From Green Platform to White Knight: A Rainbow of Opportunity in the Maritime Sector

Introduction

For much of the past year, our research series has speculated on an evolving but hidden business relationship between **CBL International ("CBL")** and **IOThree Limited** ("**iO3").** We built a well-supported hypothesis on a simple question: *Will they merge?* While that question may still be undecided, recent data suggests there is at least one step to be executed before a full merger is considered. The correct framing then is not consolidation next, but **platform first**.

Our evidence spans governance decisions, technology development, capital-structure choices, valuation behavior, and points to a far more deliberate and sophisticated strategy. This was never designed as a one-step consolidation. It was designed as a **platform-first architecture**, with optionality preserved at every stage. The first step in this carefully orchestrated strategy is most likely a Joint Venture (JV), fusing emerging maritime sector technology with a leading green fuel bunkering facilitator to create a robust ESG management and efficiency-driving platform.

In that structure, CBL is positioning itself as the *trusted operating anchor* of a digitally enabled bunkering ecosystem. iO3 functions as the technology engine — volatile, optional, and scalable. And a new player, **TMD Energy ("TMDE"),** appears increasingly likely to become the first external validation of the platform and perhaps eventually, a rescue candidate once conditions are right. Why TMDE? Well, it seems they share something in common with CBL, namely the investor Straits Energy Resources Berhad:

BANL Ownership	Shares	%
CBL (Asia) Limited (Insiders)	13,175,000	47.9%
Teck Lim Chia (Chair/CEO)	*6,785,125*	*25%*
Xiaoling Lu (Director)	*5,862,875*	*21%*
Yuan He (SVP)	*527,000*	*2%*
Straits Energy Resources Berhad	7,644,588	27.8%
Asian Strategy Ltd. (PIPE)	1,534,984	5.6%
Other Institutions (SEC Filings)	241,595	0.9%
Public (E)	4,903,833	17.8%
Total O/S	**27,500,000**	**100%**

TMDE Ownership	Shares	%
Straits Energy Resources Berhad [1]	15,336,523	66%
Dato' Mohd Suhaimi Bin Hashim	1,737,467	8%
Mr. Yong Sing Goo	1,737,467	8%
Platinum Gate Capital Pte. Ltd. [2]	1,188,543	5%
Sub-Total	**20,000,000**	**87%**
Public	3,100,000	13%
Total	**23,100,000**	**100%**

Later we'll show why the financial and operational situation at TMDE also makes them a perfect fit as the first external use study for the JV platform.

Why the Joint Venture Likely Comes First

When you step back, the sequencing of the unfolding strategy our hypothesis uncovers becomes clearer:

1. **Build the digital technology platform**
2. **Prove it internally (CBL)**
3. **Validate it externally (TMDE)**
4. **Re-rate all stocks (BANL, iO3, TMDE)**
5. *Only then* consider mergers, rescues, or roll-ups

Important data when assessing the CBL-iO3 story is the ongoing equity and valuation alignment. The effort to line the numbers up at a 2:1 equity and a 1:1 enterprise-value convergence between CBL and iO3 suggest a 50/50 JV deal is defensible while providing the optionality for a merger that preserves the appropriate measurements based on fundamentals and roles.

Under the likely JV structure, CBL would act as the anchor customer and IP sponsor, having built a proprietary digital workflow tailored to bunkering facilitation. We investigated this posturing at length in our previous Article 12 in the research series. iO3 will operate and host that system, commercializing it through platforms

Valuation Framework — December 18, 2025			
Metric	**BANL**	**IOTR**	**Ratio** (BANL:IOTR)
Latest Close	$0.463	$2.45	**5.29 : 1**
Outstanding Shares (O/S)	27.5 M	2.49 M	—
Market Cap	$12.73 M	$6.10 M	**2.09 : 1**
Cash & Equivalents	$5.30 M	$0.84 M	6.3 : 1
Total Debt	$0.00 M	$0.08 M	—
Enterprise Value (EV)	$7.43 M	$5.34 M	**1.39 : 1**
10-Day VWAP (adjusted)	~$0.45	~$2.50	**~5.6 : 1**
15-Day VWAP (adjusted)	~$0.447	~$2.55	**~5.7 : 1**
30-Day VWAP (adjusted)	~$0.46	~$2.65	**~5.8 : 1**
90-Day VWAP (adjusted)	~$0.49–0.50	~$2.90	**~5.9 : 1**

such as **FRIDAY**, **JARVISS**, and likely an integration **BASSnet**, earning recurring service revenue in the process. Value flows not through financial consolidation, but through **margin uplift, operational efficiency, and risk reduction** at CBL — and through scalable platform economics at iO3.

CBL JV Role	iO3 JV Role
• Anchor customer • Workflow owner / IP sponsor • Captures value via **margin uplift, risk reduction, and credibility**	• Platform host and operator • Provides multiple systems integration • Earns recurring, high-margin service revenue • Commercializes the stack to third parties

This distinction explains why the valuation work never truly depended on a merger. Even in earlier Hybrid Models, the implied share prices were driven by cash-flow durability and multiple repair, not by hypothetical exchange ratios. A JV delivers those same outcomes, but with materially lower execution risk.

