

# Transcript of Erwin Jager

**Hall T. Martin:** [00:00:00] Hello, this is Hal Martin with Investor Connect. Today I'm here with Erwin Jaeger of Wreckdock Vessel Recycling. Wreckdock is an innovative offshore recycling company that completely dismantles seagoing vessels. Erwin, thank you for joining us.

**Erwin Jager:** Thank you. Hal

**Hall T. Martin:** great. So, where are you calling from today?

**Erwin Jager:** Uh, I'm calling from Mauritius Health.[00:00:20]

**Hall T. Martin:** Well, great, great, nice place. You used to travel there, for vacations and so forth, but it sounded like it's a a great place to work as well. So let's start off with your background. Tell us more about what you were doing before this.

**Erwin Jager:** Uh, since, uh, 2007, uh, I was the founder and c e o of, uh, baros Hotel [00:00:40] Enterprises, which is, uh, a hotel, management advisory firm.

Which, uh,, a leading company in the advisory of management teams in the hotel industry. hotel investments, refurbishment of hotels, and advisory of, financing of hotels. Now, in the beginning of this year, I sold, uh, my shares, to an [00:01:00] Asian investment company, and, for I think like 20 years, I wanted always to have my own shipyards because boats are my, uh, my hobby and I'm, I'm really, How do you say, indoctrinated by big vessels.

now for me, it's not really in, in market to, to step into, to build new, vessels, as well [00:01:20] because the, the market is overflowed and it's becoming a lot of vessels, for recycling, uh, in the upcoming, uh, years. so with the capital, what I gained, out of the sales, uh, of my company, and together with, uh, the capital of two investment companies, uh, abroad, we started, uh, having a corporation and purchasing [00:01:40] land.

Acquiring land, uh, where we, um, construct, uh, Ford Dry docks, including our headquarters, including an employee compound where we can host 6,000 employees. we start recycling, vessels from 350 meter long, sorry, and 40 meters wide up to 500 meters long. we do that in, [00:02:00] uh, Saudi Arabia, to start with.

And in two years, uh, we're gonna start, uh, in Iraq as well. yeah, so that's actually what we, uh, what we are doing at the moment.

**Hall T. Martin:** So what is the opportunity in vessel recycling? What do you see as the upside potential for making a business?

**Erwin Jager:** Ah, well that's huge. well, there [00:02:20] is a reason, uh, why we, uh, step in the market right now. Uh, that's because of the capital, what we have behind us in the first place. 'cause it's, uh, needs a lot of capital to invest in.

the other part, uh, is that we establish in Saudi Arabia with an reason that is because of Saudi Arabia came with, uh, his vision, uh, for 2030. [00:02:40] And it's really an attractive, uh, plan. For, expats, but as well for new companies to, uh, to establish in, uh, in Saudi Arabia. they're changing many laws.

And it makes it interesting as well to, to establish over there. It's a central location. And, in terms of activity of, fe recycling, you need to think [00:03:00] about this, that. Every vessel, what we, recycle and dismantle, brings steel, brings so many other, uh, so many other components, what we can sell into the local markets.

So the moment a vessel reach our dry docks, Everything in the vessel is sold already. So we just, we just do our job, we just recycle it and we deliver it on site, [00:03:20] at our customers. it's a huge market. If you see the total potential of, uh, seagoing vessels at the moment, and the total lifespan of an, of a vessel, combined with the requirements of, green, uh, innovations into this industry, then, uh, you can see that the, the recycling [00:03:40] industry of end of life seagoing vessels are huge.

So for us, it's a reason why we established in Saudi Arabia and as well in eDoc. it's the middle of the middle East's a lot of money, in the market, uh, in both countries. They, uh, yeah, they have a really, a huge need for, uh, for steel and for other materials [00:04:00] coming out of, uh, out of these vessels.

so yeah, that's actually in a nutshell, uh, Why we step in this market.

