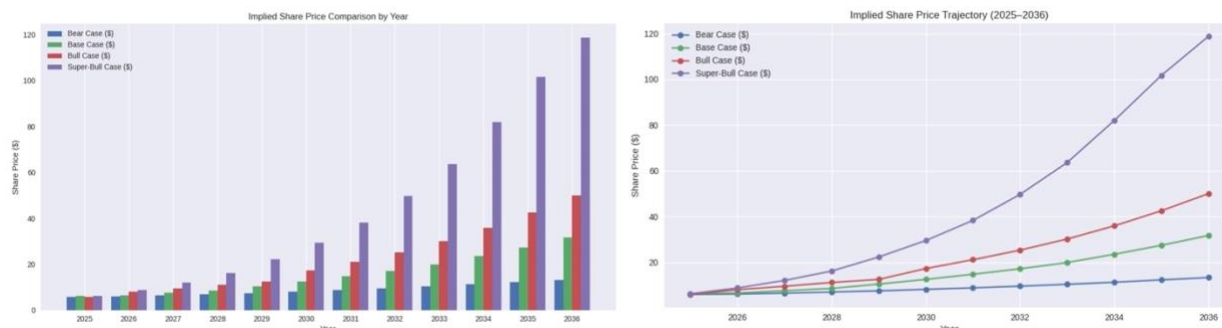




Article 12 – Supplemental Update (Financial Risk Management Functionality)

Update: Incorporating Potential Financial-Risk Management Capabilities into the Valuation Model



One important clarification emerged after the publication of Article 12: although CBL has hinted repeatedly at advanced financial-risk management features embedded within its digital platform, and which we covered extensively in [Article 11](#), the company has not yet disclosed the full scope of this functionality. This means Article 12 properly avoided overstating benefits that are not yet confirmed.

However, based on CBL's language used in its social media posts and the implications visible in related maritime-ERP platforms, we can reasonably infer that their upcoming modules may include some combination of:

- **hedging workflow automation** (fuel price risk, FX, carbon credit exposure)
- **scenario-based vessel routing tied to cost/price volatility**
- **dynamic exposure matching** between bunker supply, forward contracts, and digital procurement
- **risk-scored fuel scheduling**, based on volatility, supplier reliability, and emissions targets
- **algorithmic cash-flow projection** tied to voyage plans, invoices, and spot/forward fuel markets
- **compliance-linked risk scoring** for financing, insurance, and green-credit eligibility

These features are standard in high-end energy-trading ERP systems (e.g., Openlink Endur, ION, Eka, Veson IMOS+), and when deployed in maritime fuel logistics they materially improve:

- working-capital efficiency
- EBITDA margin stability
- revenue predictability
- risk-adjusted returns



Because CBL is explicitly positioning its analytics, reporting, and AI-ecosystem as a unified maritime operating system (rather than a simple workflow tool), it is rational to assume that similar capabilities could be implemented.

SUPER BULL CASE — “Standard Risk Management Functionality” Scenario

In this Article 12 Update, we introduce a “**Super-Bull Scenario**” that reflects this possibility. It does *not* assume any information not yet publicly disclosed. Instead, it models the financial impact if CBL’s digital platform includes the same types of risk-management functionality found in comparable enterprise systems.

Super-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	\$ 742.0	\$ 835.0	\$ 940.0	\$ 1,058.0	\$ 1,189.0	\$ 1,337.0	\$ 1,502.0	\$ 1,689.0	\$ 1,901.0	\$ 2,143.0	\$ 2,418.0
Net Income (USD m)	\$ 3.3	\$ 6.7	\$ 9.2	\$ 12.2	\$ 15.9	\$ 20.2	\$ 24.7	\$ 30.0	\$ 35.5	\$ 41.8	\$ 48.2	\$ 55.6
Cash from Ops (USD m)	\$ 33.0	\$ 40.8	\$ 50.1	\$ 61.1	\$ 74.1	\$ 86.8	\$ 100.3	\$ 114.2	\$ 130.0	\$ 148.3	\$ 169.3	\$ 193.4
Free Cash Flow (USD m)	\$ 30.4	\$ 37.6	\$ 46.1	\$ 56.2	\$ 68.2	\$ 79.9	\$ 92.3	\$ 105.1	\$ 119.6	\$ 136.4	\$ 155.8	\$ 177.9
EPS (\$)	\$0.09	\$0.18	\$0.25	\$0.33	\$0.44	\$0.55	\$0.68	\$0.82	\$0.97	\$1.15	\$1.32	\$1.52
Book Value (USD m)	\$75.00	\$83.10	\$91.70	\$103.10	\$117.90	\$135.70	\$156.70	\$180.60	\$207.70	\$238.30	\$272.90	\$312.50
BV / share (\$)	\$2.05	\$2.28	\$2.51	\$2.82	\$3.23	\$3.72	\$4.29	\$4.95	\$5.69	\$6.52	\$7.48	\$8.56
FCF / share (\$)	\$0.83	\$1.03	\$1.26	\$1.54	\$1.87	\$2.19	\$2.53	\$2.88	\$3.28	\$3.74	\$4.27	\$4.87
P / S (x)	\$0.70	\$0.78	\$0.90	\$1.05	\$1.25	\$1.45	\$1.70	\$1.95	\$2.25	\$2.60	\$2.85	\$3.10
P / B (x)	\$0.70	\$0.82	\$0.96	\$1.15	\$1.38	\$1.60	\$1.85	\$2.10	\$2.40	\$2.65	\$2.80	\$2.90
P / FCF (x)	\$8.00	\$10.00	\$12.00	\$14.00	\$16.00	\$18.00	\$20.00	\$22.00	\$23.00	\$24.00	\$24.00	\$24.00
Implied Share Price (\$)	\$6.20	\$8.75	\$12.05	\$16.15	\$22.30	\$29.50	\$38.30	\$49.65	\$63.60	\$82.00	\$101.70	\$118.80

Updated Valuation Assumptions – (vs. Original Bull Case)

Below is the updated assumptions table showing (1) the Super-Bull inputs, (2) the original Bull inputs, and (3) the explicit changes.

