

دسسر
DUSSUR



Annual Report

دلسر
DUSSUR



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|| My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavour ||

Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud



|| Our nation holds strong investment capabilities, which we will harness to stimulate our economy and diversify our revenues ||

Crown Prince, Deputy Prime Minister, Minister of Defense
HRH Prince Mohammed Bin Salman Bin Abdulaziz Al Saud

CHAIRMAN'S MESSAGE

One of the most significant goals of the Kingdom's Vision 2030 is the localization of industry and the growth of the manufacturing sector, with the aim of maximizing the value of the resources available in our cherished kingdom. In pursuit of this objective and believing in the strategic importance of this sector, the three major entities in the Kingdom (the Public Investment Fund, Saudi Aramco, and SABIC) have launched numerous initiatives, the most significant being the establishment of the Saudi Arabian Industrial Investments Company (Dussur).

Since its inception, Dussur has spared no effort to achieve the strategic goals for which it was established, which is to achieve the maximum possible empowerment and development of the industrial sector in the Kingdom of Saudi Arabia, through the implementation of many sustainable strategic industrial investments in cooperation with a number of global partners; With the goal of transferring and localizing technology and knowledge and securing strategic products locally in a manner that is cost-effective and environmentally responsible. In addition to having a favorable effect on the Kingdom's trade balance by substituting imports with locally produced goods that can compete regionally and worldwide, this strategy

also helps to increase exports. Through its investments, Dussur also intends to broaden the investment horizons of local and global investors by enabling further subsequent and complementary investments.

Building and developing the industrial sector in any economy depends mostly on the acquisition of knowledge and technology. Prior to the Kingdom's Vision 2030, it was difficult to recruit enterprises that possessed these technologies. Today, as a result of the enhancement of regulations supporting the local content, we see the owners of these technologies from major international corporations eager to launch their projects in the Kingdom; to maintain their market share and benefit from the comparative advantages and various attractive incentives available in the Kingdom. So far, Dussur projects managed to attract foreign direct investments (FDI) of more than 1 billion and 200 million Saudi Riyals, which will create more than 2,200 direct jobs by 2030, with Saudization rates ranging from 45% to 90%. Over the next two decades, we intend to contribute roughly 48 billion Saudi Riyals to the GDP through these investments.

Recognizing the need for a forward-looking perspective that exceeds present capabilities, we seek investment possibilities that suit the future demands

of the industrial sector in the Kingdom. We will also ensure that government, society, and the environment are taken into account while making investment decisions and managing subsidiaries.

Today, we are beginning to see the initial phases of recovery from the COVID-19 pandemic, which will allow us to focus on pursuing optimal investment opportunities in various industrial sectors that come within the scope of our strategy, compatible with the objectives of the National Industrial Development and Logistics Program.

To conclude, I would like to extend my sincere thanks and gratitude to the owners of Dussur (Public Investment Fund, Saudi Aramco, and SABIC), to my colleagues on the Board of Directors for their continued support, invaluable guidance, and unwavering commitment, and to all members of the exceptional Dussur team who are working tirelessly to build a system of strategic industrial investments; To create new success stories across the whole of our beloved country

Mr. Mohammed Abunayyan
Chairman of the Board of Directors

CEO'S MESSAGE

In light of the ongoing challenges posed by the COVID-19 pandemic to various economic sectors, it has become clear to everyone the importance of strengthening local supply and supply chains in the industrial sector, a goal that Dussur has set in order to localize the manufacturing sector; With the aim of optimizing the utilization of locally available resources and contributing to enabling Saudi Arabia to become a leading industrial power and an international industrial hub.

At Dussur, we strive to strengthen the promising industries listed by the Kingdom's Vision 2030, including the renewable energy industry, automobiles, aviation and military, machinery and equipment, pharmaceuticals and medical devices, and others. Dussur focuses on investing in the industrial metals and specialty chemicals sectors, as they have a big impact on the supply chains of these industries has led, while continuing to analyze unique investment prospects outside of these two sectors, which have a substantial impact on the economy of the Kingdom.

Since its inception, Dussur has been able to complete nine separate investments whose total worth exceeds 10 billion Saudi Riyals. In 2021, Dussur added three new investments to its portfolio, comprising two JVs and an acquisition as follows:

The first agreement with the Korean company (Seah Changwon Integrated Specialty Steel Co. Ltd) - 49 percent ownership for Dussur and 51 percent for the technical partner - to establish the first factory in the Middle East and North Africa region in King Salman Energy City (SPARK); The

total investment for this project is estimated at one billion Saudi Riyals (US\$ 271 million) for the production of seamless stainless-steel tubes. The annual production capacity of this factory is 19000 tons. It is anticipated that production will begin by the end of the third quarter of 2024.