**Hall T. Martin:** Great. So what are the differences between you and your competitors in this space? What are you doing differently?

**Erwin Jager:** Yeah. Well, that's a good question, and an easy one to, uh, to answer as well. I. our competitors in the [00:04:20] market, not all of them, but the majority of them, uh, they are, shipyards located in India, Pakistan, or

Bangladesh, where these big vessels are docked on the beach just on a, on an open beach.

So without any safety, for the employees without [00:04:40] any safety for the environment. this is a huge problem and how we actually developed our business is in the way of doing it in the most, most clean sincere way possible. so instead of bringing this vessels to open beaches, we [00:05:00] bring them to dry dock.

And in the dry dock we are able to, to dismantle the vessels. In compartments and outta these compartments, we get smaller elements and these smaller elements we're gonna recycle and that we do all on site in our own facility. So what are we doing different? Well, [00:05:20] first of all, the way we take care about our employees, uh, they're gonna stay in our own compound.

With a lot of facilities for them, to be built. you have to think about, uh, supermarket and internet cafe support facilities. we have an own hospital, dental care, everything is on site. , on the other [00:05:40] side, what we do on our facility where we, where, where the business is taking place.

Uh, we have our own firefighter department. Uh, we are building an small first aid hospital. , that's in a total different way than what you see in the rest of the world. Now, how can we do that, and how can we finance that so easy? and other, other [00:06:00] parts in the world? It's, it's more difficult.

That's because of the tax, environment in these countries in the Middle East. Are very friendly. So our labor tax is not that high. our, our corporate taxes, uh, is low, compared to, uh, for example, Europe or the United States. very attractive for us to establish here.

**Hall T. Martin:** Very good. So what [00:06:20] advice would you give to someone that is entering this space? What do you tell them to do before they join in?

**Erwin Jager:** Well, I think, and before you, before you join, uh, you need to know what's going on. What, what are we doing actually, and, and why are we doing this? And the reason why are we doing this is that mm-hmm. Because we see the difficulties in the [00:06:40] industry, we see out of these difficult, uh, difficulties, the opportunities for us as well.

within a network we have within, the sales we, and the traits we made outta these vessels, , the opportunities are very wide for, for everybody, even if it's

vessel owner, even if it's an buyer of, uh, of the smaller [00:07:00] elements. recycling, uh, recycling plants can use our materials as well. the end production market can use our, our products as well.

I. If you look at from an HR perspective, , I'm a hundred percent sure there's a lot of, positivism in. so it, it depends. If you are looking from an investors perspective, then it's a market within, uh, a [00:07:20] fairly high value and then, uh, in higher revenue stream in short period because the moment a vessel is bought and transported to the, to the, to the facility, it's sold already.

So we only need to, to dismantle and recycle it. So in terms of, of returns, yeah, it's a safe environment. it's a market [00:07:40] that will, be here for over decades. it's not a market that will, that will collapse, uh, because of other circumstances. There are many vessels in the world but needs to be, uh, recycled and you cannot put them in the ocean.

You cannot sink them to the bottom. There's too much oil in it. Waste oil. There's too much old steel. Other components were very, uh, [00:08:00] very important as well to, uh, to trade out all the copper, what is in it, but think about it as, as asbestos as well, you know, so it's very important to take the asbestos out, by certified companies instead of doing that on a public beach, with immediately danger for the environment.

So there we see for us, as well, a huge market.[00:08:20]

Okay, great.

**Hall T. Martin:** Well, you see, what, what online information source do you find most helpful in your work?

**Erwin Jager:** well there are, there are a lot of information sources in our, uh, industry. I. there are a lot of conferences, uh, ongoing, but the market and the industry is at the same time, quite small as well. Everybody knows each other. everybody knows what everybody is doing [00:08:40] because these vessels are all ed.

They have a name, they have very, and, and, and a registration number. I. And the moment the registration number is changed and the name is changing and the allocation is changing, then everybody knows that as well. All this information is public information. even if it's registered in A B P I company, that it comes from moment that ships pops up [00:09:00] somewhere.

