ENGINE MANUFACTURING COMPANY (SEMCO)



**KING SALMAN BIN ABDULAZIZ AL-SAUD**

The Custodian of the Two Holy Mosques



**HIS ROYAL HIGHNESS PRINCE MOHAMMED BIN SALMAN BIN ABDULAZIZ AL-SAUD**

Crown Prince, Deputy Prime Minister and Minister of Defense of the Kingdom of Saudi Arabia



## CHAIRMAN'S MESSAGE

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We have ended yet another successful year with significant milestones, despite the challenges of the global and regional economic environment of 2020, as Covid-19's negative effect demonstrated the need for a diversified and resilient national economy. Now, more than ever, Dussur serves as a crucial tool in enabling the industrial transformation of the Kingdom of Saudi Arabia in line with Vision 2030 and the National Industrial Development and Logistics Program (NIDLP) objectives. Since its establishment, Dussur has worked diligently to realize its mandate of maximizing developmental impact on the Kingdom by executing strategic and sustainable industrial investments with world-class technical partners.

We aim to unlock the Kingdom's industrial value chains through investments which have long-term positive impact on the economy, including the transfer of technical know-how and technology, job creation for our nation's citizens, FDI growth, and security of domestic supply.

In addition, Dussur works closely to enable the private sector in their contribution to the Kingdom's GDP.

The COVID-19 pandemic contributed to a shift in our sector strategy. Our focus is now on specialty chemicals and industrial metals, which we believe hold the greatest potential in helping us achieve our objectives.

2021 will see Dussur capitalizing even further on the competitive advantages of the Kingdom. The challenges ahead remain, but we look to the future with optimism and confidence. We must think beyond what currently exists and pursue opportunities and technologies that should exist to serve the Kingdom's future needs. ESG considerations will be embedded in our investment decision-making and management of our portfolio companies. I am confident that our commitment, hard work and sound corporate governance standards will anchor us through 2021.

At Dussur, we like to say that Vision 2030 is our compass. This means that we chart our progress by how far we have advanced the industrial goals of our ambitious nation. Our own vision is to be nothing less than a key contributor to the industrial objectives of Vision 2030. We look forward to working with our partners, locally and globally, to achieve this noble aim.

I extend my thanks to fellow board members for their ongoing support, guidance, and dedication, and to Dussur's exceptional team which is working hard to build a system of strategic industrial investments, which will create a new and a successful story for the Kingdom.

**Mr. Mohammed Abunayyan**  
Chairman of the Board of Directors

## CEO'S MESSAGE

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During 2020, a year of unprecedented economic disruption, the core objective for the management team at Dussur has been to ensure that the company's business strategy is suitable for the current phase and its focus is aligned with the Kingdom's Vision 2030.

To achieve this, Dussur introduced new mechanism to assess the impact of its investment pipeline as we have strengthened our proactive focus on the specialized chemicals and industrial metals sector, while continuing to assess the distinct investment opportunities outside these sectors, which have a significant impact on the industrial sector in Saudi Arabia.

The success of Dussur is on investments adding value in different sectors, as well as subsectors of industrial metals and specialty chemicals – the prime focus. In addition, Dussur enables the abilities and contributes to supporting the local efforts, building a more profound establishment. Dussur achieves this by working diligently and studying each investment – analyzing the risks, opportunities, and results.

A series of joint venture agreements, as well as an acquisition are streamlined which are to mature towards the end of the year. We are confident that Dussur and its partners will be able to complete all these transactions and they will become unconditional in 2021.

These state-of-the-art projects are expected to add to the growing demand and bring about a difference and contribute to the strategic requirements of the Kingdom in various sectors.

These projects are designed to transfer technical know-how, create high-quality jobs for Saudis, promote economic diversification, grow the GDP, stimulate domestic direct investments & foreign direct investments, and supply chain settlement – further adding to the modernization and overall advancement of the Kingdom's industrial sector.

Looking ahead, Dussur will continue to search for investment opportunities across the industrial sectors that are part of the National Industrial Development and Logistics Program (NIDLP) focus and continue developing and adapting our investment thesis to capitalize on the competitive advantages of the Kingdom.

I would like to thank our Board, our shareholders, and of course our team for their support over the past year. I am confident in Dussur's ability to draw on the past lessons while embracing the new opportunities and realities presented ahead.

**Dr. Raed Al-Rayes**  
Chief Executive Officer



## SHAREHOLDERS

OVER MANY DECADES, DUSSUR'S SHAREHOLDERS HAVE BEEN AT THE CORE OF SAUDI ARABIA'S INDUSTRIALIZATION JOURNEY, PLAYING A CRITICAL ROLE IN THE ECONOMY AND CREATING EMPLOYMENT OPPORTUNITIES. THEY HAVE UNPARALLELED EXPERIENCE OF SUCCESSFULLY WORKING WITH INTERNATIONAL PARTNERS TO CREATE WORLD-CLASS JOINT VENTURES.



