



**Investment Dossier for ADB-PEA
Blue Economy Knowledge Product, Section 5**

Company: Meliomar & Blueyou Group
Country: Philippines **Project #:** SF-001
Sectors: Seafood Processing, Sustainable Fishing/Aquaculture

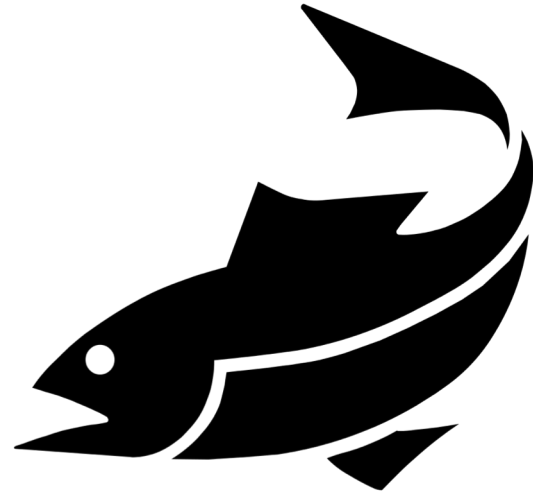
AUTHORS: D. MICHAEL ADAMS, NICOLA LEI RAVELLO

E: MICHAEL@OCEANASSETS.ORG

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Executive Summary

What: Seafood Processing Plant, Sustainable Sourcing, Carbon-Neutral, Scale-up Exports & Local

Why: Local processing/branding, Demand for sustainable seafood, Jobs & Gender balance

Where: New Clark City, Philippines. Sourcing from local restored fisheries & aquaculture producers

Who: Meliomar is a Philippine subsidiary of BlueYou Group. Sustainable seafood since 2004

How: Increase distribution to local & global markets with local processing of value-added products

Capital Raise: \$4M for CapEx: \$3M for OpEx. Already committed: \$3M. Seeking balance \$4M loan.

Fit with ADB-PEA Key Criteria

KEY CRITERIA	FIT	COMMENT
Project based in Asian DMC?	YES	Philippines (PI)
Ownership based in Asian DMC?	TBD	PI company is 100% owned by Swiss seafood group, Blueyou Services
Sustainable Blue Economy Sector?	YES	Community-based Fisheries & Aquaculture / Sustainable Seafood Manufacturing
Address Social Goals?	YES	Gender balance, Local jobs/growth, Fair Trade Fisheries Programs
Address Environment Goals?	YES	Sustainable fishing & aquaculture, Renewable power, Mangrove restoration, Blue Carbon programs
Company/Team Track Record?	YES	Pi company operating since 2012. Owner founded 2004. Many successful Asian seafood production projects. More than 15 years track record in sustainable seafood globally.
Investment Ask between \$5-20mn?	YES	\$7mn Totalt: \$4mn Capex, \$3mn Opex
Realistic Debt Service or Equity Exit?	YES	Debt service guaranteed by Blueyou Group. Project aims to solidify and diversify PI business for target 5-yr Net Income margin @ 7.6%.

Governance

- **Company:** Meliomar Inc., Philippine-registered, since 2012
- **Project Location:** New Clark City, Philippines
- **Project Leader:** René Benguerel, President of Meliomar
- **Owner:** 100% by Blueyou Services LTD, Swiss-registered, since 2012
- **Core Business:** Sustainable seafood production and distribution
- **Independent Directors:** Y
- **Advisory Board:** N
- **Audited Financials available:** Y
- **Industry Certifications:** Y

Sustainability & PEA Benefits

Strict company Policies & Programs ensure a sustainable approach to all resources:

- **Strict sourcing policies for wild and farmed seafood including fair trade models for local communities**
- **Fisheries improvement program** for handline-caught tuna in the Philippines [ARTESMAR Program]
- **Circular Economy and Carbon Neutral Operation** including off-setting program by mangrove restoration in Philippines
- **Strategic Collaboration with leading NGO** such as **CI** (Conservation International) and **TNC** (The Nature Conservancy)

3rd Party Certifications planned: MSC, ASC, Organic, Fair Trade

PEA Benefits - Jobs, Gender, Community:

- Creation of **250 new jobs** with the new manufacturing hub in New Clark City
- Specific employment **opportunities for women** in the value added manufacturing line
- Create income and livelihood for **3'000 small-scale fishermen** and farmers in Philippines