Governance Alignment Was the Tell

A strong confirmation that this was always a staged strategy lies in governance. The near-mirrored EGMs, aligned share-class authorities, board adjustments, and removal of overlapping fiduciary conflicts were unnecessary for a simple commercial JV, but essential for a **platform that preserves merger optionality without forcing it**. Governance alignment eliminated future friction. It helps ensure that no party could later weaponize shareholder approvals or control mechanics. The system was made merger-ready without being merger-dependent. Once the story is reframed as platform-first rather than merger-first, the expected trading behavior becomes clearer:

CBL	iO3
• Operating company • Governance-anchored • Cash-flow driven • Likely positioned to grind back above $1 methodically	• Low float • Tech optionality • High volatility by design • Likely to re-rate sharply, then raise growth capital

We don’t suspect there will be JV-related public equity, forced equity ownership parity, or immediate equity consolidation risk. That said, until the deal details are tabled, **only the insiders know for sure what will unfold here**.

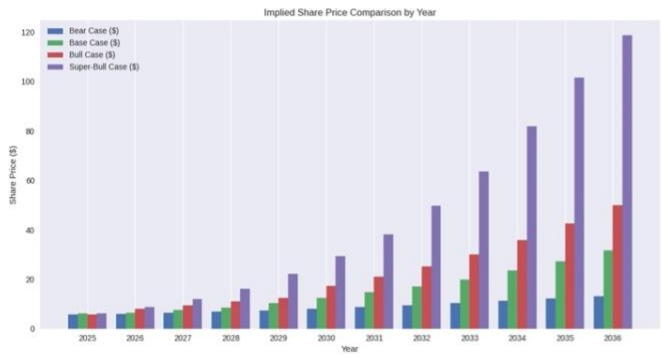
Why Our Previous Hybrid Valuation Model Still Works

One of the most important realizations in our Hybrid Model work in **Article 12** **and the** **Supplemental Update**, was that the implied share prices for CBL never changed because the math never depended on a merger. The original valuation already assumed margin uplift, operational efficiency, and re-rating multiples support driven by execution. A JV delivers *all of that*—with **lower tail risk**. What changed is **causality**, not outcomes:

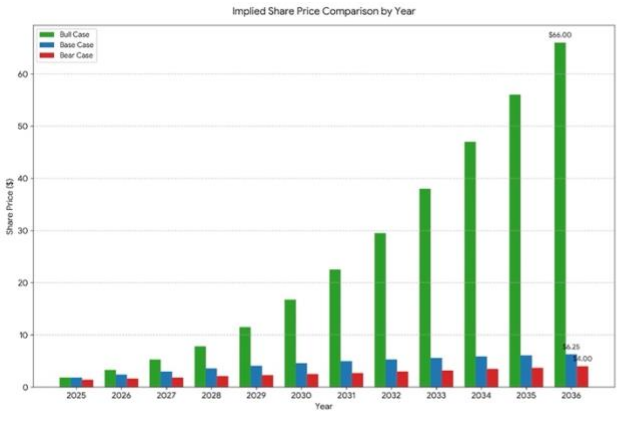
- Value creation is now *path-robust*
- Downside risk is reduced
- Upside is less binary and more durable

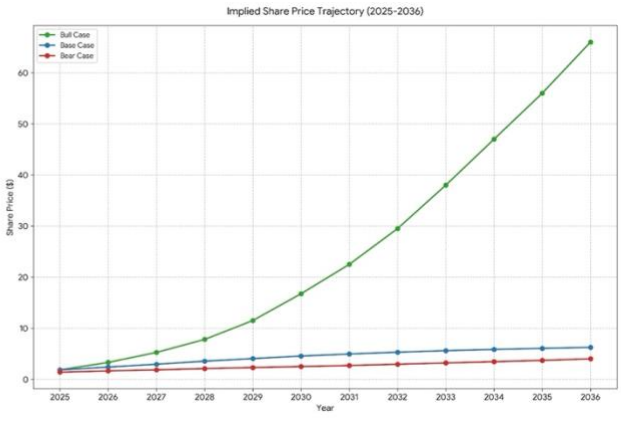
Details from our updated **Hybrid Valuation Models** for iO3 and CBL can be found in **Appendix A** to this article, but the graphs tell you all you need to know.

For CBL, the hypothesis translates into the following projected scenario outcomes:



For iO3, the hypothesis translates into the following projected scenario outcomes:





Why This Matters

iO3's scenarios are essentially bifurcated (JV vs no JV). CBL's scenarios are asymmetrically skewed (limited downside, optional upside). That asymmetry is exactly why the JV narrative makes economic sense for both sides.

Enter TMDE: Distress as the Catalyst, Not the Headline

The recent deterioration in TMDE's fundamentals has created a natural opening for a systems-led solution of the type envisioned under a CBL–iO3 JV. On a standalone basis, TMDE increasingly resembles a stabilization challenge rather than a conventional turnaround. Financial stress is no longer confined to the income statement; it is visible in market structure itself, with extreme borrow fees, constrained liquidity, and price behavior consistent with containment rather than accumulation.