The second agreement was with the American corporation "Baker Hughes" to construct a plant with an annual production capacity of 30,000 metric tons to produce chemicals required in the processes of manufacturing extracted oil and water treatment. This project is anticipated to require a total investment of 528 million Saudi Riyals (US\$ 141 million), with Baker Hughes and Dussur each contributing 51 percent and 49 percent, respectively.

In conjunction with an international consortium consisting of Broad Peak Global (BPG) and the Asia Green Fund (AGF), DuPont Clean Technologies was acquired and its company was renamed to be (Elessent Clean technologies). This is Dussur's first overseas acquisition in the field of specialty chemicals, with a deal value of 1.96 billion Saudi Riyals (US\$ 527 million) and a 43.9% ownership. Notably, the new firm is a global leader in the production of chemical catalysts and innovative equipment focusing in environmental sustainability solutions for the metals, fertilizers, chemicals, and oil refining industries.

In addition to stimulating domestic investment, attracting foreign direct investment, and establishing industrial supply chains in the Kingdom, we aim to transmit knowledge and technology and generate high-quality jobs

for the country's children and grandchildren through Dussur initiatives.

In 2022, Dussur will continue to seek out appropriate investment opportunities in a variety of industrial sectors with a selection of local and international partners, consistent with the objectives of the National Industrial Development and Logistics Program, and will increase its focus on recycling and realign its investment vision to capitalize on the competitive advantages that our beloved Kingdom offers.

As a result, the focus of Dussur's medium-term investments will be on the industrial metals and specialty chemicals sectors, as these two sectors have a significant impact on the supply chains of these promising industries, and will adhere to a clear investment model represented by joint investments with global industry leaders with high technical expertise.

I would like to thank the Board of Directors and the shareholders for their unwavering support over the past year. I would also like to thank the distinguished Dussur team, which works with as much tenacity as the Tuwaik Mountains to construct these strategic and unique projects. In the new year, I am confident that we will be able to take use of what we have learnt and grab the new chances that will arise.



Dr. Raed Al-Rayes
Chief Executive Officer

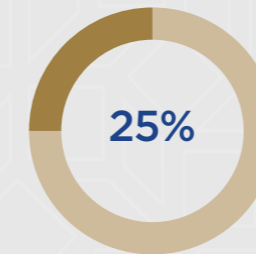


OVERVIEW

SHAREHOLDERS



Due to the vital role they play in the growth of the Saudi economy and the provision of a significant number of employment opportunities, shareholders in Dussur are regarded as an essential component of the development process in the Kingdom of Saudi Arabia. The combined experience of our owners in developing world-class joint ventures with a select group of leading global partners is unmatched.



SAUDI ARABIAN OIL COMPANY (SAUDI ARAMCO)

Saudi Aramco is a leading energy and chemical corporation that facilitates global trade and enhances the quality of life for millions of people worldwide.

Saudi Aramco's share in Dussur is held through its wholly-owned subsidiary, Saudi Aramco Development Company (Mukamala).

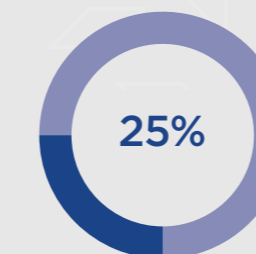
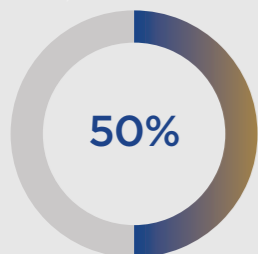
Mukamala strives to promote economic growth in Saudi Arabia by investing in new industrial and infrastructure projects. It controls Saudi Aramco's interests outside of its core operations, including as marine industries, healthcare, upstream operations, and manufacturing enterprises.



PUBLIC INVESTMENT FUND (PIF)

In order to achieve Vision 2030's goals, the PIF aims to be the Kingdom's primary economic and investment driver. As a result of the fund's strategy, it is on track to meet its objectives and set a new standard for sovereign funds everywhere in the globe.