Project Summary

4-Point Expansion

1. **Increase seafood manufacturing capacities** in the New Clark City Sustainable Hub with frozen and fresh products for exports to global markets
2. **Diversify and increase local market penetration** in the Philippines: retail, hotels, restaurants, food service
3. **Grow export markets**, establishing Meliomar as the global leader of sustainably sourced seafood for exports to Europe, Asia, North America
4. **Strengthen local fisheries and aquaculture** program to ensure a sustainable sourcing of their raw materials

Technology Level / Risk

TRL 9: Commercial-Ready
No apparent technology risk
No capacity building required

Model of new facility



Markets: Overview

Sectors

- Fresh Seafood
- Frozen Seafood
- Seafood Byproducts

Scale

- 769t/year of fish
- 70t/y fresh local
- 226t/y fresh export
- 172t/y frozen import
- 289t/y byproducts



Markets

- Domestic Markets: 53% (Hotels and Restaurants)
- Export Market: 47% (Retail and Food Service)

Products

- Artesmar Tuna Domestic | Fresh
- Artesmar Tuna Export | Fresh
- SeaChange Tuna Domestic | Fresh
- Import Seafood | Frozen
- Processing By-Products | Domestic | Fresh

Business Model Features



BEFORE

- **Fresh Seafood Manufacturing and Distribution:** Leading supplier for large hotels in Metro Manila
- **Export of fresh tuna products** to EU, US and Asia
- **Risk:** Covid19 reduced tourism and sales to hotels, restaurants, breakdown of airline logistics
- **Demand:** Growing demand for certified-sustainable and traceable seafood
- **Revenues** (Pre-Covid): \$ 8.5M

AFTER

- **Fresh and Frozen Seafood Processing:** Sustainably caught local and imported raw materials (tuna, salmon, cod etc.)
- **Local Distribution:** Deepen penetration to high-end markets, stores, hotels, restaurants
- **Global Distribution:** Asian, US & European export channels for new frozen products
- **Business Diversification:** Product lines, local processing, expanded local & foreign markets
- **Projected Revenues: 30 Mn USD**

8. Business Model Assets

New facility enables global business expansion with strong assets:

- 1. Vertical integration** of seafood supply chains: Aggregating seafood raw materials from sustainable fisheries and farm origins to consumer-branded, high-quality seafood products for direct global distribution
- 2. Access point** into growing Philippine retail market, with option to supply fresh/frozen packed seafood in various forms and product types
- 3. New global benchmark** for responsible and eco-efficient seafood manufacturing, based on principles of Circular Economy and socially-inclusive conditions for workers, creating strong USP for Blueyou products globally
- 4. Creation of a sustainable seafood hub** in the Philippines, with direct access to tuna resources of the Western- Central Pacific, manufacturing value-added, high quality seafood in a competitive and cost-efficient fashion

9. Company Milestones

- **2012** Foundation of company MELIOMAR in the Philippines and initiation of ARTESMAR® fishery improvement program for the artisanal tuna fishery in the Philippines and export of tuna to North America and Europe
- **2014** Operational start of the new tuna processing facility in Pasay City and first product sales to local high-end hotels [Marriott, Hyatt, Shangri-La, Peninsula]
- **2015** Introduction of frozen seafood portfolio for local market distribution and launch 2016 of SeaChange® program for seafood from local responsible sources and origins
- **2016** Establishment of electronic traceability system and fish catch reporting system including factory-floor process management system [EMYDEX]
- **2016** Investment round with MELOY FUND [CAPEX and WC] for expansion of business
- **2018** Meliomar is the leading seafood supplier to the high-end hotel market in Manila
- **2018** Meliomar realizes \$8.5mn sales with strong outlook for continuous growth by investing in additional manufacturing, procurement, sales/marketing resources for both export and local markets in the Philippines

Timetable: New Manufacturing Plant

- **Feb 2021** Final layout and CAPEX plan for new plant in New Clark City
- **Aug 2021** Equity round with private investors [3 – 4 Mil USD]
- **Sept 2021** Initiate official licensing and permission with PEZA and BCDA
- **Nov 2021** Secure CAPEX and OPEX loan
- **Dec 2021** Procurement phase completed
- **Jan 2022** Start of Construction
- **Feb 2022** Final Installation and trial operation for auditing and licencing
- **May 2022** Operational start of new manufacturing facility in New Clark

Team Leadership

Matthias Krebs	Board of Director and Project Manager for New Manufacturing Hub
René Benguerel	President of Board Investor Relationships
Lorenz Weingart	Architect and Technical Planning
Hanspeter Tschumper	General Manager and Operations Manager
Oscar Almaden	Senior Partner and Local Fishery Program Advisor
Livia Ramazzini	Head of Quality Management
Fabian Mollet	Head of Sustainability and Fisheries Programs
Jonas Walker	Carbon Footprint Program
Guillemette Forato	Sustainability Manager