TMDE Risk Escalation Snapshot

Metric	IPO / FY2023 *(Dec 31, 2023)*	H1 2025 *(June 30, 2025)*	Implication
Revenue	$727.5M (FY2023)	$276.3M (6M 2025, down 23% YoY)	• Volumes down 11% → revenue contraction accelerates under tariff/geopolitical pressures.
Gross Margin	1.7% (FY2023)	1.4% (H1 2025)	• Margins already razor-thin → no buffer for compliance or retrofit costs.
Net Income / Loss	Small profit of $2.8M (FY2023)	Net **loss of $4.5M** (H1 2025)	• Swung from profit to loss; financing costs & FX exposure driving red ink.
Capex	$3.1M (FY2023, down from $6.6M FY2022)	Not disclosed; implied deferred	• Depreciation outpaces new investment; fleet aging without renewal.
Property, Plant & Equipment	$33.2M (down from $34.2M FY2022)	Likely flat to declining	• Minimal reinvestment, signaling underfunded fleet upkeep.
Accounts Payable	$52.3M (↑ 87% YoY in FY2023)	Still elevated	• Suppliers financing growth; unsustainable given margin compression.
Financing Costs	Interest relatively contained in 2023	$2.8M interest in just 6M 2025	• Heavy reliance on trade financing at higher cost; liquidity squeeze worsening.
FX Exposure	Not material in 2023	$1.5M FX loss in 6M 2025	• Multi-currency mismatch adds volatility, eroding thin margins.
ESG/Decarb Roadmap	Aspirational – early-stage commitments	ISCC-EU certification, waste oil JV, biofuel MOU	• More symbolic than revenue-producing; no cashflow to fund transition.

The implications are clear. TMDE operates an aging, debt-financed fleet just as regulatory complexity, digital compliance, and alternative-fuel readiness are becoming non-negotiable. While the company has taken symbolic steps into ESG—such as ISCC-EU certification and a waste-oil recovery JV—these initiatives have yet to generate meaningful revenue. Meanwhile, the capital required for comprehensive retrofit or fleet renewal is not available internally.

A Quiet Diagnostic: What the Fleet Analysis Revealed

In October—well before TMDE's financial strain became a dominant market narrative—we conducted a structured, vessel-by-vessel assessment of its bunkering fleet. The analysis focused on four variables: ClassNK survey exposure, vessel age, retrofit economics, and digital readiness. The objective was straightforward: could the fleet be stabilized and extended through systems-led optimization, rather than balance-sheet-heavy capital intervention?

TMDE's own disclosures reinforce the pressure. In its 2024 Annual Report, the company stated it had no plans for new vessel acquisitions, citing both the high cost and limited availability of suitable double-hull bunkering tankers. Its 15-vessel fleet consists entirely of second-hand

tonnage acquired without builder warranties, increasing maintenance burden and operational volatility. Capital expenditure fell to $3.1 million in 2023 from $6.6 million in 2022, allowing depreciation to outpace reinvestment. The balance sheet reflects the consequence: declining property, plant, and equipment alongside a near-90% increase in accounts payable as supplier credit substituted for capital.

Crucially, the fleet is not uniformly distressed. It is bifurcated.

Vessel	Year_Built	Hull	DWT	Age_2025	ClassNK_Survey_Risk	Suggested_Action	Next_Sp_Survey	Retrofit_Potential
M.T. Empower	2002	DB & DH	7820	23	Moderate (15,Ä24 yrs)	Deploy FRIDAY PMS; condition-based maintenance	2026	Medium Retrofit possible but selective
M.T. Eden	2007	DB & DH	7550	18	Moderate (15,Ä24 yrs)	Deploy FRIDAY PMS; condition-based maintenance	2026	High Strong candidates for retrofit & JARVISS integration
M.T. SMF Ixora	2006	DB & DH	5643	19	Moderate (15,Ä24 yrs)	Deploy FRIDAY PMS; condition-based maintenance	2026	High Strong candidates for retrofit & JARVISS integration
M.T. SMF Begonia	2005	DB & DH	5326	20	Moderate (15,Ä24 yrs)	Deploy FRIDAY PMS; condition-based maintenance	2026	Medium Retrofit possible but selective
M.T. Omura	1989	DB & DH	4854	36	High (‚â•35 yrs)	Retirement/part-out unless passes Special Survey	2025	Low Not economical (retire)
M.T. Katsu Pioneer	2007	DB & DH	3211	18	Moderate (15,Ä24 yrs)	Deploy FRIDAY PMS; condition-based maintenance	2026	High Strong candidates for retrofit & JARVISS integration
M.T. Sierra Pioneer	2005	DB & DH	2169	20	Moderate (15,Ä24 yrs)	Deploy FRIDAY PMS; condition-based maintenance	2026	Medium Retrofit possible but selective
M.T. Straits 3	1994	DB & SH	1614	31	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low Not economical (retire)
M.T. Phoenix	1991	DB & SH	1284.11	34	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low Not economical (retire)
M.T. Dolphin 1	1993	DB & SH	1271.14	32	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low Not economical (retire)
M.T. Oscar	1992	DB & SH	1241.44	33	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low Not economical (retire)
M.T. Straits 1	1990	DB & DH	770	35	High (‚â•35 yrs)	Retirement/part-out unless passes Special Survey	2025	Low Not economical (retire)
M.T. Cavalla	1993	DB & DH	662	32	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low Not economical (retire)
M.T. Sturgeon	1993	DB & SH	545	32	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low Not economical (retire)
M.T. Escolar	1993	DB & SH	540	32	Elevated (25,Ä34 yrs)	Drydock + FRIDAY PMS; heavy maintenance required	2025	Low. Not economical (retire)