### SAUDI ARABIAN PUBLIC INVESTMENT FUND (PIF)

The PIF's mission is to actively invest over the long term to maximize sustainable returns, be the investment partner of choice for global opportunities, and enable the economic development and diversification of the Saudi economy. Established by Royal Decree in 1971, the PIF has since then financed many key projects and companies and provided financial support to projects of strategic importance to the national economy.

The PIF's economic role has also grown through its effective work in developing the local economy, expanding its portfolio of international assets (through investment in international sectors and markets), and establishing strategic partnerships to achieve its objectives effectively and to maximize sustainable returns as part of the ambitious Vision 2030 objectives.



### SAUDI ARABIAN OIL COMPANY (SAUDI ARAMCO)

Saudi Aramco is a fully integrated, global petroleum and chemicals enterprise. Over the past 80 years, it has become a world leader in hydrocarbons exploration, production, refining, distribution, shipping and marketing, and the world's top exporter of crude oil and natural gas liquids (NGLs).

Saudi Aramco holds its interest in Dussur through its wholly-owned subsidiary Saudi Aramco Development Company (SADCO), which manages Aramco's investments beyond its core operations, such as maritime industries, healthcare, and upstream operations and manufacturing companies. SADCO's purpose is to encourage economic development in Saudi Arabia through investing in new industrial ventures and infrastructure projects which support Saudi Aramco's core operations.

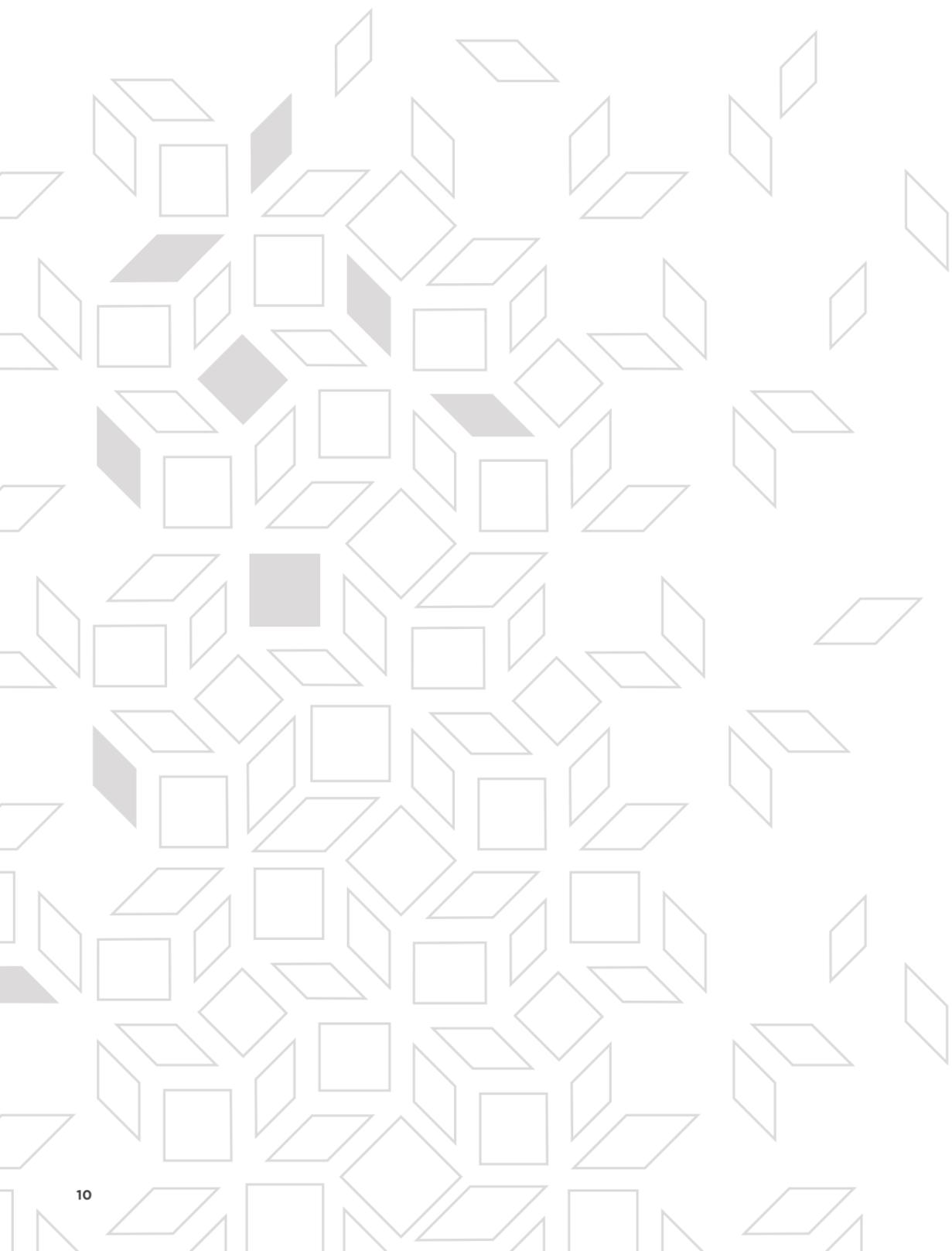


### SABIC (SAUDI BASIC INDUSTRIES CORPORATION)

SABIC is one of the world's largest global chemical companies with more than 40 years of organic and inorganic growth. SABIC started by using the by-products of oil extraction in the Kingdom to produce value-added commodities – such as chemicals, polymers and fertilizers – for export as well as to develop local downstream industries. Since then, SABIC has expanded its core businesses globally to include Specialties, Agri-Nutrients and Metals.