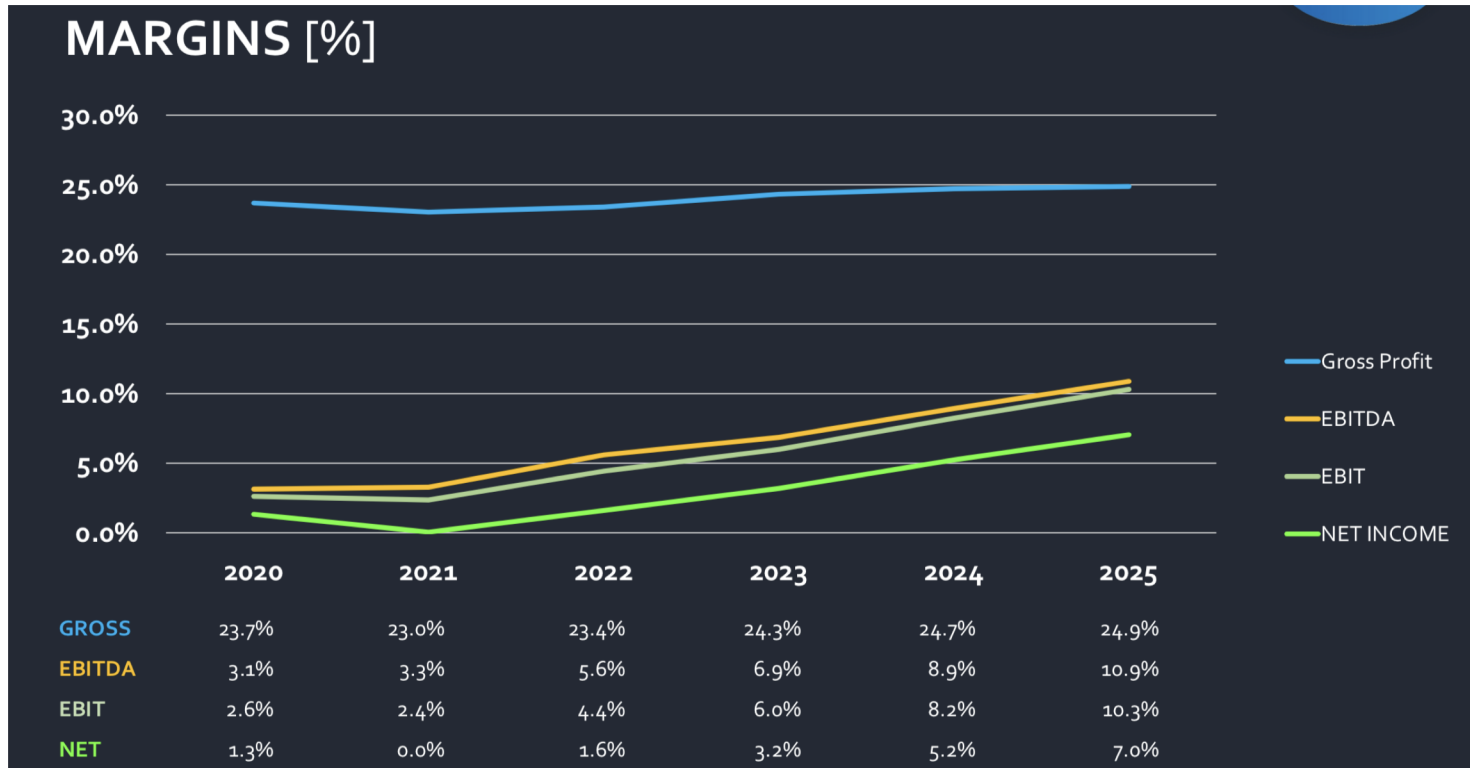
Financial Plan

- **Revenues project to grow** to \$28mn in 5 years and diversify revenues with an additional segment (frozen exports to global markets)
- **Company Debt-to-Equity Ratio** is 80% and EBIT is covering 4x the current expense ratio so the company is already financially healthy
- **Financial projection** shows 7% growth of Net-Income Margin within 6 years of project
- **Current Equity Round** raises \$4 mn for Blueyou Group, evergreen expansion

ADB Role: \$4M loan within \$7M raise

For business expansion = 3.5x capital expansion

Projection: Profit Growth



Contact



**René Benguerel, Founder and Director,
Blueyou Group, Zurich**

E: rene.benguerel@blueyou.com

T: +41 43 333 13 50

W: www.blueyou.com