The Extendable Core

Roughly half of the fleet—primarily vessels built between 2002 and 2007—forms a viable middle cohort. Ships such as *M.T. Empower, Eden, SMF Ixora, SMF Begonia, Katsu Pioneer,* and *Sierra Pioneer* fall within an 18–23-year age range and face manageable ClassNK survey exposure over the 2025–2026 window. These vessels remain structurally sound and suitable for condition-based maintenance; their economic life is governed less by age than by how intelligently they are managed.

For this cohort, the recommended approach was not aggressive capex, but operational coordination: deployment of FRIDAY's Planned Maintenance System, sensor-driven condition monitoring, and tighter survey preparation. Several vessels—notably *M.T. Eden, SMF Ixora,* and *Katsu Pioneer*—were identified as high-confidence candidates for deeper retrofit and JARVISS integration, positioning them as anchors of a digitally enabled fleet core. These ships do not require rescue; they require orchestration.

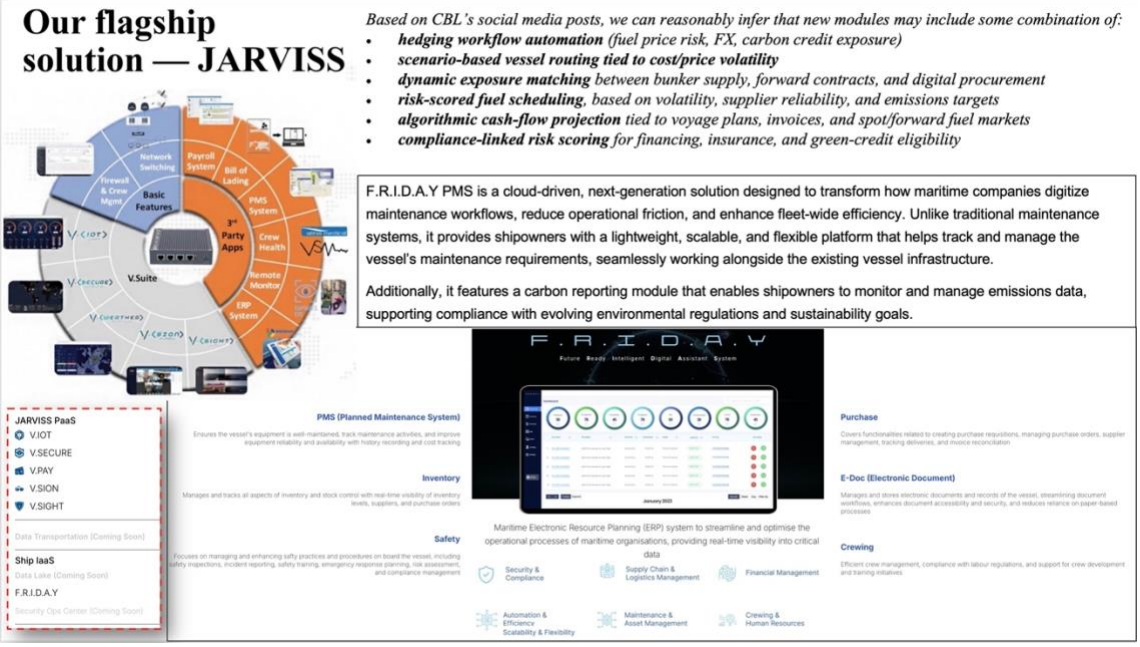
Terminal Assets and Capital Discipline

The remainder of the fleet tells a different story. Vessels built in the late 1980s and early 1990s—including *M.T. Omura, Straits 1, Straits 3, Phoenix, Dolphin 1, Oscar, Cavalla, Sturgeon,* and *Escolar*—face elevated to high ClassNK risk, with multiple special surveys clustering in 2025. At 31–36 years of age, these ships demand substantial drydock investment merely to remain compliant, with limited prospects for economic return.

Here, the assessment was deliberately unsentimental. Digital tooling cannot reverse structural obsolescence. The recommendation was clear: retire, part-out, or exit unless survey compliance can be achieved at minimal cost. Importantly, this conclusion strengthens rather than weakens the platform thesis. By separating extendable assets from terminal ones, a CBL–iO3-style

platform avoids the classic failure mode of indiscriminate capital deployment—preserving liquidity while concentrating resources where returns remain achievable.

FRIDAY as the Pivot Point



FRIDAY's ClassNK approval is pivotal. For fleets facing escalating regulatory and survey pressure, digitalized maintenance, compliance automation, and emissions tracking are no longer incremental improvements; they are existential requirements.

TMDE's distress illustrates why the CBL–iO3 platform matters. Its vulnerability is not merely cyclical, but structural—rooted in working-capital inefficiency, compliance burden, and the inability to modernize operations without destroying shareholder value. TMDE does not need a balance-sheet rescue. It needs systems.