, so all this information is, is available for us and all this information we use in our, uh, business intelligence too. To build in good business out of it. And I think in, not particular our own business, but in every business is it's important to rely on data and, and information what is available.

yeah, for, for [00:09:20] us, that's important. And as well, the information, what we have out of fish in 2030 from the, from the Kingdom of Saudi Arabia. What they want to gain in the, in the next future, where they want to go to with the country. And for us, it's, that's, Reason more to establish in, in, in Saudi, we could buy land in Dubai, for example, or in, [00:09:40] Oman or in another, uh, in another country nearby.

But the, the possibilities in Saudi Arabia and as well in Iraq are for us, like, uh, tremendous. So there's no reason for us to, to look any, any further. So all the, these things comes out of information by traveling to these countries, by the network we have, uh, out of the [00:10:00] hotel industry. travel a lot and all these people comes back in networks and networks build information, you know?

So, yeah, that's how, how I think about it.

**Hall T. Martin:** So what's one thing your business did that you did not expect?

**Erwin Jager:** Well, what I did not expect was that we should go to Iraq. it came actually by an, uh, [00:10:20] by a very close friend of me who is from Iraq, and he told me, listen, IWiN say, uh, um, they're building now the biggest port of, of the Middle East. So yes, I know that. He say, why you not opening in in second facility there?

I said, well, it's quite close by. by Saudi Arabia and, the investments are quite high to take [00:10:40] and then you say, yeah, but Iraq , is an upcoming economy as well. After the war, what took place there? So for us it was like, okay, let's, let's do an a research in that country. And then we found out that, that this country is, very good elements.

To invest in. There's a good, environment in it and a lot of people should say yes, but there's a [00:11:00] lot of corruption in that country too. A hundred percent. But that was old Iraq. Now there is a new Iraq there and new generations, and a new generation wants to, they want to really become a reliable Middle Eastern region instead of taking the old heritage from, from the previous Iraq.

So, That is actually [00:11:20] for us reason more to come to Iraq as well. And it was definitely not expected. and definitely not. Now. if it, you should ask me this like a year ago or half a year ago, then I should say, well if, if the, the shared transfer with deros, uh, hotels is, is done, then we start in Saudi for sure.

but not immediately as well looking at doing Iraq. but, but [00:11:40] that's why when you travel and when you, when you talk with people, And when you are open-minded, to get information from new countries because it's proven by history, people who are traveling, they will win. they will find new places to make money, to establish companies, to develop, to meet other local people.

And those local people are [00:12:00] needed to, to build, build new companies and new structures. So that was definitely unexpected. All the rest is just like quite simple. it's land and the land need to be developed. And from our, history as a, as a hotel developer, , we are familiar with building, uh, facilities, although it [00:12:20] was in a different industry, but the development of land is, is not much different than developing a hotel.

Activity is different. That's it.

**Hall T. Martin:** before we, uh, one the last minutes that we have here today, what else should we cover that we haven't.

**Erwin Jager:** not so much. I think there's a lot, a, a lot of more to say, but, uh, yeah, we have not so much time, unfortunately. But, [00:12:40] it's an, a strong industry and it's an industry where we, uh, where we all rely on because it's a green environment. We don't want to waste our oceans any longer. because that is a disaster for, uh, for everybody who relies on the water out of the oceans, including the sea life.

I think everything is, is set in this way then.

**Hall T. Martin:** Great. So[00:13:00] how best for listeners to get back in touch with you?

**Erwin Jager:** Uh, well we have a website. They can uh, they can visit our website, uh, rec do.com and otherwise they can send an email to inquiry@rec.com.

Great.

**Hall T. Martin:** We'll put that in the show notes. I want to thank you for joining us today and hope to have you back for a follow up soon.

**Erwin Jager:** Thank you so much help for your time. And we [00:13:20] definitely, uh, stay in touch