Super-Bull vs. Bull – Assumption Delta Table

Category	Original Bull Case	Super-Bull Case	Δ Change vs. Bull
CAGR (2026–2036)	10.7%	12.5%	+1.8% acceleration
Revenue Synergy Start	2026	2026 (same)	—
2025 Net Margin	0.5%	0.5% (same)	—
Terminal Net Margin	1.8–1.9%	2.3%	+0.4% margin uplift
EBITDA Margin Path	4% → 8%	4% → 10%	+2% terminal margin
CFO % of Revenue	5 → 7%	5 → 8%	+1% CFO uplift
FCF % of CFO	90%	92%	+2% FCF efficiency
Reinvestment Rate	15%	12%	–3% reinvest. (higher retained CF)
Book Value Retention	90%	93%	+3% capital retention
Exit P/S	2.08×	3.10×	+1.02× higher multiple
Exit P/B	2.08×	2.90×	+0.82× higher multiple
Exit P/FCF	18×	24×	+6× expansion
Terminal EPS (2036)	~\$1.10	~\$1.52	+38% EPS expansion
2036 Implied Price	~\$60	~\$119	+~\$59 (+98%)



Conclusion

Taken together, the introduction of a Super-Bull scenario, the refined assumptions, and the expanded modeling matrix reinforce the central insight of Article 12: the long-term valuation potential of the CBL–iO3 ecosystem is fundamentally driven by operational leverage, digital integration, and strategic positioning—not speculative catalysts. The updated charts show a clear divergence in outcomes depending on whether CBL’s platform ultimately incorporates the advanced financial-risk capabilities common in modern maritime and commodity-trading ERPs.

While the Base and Bull cases alone support a compelling multi-year re-rating, the Super-Bull path illustrates how even modest improvements in cash-flow stability, risk-adjusted margins, and capital efficiency can materially reshape the long-term trajectory. Nothing here assumes undisclosed information; instead, it quantifies what is possible if the company delivers on the capabilities it has already signaled. This update strengthens—not replaces—the core Article 12 thesis: the market is still dramatically underpricing what appears to be a structurally improving, digitally enabled, and strategically aligned maritime platform.

EPILOGUE: EGM Vote Forensics — What the Numbers Really Reveal

The November 26th EGM vote provides a window into CBL’s true ownership structure. Beneath the simple “For vs Against” totals lie a mathematically precise breakdown of who actually controls the company, who is posturing, and how small the real float has become. Because Cayman-structured EGMs do not report abstentions or broker non-votes, the *absence* of votes is just as important as the votes cast. Using the official vote totals, the known shareholder registry, and the observable trading microstructure, we can reconstruct with high confidence the split between insider control, institutional dissent, retail participation, and market-maker warehousing.

Reconstructed Ownership & Voting Structure (Based on EGM Results)

Holder Category	Shares	% of O/S	Likely Vote	Notes / Interpretation
CBL (Asia) Insiders	13,175,000	47.9%	For	Fully aligned; forms the backbone of the 15.86M “For” votes.
Straits Energy Resources	7,644,588	27.8%	Against	The 7.75M “Against” block aligns almost perfectly with Straits.
PIPE – Asian Strategy Ltd.	1,534,984	5.6%	For	Minority strategic investor; always aligned with management.
Other Institutions	218,339	0.8%	For	Small holders via SEC filings; statistically insignificant but supportive.
Retail + MM/Custodian-Held Shares	≈3,878,591	14.1%	No vote cast	The entire “non-voting block”; includes retail and warehoused inventory.
Total Outstanding Shares	27,500,327	100%	—	Official record-date O/S.

What This Tells Us — Summary



1. Retail did not meaningfully vote - Cayman EGMs do not show abstentions. Any retail owner who did not return a proxy simply disappears from the vote tabulation. The 3.88M non-voted shares reflect *exactly* this.

2. The entire “Against” vote was almost certainly Straits - The 7.75M “Against” total nearly matches Straits’ 7.64M ownership. There is no pattern indicating retail dissent.

3. The true float is only ~3.9M shares - This block includes:

- ~2.0M retail shares
 - ~1.6M–2.0M market-maker / custodian–held inventory
- This explains why CBL trades like a float-compressed, institutionally managed stock.

4. Market makers do not vote and never appear in EGM results - Their inventory is held through DTC/omnibus accounts and is always part of the “non-voting” category.

5. The high quorum (85.9%) confirms insider + institutional dominance - This level of participation is only possible when Insiders vote 100%, Strategic blockholders vote 100%, Retail is irrelevant to the outcome. Which is exactly what happened.

6. Straits’ “No” vote was almost certainly posturing - Their dissent aligns with negotiating leverage, Class A alignment concerns, relative power vs iO3 insiders. They made themselves visible without threatening the outcome.

Bottom Line

The EGM voting results confirm CBL is effectively a **controlled company**:

- ~80% of shares are in long-term strategic hands
- ~14% represent the true float
- Retail participation is minimal
- Market makers warehouse a meaningful fraction of the float
- Straits remains the only meaningful dissenting blockholder

Far from exposing uncertainty, the vote results **validate** the structural dynamics that underpin our entire market-microstructure thesis: **CBL is tightly held, tightly managed, and the actual free float is far smaller than it appears on paper.**