FRIDAY does not make old ships young. It compresses uncertainty, smooths survey risk, and allows capital and management attention to be focused where returns are real. Under such a framework, TMDE could shrink its fleet, retire non-economic tonnage, and still improve service reliability. Within a CBL–iO3 ecosystem, stabilization becomes possible without immediate equity dilution or debt expansion.

Summary

What emerges from this analysis is not a picture of a broken fleet, but of a misallocated one. TMDE's problem is not age in aggregate; it is the absence of portfolio-level management. Managed as a single block, capital is wasted. Managed as a portfolio, value can be preserved.

Seen in this light, TMDE's distress is less a failure of execution than a symptom of systemic lag. The tools required to stabilize the fleet already exist. What has been missing is a partner with the discipline, credibility, and digital infrastructure to deploy them without eroding shareholder value.

TMDE does not need to be "saved" all at once. It needs to be stabilized, digitized, and rationalized.

Final Interpretation

Perhaps the most underappreciated element of this CBL-iO3 (and now likely TMDE) strategy is narrative construction. Nothing in CBL's recent communications is overtly promotional. There is no grand proclamation of consolidation or heroics. Instead, governance discipline, technology execution, and sequencing do the work.

First, the house is fixed. Then the tools are built. Only then are 3rd party distressed assets addressed — one by one, selectively, and rationally. Markets don't just price numbers—they price *stories*. The emerging narrative is deliberate: CEO Chia as the disciplined operator, solving complexity quietly and avoiding flashy financial engineering while rescuing value through execution, not hype.

This is how **credibility compounds**. Ultimately, it will likely turn out that this careful choreography, which has played out over several years, was never about forcing companies together. It was about building an industry platform capable of absorbing complexity without absorbing risk:

- CBL absorbs trust
- iO3 absorbs volatility
- TMDE absorbs efficiency upgrades
- And the Joint Venture technology platform absorbs value creation.

Our Hybrid Valuation model still works. But now it works **for the right reasons**, and along a path that minimizes fragility while maximizing optionality.

APPENDIX A – Hybrid Valuation Models

CBL International Limited

a) Base Case — "Execution + Capital Discipline"

1. **CBL continues executing its core biofuel and logistics strategy** - Growth is driven by organic expansion and disciplined capital deployment, versus transformative M&A.
2. **Strong balance sheet preserved** - Cash remains ample, debt minimal, allowing CBL to self-fund growth while maintaining downside protection.
3. **Valuation anchored to fundamentals** - Market cap and EV grow steadily, but multiple expansion remains modest absent a headline strategic catalyst.

Base Case Scenario	2025 (E)	2026 (E)	2027 (E)	2028 (E)	2029 (E)	2030 (E)	2031 (E)	2032 (E)	2033 (E)	2034 (E)	2035 (E)	2036 (E)
Revenue (USD m)	$ 660.0	$ 720.0	$ 779.0	$ 842.0	$ 909.0	$ 979.0	$ 1,053.0	$ 1,129.0	$ 1,205.0	$ 1,288.0	$ 1,372.0	$ 1,460.0
Net Income (USD m)	$ 3.3	$ 4.4	$ 5.6	$ 6.9	$ 8.4	$ 10.1	$ 11.9	$ 13.8	$ 15.9	$ 18.2	$ 20.6	$ 23.3
Cash from Ops (USD m)	$ 33.0	$ 36.6	$ 39.9	$ 43.2	$ 46.7	$ 50.2	$ 53.8	$ 57.5	$ 61.4	$ 65.5	$ 69.7	$ 74.0
Free Cash Flow (USD m)	$ 29.0	$ 32.1	$ 35.0	$ 38.0	$ 41.1	$ 44.3	$ 47.5	$ 50.8	$ 54.2	$ 57.8	$ 61.4	$ 65.2
EPS ($)	$0.09	$0.12	$0.15	$0.19	$0.23	$0.28	$0.33	$0.38	$0.44	$0.50	$0.56	$0.64
Book Value (USD m)	$22.90	$26.00	$29.50	$33.50	$38.00	$43.00	$48.70	$55.20	$62.50	$70.80	$80.30	$90.90
BV / share ($)	$0.63	$0.72	$0.81	$0.92	$1.04	$1.18	$1.33	$1.51	$1.71	$1.94	$2.20	$2.49
FCF / share ($)	$0.80	$0.88	$0.96	$1.04	$1.13	$1.21	$1.30	$1.39	$1.48	$1.58	$1.68	$1.79
P / S (x)	$0.70	$0.74	$0.80	$0.90	$1.00	$1.10	$1.20	$1.30	$1.45	$1.60	$1.75	$1.85
P / B (x)	$0.70	$0.78	$0.88	$0.98	$1.08	$1.18	$1.29	$1.40	$1.52	$1.64	$1.76	$1.85
P / FCF (x)	$8.00	$9.00	$10.00	$11.00	$12.00	$12.50	$13.00	$14.00	$15.00	$16.00	$17.00	$17.50
Implied Share Price ($)	$5.90	$7.10	$8.55	$10.45	$12.58	$14.76	$17.13	$19.85	$23.50	$27.40	$31.70	$35.20

b) Bull Case — "Platform Builder Emerges"

1. **CBL positions itself as a regional/platform consolidator** - The iO3 JV (and potentially others) validates CBL's role as an orchestrator of distressed or sub-scale maritime assets.
2. **Operating leverage compounds across partners** - Each incremental partner improves purchasing power, logistics density, and fuel economics, benefiting the whole ecosystem.
3. **Narrative shift drives multiple expansion** - BANL transitions from "fuel supplier" to "strategic maritime platform," justifying higher EV/revenue and EV/FCF multiples.