The PIF constitutes the hub of the national economic transformation toward positive, sustainable change in the Kingdom, as we eagerly strive to lead the development renaissance of the local economy, localize technologies and knowledge, expand its investment portfolio of international assets, and invest in global sectors and markets by forming strategic partnerships and launching a number of initiatives that contribute to the attainment of Vision 2030 objectives.



SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

SABIC has showed an amazing ability to accomplish what others have been unable to accomplish in a record length of time since its establishment in 1976 by royal decree.

In the petrochemical industry, Saudi Aramco currently controls 70% of SABIC, while the remaining 30% are listed on the Saudi stock market. SABIC is a publicly traded joint stock company with its headquarters in Riyadh, Saudi Arabia's capital.

With operations in more than 50 countries and more than 32,000 highly skilled and creative workers spread throughout the globe, the company's expansion has been nothing short of miraculous.

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



Waleed A. Al-Saif
Board Member



Faisal M. Al-Bahair
Board Member



Iyad A. Al-Garawi
Board Member



Omar H. Al-Madhi
Board Member



Mohanad M. Alamdar
Board Member

VISION & MISSION

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

As part of Saudi Arabia's Vision 2030, Dussur is a crucial player in fulfilling the Kingdom's industrial growth goals. By concentrating its investments in certain industrial sectors, Dussur makes the most of the Kingdom's assets in order to broaden and strengthen the country's economic base, turn national resources into long-term prosperity, and get it ready for the future.

Towards these ends, Dussur collaborates and makes investments with well-respected local and worldwide industrial enterprises, each of which is considered the greatest in its field. When necessary, Dussur will purchase overseas companies or assets in order to gain access to patented technology that will facilitate the inflow of more investments into the Kingdom.



PORTFOLIO



PORTFOLIO

GENERAL ELECTRIC SAUDI ADVANCED TURBINES (GESAT)

Partners



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 9 GW, which is enough to power seven million homes globally.

With a Saudization rate of up to 70%, the project is estimated to create more than 90 direct jobs.

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.

PORTFOLIO

SAUDI ENGINE MANUFACTURING COMPANY (Makeen)

Partners



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

Mukamala is set to own 55% of its shares, Dussur will own 15%, and HHI (through Korea Shipbuilding & Offshore Engineering) will own 30%. (Makeen) was incorporated in November 2020, and initial equity was injected in early 2021.

Once fully operational (Makeen) 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. (Makeen) is another step to cement the Kingdom's position as a unique regional logistical hub for global seaborne trade.

It is planned that the commercial operation will begin place in the first quarter of the year 2025.

PORTFOLIO

ELESSENT CLEAN TECHNOLOGIES (ECT)

Partners



BroadPeak Global



Elessent Clean Technologies (ECT), a consortium between Dussur, BroadPeak Global LP (BroadPeak) and Asia Green Fund (ACT), acquired 100% of DuPont Clean Technologies in 2021.

This acquisition is Dussur's first international possession in the field of specialty chemicals and is valued at us\$ 527 million. Elessent Clean Technologies (ECT) has been a global leader in sulfuric acid, alkylation, and wet gas purification processes since its foundation in 1925, when it began manufacturing sulfuric acid catalyst.

The company offers a comprehensive array of after-sales services and solutions and has more than 300 workers in eighteen countries and four global regions.

Strong cooperation partnerships exist between Elessent Clean Technologies (ECT) and major industry sectors in the Kingdom of Saudi Arabia. With Dussur's assistance, the company will be able to expand its operations throughout the Middle East and the rest of the world.

PORTFOLIO



NATIONAL VEHICLES INDUSTRIAL COMPANY (NVIC)

Partners



With the cooperation of Tatweer Education Holding Company (TEHC) and CHTC KINWIN(NANJING) Automobile, one of the major commercial vehicle manufacturers, Dussur signed a deal to construct a bus manufacturing factory in cooperation with the Local Content & Government Procurement Authority (LCGPA).

With a production capacity of (3000) buses annually and an investment of 470 million Saudi Riyals, this project is regarded one of the projects aligned with the Kingdom's Vision 2030 as it is the first in the Kingdom to localize new technologies for three types of buses, which include internal combustion (such as buses that use gasoline and diesel), electric buses, and hydrogen vehicles.

As part of its long-term strategy, Dussur launched its Bus localization project, to implement industrial projects that support vital industrial sectors, diversify the local economy, create long-term employment opportunities for local residents, transfer technology and knowledge, and attract complementary investments in supply chains.