Following the completion of the share acquisition from the PIF in 2020, SABIC is now 70% owned by Saudi Aramco with the remaining shares publicly traded on the Saudi stock exchange. It is headquartered in Riyadh, and has global footprints serving clients in 100 countries, and operates in 50 countries across Americas, Europe, Middle-East & Africa and Asia-Pacific.

# BOARD OF DIRECTORS



**Mohammed A. Abunayyan**  
Chairman of the Board



**Abdullah A. Al-Obeikan**  
Vice Chairman of the Board



**Dr. Wolfgang Colberg**  
Board Member



**Thomas Kichler**  
Board Member



**Eng. Fuad Mosa**  
Board Member



**Waleed A. Al-Saif**  
Board Member



**Faisal M. Al-Bahair**  
Board Member



**Mohanad M. Alamdar**  
Board Member



**Hisham M. Attar**  
Board Member

## VISION & MISSION

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### Vision

To be a key contributor in realizing the industrial objectives set out by the Kingdom's Vision 2030.

### Mission

To maximize the developmental impact on the Saudi economy by executing strategic and sustainable industrial investments with world-class technical partners, unlocking the Kingdom's industrial value chains.



# INVESTMENT PHILOSOPHY

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Dussur is a key contributor in achieving Saudi Arabia's industrial development mandate, as set out in the Kingdom's 2030 Vision. By focusing its investments in targeted industrial sectors, Dussur leverages the Kingdom's strengths to further diversify and increase the competitiveness of its economy, transform national resources into sustainable wealth and help prepare its economy for the challenges of the future.

To achieve these objectives, Dussur partners and invests with prominent local and international industrial companies who are considered to be best-in-class in their respective segments. When required, Dussur will also acquire companies or assets internationally, in order to secure access to proprietary technologies and/or know how which will enable the flow of additional investments in the Kingdom.

# PORTFOLIO

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# GENERAL ELECTRIC SAUDI ADVANCED TURBINES (GESAT)



GESAT is a joint venture project established by Dussur (55%) and General Electric (“GE” 45%) in 2017 to manufacture heavy duty gas turbines, accessory module skids, and components in the Kingdom of Saudi Arabia. Under the agreement, GE and Dussur are strengthening ‘Made in Saudi’ capabilities by expanding manufacturing processes specifically around gas turbine component technology, including GE’s H-class heavy duty gas turbines, ultimately enabling operational efficiency and flexibility.

GESAT aims to satisfy Saudi Arabia’s annual demand for gas turbines.

Since 2018, GESAT has exported over 120 gas turbine accessory module skids supporting power plants to generate around 9GW, which is enough to power seven million homes globally.

Despite Covid-19 lockdowns, GESAT sustained its operations while safeguarding its employees and the community. The joint venture company delivered over sixty accessory modules skids, awarded 2x9F.03 gas turbines upgrades for export, and positioned itself as a first runner for multiple gas turbine opportunities in Saudi Arabia and abroad.

SEMCO

 **HYUNDAI**  
HEAVY INDUSTRIES CO.,LTD.

# SAUDI ENGINE MANUFACTURING COMPANY (SEMCO)



Dussur, Saudi Aramco Development Company (SADCO) and Hyundai Heavy Industries (HHI) signed a joint venture agreement in July 2019 to establish the first marine engine manufacturing facility in the MENA region.

SADCO is set to own 55% of its shares, Dussur will own 15%, and HHI (through Korea Shipbuilding & Offshore Engineering) will own 30%. SEMCO was incorporated in November 2020, and initial equity was injected in early 2021. Once fully operational SEMCO will create over 720 jobs, facilitating the transfer of technical knowledge and industry knowhow to Saudi Arabia.

The company will manufacture 2-stroke and 4-stroke marine and electric power plant (EPP) engines, as well as marine pumps that power vessels, auxiliary equipment, generators, and propulsion systems.

The engines manufactured will also be used in commercial vessels propulsion, electrical power generation, cargo oil pumps, and offshore rig pumps.

Located at Ras AlKhair in the Kingdom's Eastern Province, the manufacturing facility will benefit from the Kingdom's strategic geographic location at the crossroads of important international trade routes between three continents. SEMCO is another step to cement the Kingdom's position as a unique regional logistical hub for global seaborne trade.

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