Bull Case Scenario	2025 (E)	2026 (E)	2027 (E)	2028 (E)	2029 (E)	2030 (E)	2031 (E)	2032 (E)	2033 (E)	2034 (E)	2035 (E)	2036 (E)
Revenue (USD m)	$ 660.0	$ 738.0	$ 830.0	$ 933.0	$ 1,047.0	$ 1,175.0	$ 1,316.0	$ 1,472.0	$ 1,640.0	$ 1,820.0	$ 2,015.0	$ 2,225.0
Net Income (USD m)	$ 3.3	$ 5.2	$ 6.9	$ 8.9	$ 11.3	$ 13.9	$ 16.8	$ 20.1	$ 23.8	$ 27.9	$ 32.5	$ 37.5
Cash from Ops (USD m)	$ 33.0	$ 39.6	$ 46.8	$ 54.5	$ 63.0	$ 72.4	$ 82.7	$ 94.0	$ 106.4	$ 119.9	$ 134.6	$ 150.5
Free Cash Flow (USD m)	$ 29.0	$ 35.5	$ 42.0	$ 49.0	$ 56.7	$ 65.2	$ 74.6	$ 84.9	$ 96.3	$ 108.9	$ 122.6	$ 137.5
EPS ($)	$0.09	$0.14	$0.19	$0.24	$0.31	$0.38	$0.45	$0.52	$0.61	$0.71	$0.82	$0.94
Book Value (USD m)	$22.90	$27.80	$33.90	$41.60	$51.00	$62.40	$76.10	$92.40	$111.50	$133.90	$159.90	$189.80
BV / share ($)	$0.63	$0.76	$0.93	$1.14	$1.40	$1.71	$2.08	$2.53	$3.05	$3.67	$4.38	$5.20
FCF / share ($)	$0.80	$0.97	$1.15	$1.34	$1.55	$1.79	$2.04	$2.33	$2.64	$2.98	$3.36	$3.77
P / S (x)	$0.70	$0.80	$0.88	$1.00	$1.12	$1.24	$1.36	$1.48	$1.62	$1.76	$1.92	$2.08
P / B (x)	$0.70	$0.85	$1.00	$1.12	$1.24	$1.36	$1.48	$1.60	$1.72	$1.84	$1.96	$2.08
P / FCF (x)	$8.00	$9.50	$10.50	$11.50	$12.50	$13.00	$13.50	$14.50	$15.50	$16.50	$17.50	$18.00
Implied Share Price ($)	$5.90	$9.00	$11.15	$13.90	$17.25	$21.10	$25.30	$30.15	$35.90	$42.80	$50.90	$59.70

c) Bear Case — "Value Preserved, Upside Deferred"

1. **Strategic optionality unused** - CBL continues operating successfully but does not deploy its balance sheet into transformative opportunities.
2. **Growth slows to industry-normal rates** - Biofuel demand grows, but without ecosystem leverage the growth curve flattens versus Bull expectations.
3. **Valuation remains conservative** - The market prices CBL as a solid operator rather than a platform leader, limiting upside but preserving downside protection.

Bear Case Scenario	2025 (E)	2026 (E)	2027 (E)	2028 (E)	2029 (E)	2030 (E)	2031 (E)	2032 (E)	2033 (E)	2034 (E)	2035 (E)	2036 (E)
Revenue (USD m)	$ 660.0	$ 700.0	$ 742.0	$ 787.0	$ 834.0	$ 884.0	$ 936.0	$ 990.0	$ 1,047.0	$ 1,106.0	$ 1,168.0	$ 1,232.0
Net Income (USD m)	$ 3.3	$ 3.6	$ 4.0	$ 4.5	$ 5.0	$ 5.6	$ 6.2	$ 6.9	$ 7.6	$ 8.4	$ 9.3	$ 10.2
Cash from Ops (USD m)	$ 33.0	$ 34.5	$ 36.2	$ 38.0	$ 40.0	$ 42.0	$ 44.2	$ 46.5	$ 48.9	$ 51.4	$ 54.0	$ 56.8
Free Cash Flow (USD m)	$ 29.0	$ 30.1	$ 31.5	$ 33.0	$ 34.6	$ 36.3	$ 38.1	$ 39.9	$ 41.9	$ 44.0	$ 46.2	$ 48.5
EPS ($)	$0.09	$0.10	$0.11	$0.12	$0.14	$0.15	$0.17	$0.19	$0.21	$0.23	$0.26	$0.28
Book Value (USD m)	$22.90	$24.50	$26.10	$27.90	$30.00	$32.30	$34.80	$37.50	$40.50	$43.70	$47.10	$50.80
BV / share ($)	$0.63	$0.67	$0.71	$0.76	$0.82	$0.88	$0.95	$1.03	$1.11	$1.20	$1.30	$1.40
FCF / share ($)	$0.80	$0.83	$0.86	$0.90	$0.95	$0.99	$1.04	$1.09	$1.14	$1.20	$1.26	$1.33
P / S (x)	$0.70	$0.68	$0.70	$0.75	$0.80	$0.85	$0.90	$0.95	$1.00	$1.05	$1.10	$1.20
P / B (x)	$0.70	$0.72	$0.76	$0.80	$0.84	$0.88	$0.92	$0.96	$1.00	$1.04	$1.08	$1.12
P / FCF (x)	$8.00	$7.80	$8.00	$8.30	$8.50	$8.80	$9.00	$9.30	$9.60	$9.90	$10.20	$10.50
Implied Share Price ($)	$5.90	$5.85	$6.10	$6.50	$7.00	$7.55	$8.15	$8.80	$9.55	$10.35	$11.25	$12.30