In addition to the public transportation sector, these Saudi Arabia-made buses will service the Hajj and Umrah sector and the education sector. This project will contribute to the increase of the local content proportion and create around four hundred direct jobs for citizens.

The project will be based in Jeddah's third industrial city and manufacturing will begin in the fourth quarter of 2024.

SAMI FIGEAC AERO MANUFACTURING (SFAM)

Partners



SAMI FIGEAC Aero Manufacturing (SFAM) was established in 2021 in the Kingdom of Saudi Arabia in partnership with Saudi Arabian Military Industries (SAMI) and Figeac Aero Group (FIGEAC AERO), with the purpose of constructing a high precision manufacturing facility in the Kingdom of Saudi Arabia for the production of aircraft structural components.

In addition to training Saudi engineers and technicians to work on this project and promoting the localization of the military and civil aviation industries in accordance with the Kingdom's Vision 2030, the joint venture will focus on manufacturing and processing light alloys (aluminum) and hard metals (titanium) for aircraft components as its primary products.

With a Saudization rate of up to 90%, the project is estimated to create more than 100 direct jobs. The manufacturing facility is located within the Aircraft Complementary Equipment Company Limited (AACC) in Jeddah; (AACC) is a subsidiary of the Saudi Arabian Military Industries Company. The project will benefit from the incorporation of AACC production methods and capabilities.

In collaboration with FIGEAC AERO, several parts have been selected manufactured in SFAM facility to be used for for global OEMs .

PORTFOLIO

SEAH GLOBAL MENA SPECIAL STEEL (SEM)

Partners



STS project is a strategic partnership between the Korean company (SeAH) and Dussur, with an investment of 1,013.3 million Saudi Riyal (us\$ 271 million) to establish the first factory in the MENA region in the King Salman Energy City (SPARK); For the manufacture of seamless stainless-steel pipes and tubes with sizes ranging from 3 to 10 inches, which are distinguished by their ability to withstand high pressure, anti corrosion, and longer life than other tubes.

The project's significance is in drawing worldwide knowledge and localizing the fabrication of these pipes, which are utilized in a variety of industries in the Kingdom, including the oil and gas sector, the petrochemical sector, and the water sector, among others.

This relationship will result in the transfer and localization of industrial expertise, the establishment will create 230 employment opportunities for the citizens of the Kingdom, and the reduction of import reliance in the Kingdom's fundamental sectors. It is anticipated that production will commence by the end of 2024.

PORTFOLIO

Oilfield and water management chemicals

Partners



In partnership with the American company (Baker Hughes), and with an investment of 528.8 million Saudi Riyals (us\$ 141 million) Dussur signed an agreement to construct an industrial facility with an annual production capacity of 30,000 metric tons, for the production of chemicals used in the processes of manufacturing extracted oil and water treatment, where the project will be one of the first in the Kingdom to provide chemical reaction technology, to produce products that are considered the first of their kind in the Kingdom of Saudi Arabia.

Dussur invested in Baker Petrolite Saudi Company Limited (BPSCL) and increased its work scope from mixing materials to integrated industry by localizing the chemical reaction industry in order to develop and implement this project.

This will contribute to taking advantage of the petrochemical resources available in the Kingdom of Saudi Arabia, reducing the time required to meet the demand and needs of oil and gas companies, petrochemical companies, and others in the Kingdom and neighboring countries, as well as transferring knowledge and creating 60 employment opportunities in Saudi Arabia. It is anticipated that production will commence in the fourth quarter of 2022.

PORTFOLIO

TWUAIG CASTING & FORGING COMPANY LLC

Partners



In July of 2020, Dussur, Doosan Corporation, and Saudi Aramco (Mukamala) came into a partnership agreement to develop Twuaig Casting & Forging Company LLC (TCFC) in Ras AlKhair, Eastern Province, Kingdom of Saudi Arabia with an investment Size of 940 million US\$.

With a State of the art facility, the factory produces its products using sand mold casting and open-mold forging. The factory aims to produce 60,000 tons per year, the majority of which will be supplied to local and foreign businesses in the oil and gas sector and other industries. In addition to providing drilling rigs and drilling equipment, this joint venture will also service the marine and engine industries.

With the creation of 1,400 direct jobs, it's expected that this project would contribute in the attainment of the localization targets set forth by the many programs and initiatives aimed at increasing the amount of locally produced products.

It is planned that the commercial operation will begin place in the first quarter of the year 2025.

Industrial investments for greater value



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