IOThree Limited

a) Base Case — "Stabilization Without Full Transformation"

1. **Operational stabilization but no structural reset** – iO3 improves utilization and cost control modestly, but remains capital-constrained and operationally fragmented without a full JV-driven platform shift.
2. **Margins normalize slowly, not sharply** - Gross margins recover gradually as fuel economics improve, but fixed costs and fleet inefficiencies cap operating leverage.
3. **Valuation remains FCF-constrained** - Free cash flow turns positive but stays thin, keeping P/FCF elevated and limiting multiple expansion despite revenue growth.

Base Case Scenario	2025 (E)	2026 (E)	2027 (E)	2028 (E)	2029 (E)	2030 (E)	2031 (E)	2032 (E)	2033 (E)	2034 (E)	2035 (E)	2036 (E)
Revenue (USD m)	$ 10.5	$ 13.5	$ 17.0	$ 21.0	$ 24.4	$ 27.3	$ 29.7	$ 31.8	$ 33.6	$ 35.2	$ 36.9	$ 38.5
Net Income (USD m)	$ (0.2)	$ 4.3	$ 5.1	$ 5.8	$ 6.2	$ 6.4	$ 6.3	$ 6.0	$ 5.7	$ 5.2	$ 4.6	$ 4.4
Cash from Ops (USD m)	$ 0.5	$ 1.3	$ 1.6	$ 2.0	$ 2.3	$ 2.6	$ 2.8	$ 3.0	$ 3.2	$ 3.4	$ 3.5	$ 3.7
Free Cash Flow (USD m)	$ (0.1)	$ 0.4	$ 0.6	$ 0.7	$ 0.8	$ 0.9	$ 1.0	$ 1.0	$ 1.1	$ 1.2	$ 1.2	$ 1.3
EPS ($)	-$0.01	$0.16	$0.19	$0.22	$0.23	$0.24	$0.24	$0.23	$0.21	$0.19	$0.17	$0.16
Book Value (USD m)	$10.90	$14.10	$17.80	$21.90	$25.40	$28.40	$31.00	$33.20	$35.20	$36.90	$38.80	$40.90
BV / share ($)	$0.41	$0.53	$0.67	$0.82	$0.95	$1.06	$1.16	$1.24	$1.32	$1.38	$1.45	$1.53
FCF / share ($)	$0.00	$0.02	$0.02	$0.03	$0.03	$0.03	$0.04	$0.04	$0.04	$0.05	$0.05	$0.05
P / S (x)	$1.10	$1.30	$1.55	$1.80	$2.00	$2.15	$2.25	$2.35	$2.45	$2.55	$2.65	$2.75
P / B (x)	$2.00	$2.20	$2.40	$2.60	$2.80	$3.00	$3.20	$3.40	$3.60	$3.80	$4.00	$4.20
P / FCF (x)	—	$35.00	$32.00	$30.00	$28.00	$26.00	$25.00	$24.00	$23.00	$22.00	$21.00	$20.00
Implied Share Price ($)	$1.85	$2.40	$2.95	$3.55	$4.05	$4.55	$4.95	$5.30	$5.60	$5.85	$6.05	$6.25

b) Bull Case — "JV Unlocks Operating Leverage"

1. **JV announced and operationalized by late-2025 / early-2026** – iO3 gains access to CBL's procurement, logistics coordination, and counterparty credibility, materially reducing unit costs.
2. **Step-change in fleet economics and utilization** - Improved scheduling, fuel sourcing, and contract quality lift margins meaningfully, driving faster FCF conversion than in Base Case.
3. **Multiple compression + earnings growth** - As FCF becomes visible and durable, valuation shifts from survival-discounted to growth-adjusted, allowing P/S and P/FCF to normalize.

Bull Case Scenario	2025 (E)	2026 (E)	2027 (E)	2028 (E)	2029 (E)	2030 (E)	2031 (E)	2032 (E)	2033 (E)	2034 (E)	2035 (E)	2036 (E)
Revenue (USD m)	$ 10.5	$ 15.5	$ 22.0	$ 30.0	$ 40.0	$ 52.0	$ 66.0	$ 82.0	$ 100.0	$ 120.0	$ 142.0	$ 165.0
Net Income (USD m)	$ (0.2)	$ 5.5	$ 8.5	$ 12.5	$ 18.5	$ 25.5	$ 33.5	$ 42.5	$ 52.0	$ 62.0	$ 72.0	$ 82.5
Cash from Ops (USD m)	$ 0.5	$ 2.2	$ 3.8	$ 6.0	$ 9.5	$ 14.0	$ 19.5	$ 26.0	$ 33.0	$ 40.0	$ 47.0	$ 55.0
Free Cash Flow (USD m)	$ (0.1)	$ 1.6	$ 3.0	$ 4.8	$ 7.8	$ 11.8	$ 16.8	$ 22.8	$ 29.8	$ 36.8	$ 43.8	$ 51.8
EPS ($)	–0.01	$0.22	$0.34	$0.50	$0.74	$1.02	$1.34	$1.70	$2.08	$2.48	$2.88	$3.30
Book Value (USD m)	$10.90	$15.80	$22.60	$31.80	$44.00	$59.50	$78.00	$99.00	$122.00	$147.00	$174.00	$203.00
BV / share ($)	$0.41	$0.60	$0.86	$1.21	$1.67	$2.26	$2.97	$3.77	$4.65	$5.61	$6.64	$7.74
FCF / share ($)	$0.00	$0.06	$0.12	$0.19	$0.31	$0.47	$0.67	$0.91	$1.19	$1.48	$1.76	$2.08
P / S (x)	$1.10	$2.00	$2.75	$3.50	$4.25	$5.00	$5.75	$6.50	$7.25	$8.00	$8.75	$9.50
P / B (x)	$2.00	$2.75	$3.25	$3.75	$4.25	$4.75	$5.25	$5.75	$6.25	$6.75	$7.25	$7.75
P / FCF (x)	—	$45.00	$40.00	$36.00	$32.00	$30.00	$28.00	$26.00	$24.00	$22.00	$21.00	$20.00
Implied Share Price ($)	$1.85	$3.30	$5.25	$7.80	$11.50	$16.75	$22.50	$29.50	$38.00	$47.00	$56.00	$66.00

c) Bear Case — "No Deal, No Escape Velocity"

1. **JV fails to materialize or is delayed indefinitely** - iO3 continues operating independently, absorbing volatility without balance-sheet or procurement insulation.
2. **Cost pressures offset revenue growth** - Fuel price volatility, maintenance capex, and weak pricing power erode margins, preventing sustainable FCF generation.
3. **Equity remains structurally discounted** - High P/FCF persists due to weak cash generation, suppressing implied share price despite topline growth.

Bear Case Scenario	2025 (E)	2026 (E)	2027 (E)	2028 (E)	2029 (E)	2030 (E)	2031 (E)	2032 (E)	2033 (E)	2034 (E)	2035 (E)	2036 (E)
Revenue (USD m)	$ 10.5	$ 12.0	$ 14.0	$ 16.5	$ 18.5	$ 20.5	$ 22.5	$ 24.5	$ 26.5	$ 28.5	$ 30.5	$ 32.5
Net Income (USD m)	$ (0.2)	$ 2.0	$ 2.6	$ 3.2	$ 3.6	$ 3.9	$ 4.1	$ 4.2	$ 4.3	$ 4.3	$ 4.2	$ 4.1
Cash from Ops (USD m)	$ 0.5	$ 0.9	$ 1.2	$ 1.5	$ 1.7	$ 1.9	$ 2.0	$ 2.1	$ 2.2	$ 2.3	$ 2.4	$ 2.5
Free Cash Flow (USD m)	$ (0.1)	$ 0.4	$ 0.6	$ 0.8	$ 0.9	$ 1.0	$ 1.1	$ 1.1	$ 1.2	$ 1.2	$ 1.2	$ 1.3
EPS ($)	–0.01	$0.08	$0.10	$0.12	$0.14	$0.15	$0.16	$0.16	$0.17	$0.17	$0.16	$0.16
Book Value (USD m)	$10.90	$13.00	$15.40	$18.20	$21.20	$24.40	$27.70	$31.00	$34.40	$37.70	$41.00	$44.30
BV / share ($)	$0.41	$0.49	$0.58	$0.69	$0.80	$0.92	$1.05	$1.18	$1.31	$1.43	$1.55	$1.68
FCF / share ($)	$0.00	$0.02	$0.02	$0.03	$0.03	$0.04	$0.04	$0.04	$0.05	$0.05	$0.05	$0.05
P / S (x)	$0.90	$1.00	$1.05	$1.10	$1.15	$1.20	$1.25	$1.30	$1.35	$1.40	$1.45	$1.50
P / B (x)	$1.40	$1.50	$1.60	$1.70	$1.80	$1.90	$2.00	$2.10	$2.20	$2.30	$2.40	$2.50
P / FCF (x)	—	$55.00	$50.00	$45.00	$42.00	$40.00	$38.00	$36.00	$35.00	$34.00	$33.00	$32.00
Implied Share Price ($)	$1.40	$1.65	$1.85	$2.10	$2.30	$2.50	$2.70	$2.95	$3.20	$3.45	$3.70	$4.00