GeoStab Madagascar

STRATEGIC INVESTMENT PROPOSAL

Founding Strategic Partnership Opportunity

- DELIVERING MADAGASCAR'S FIRST GEOSTAB DEMONSTRATION ROAD
- CREATING MADAGASCAR'S FIRST GEOSTAB MANUFACTURING BUSINESS
- BUILDING A REGIONAL AFRICAN EXPORT PLATFORM

PREPARED EXCLUSIVELY FOR

THE BOARD OF DIRECTORS

TALOUMIS GROUP

PREPARED BY

GLOBAL TRADE & MARKETING PTY LTD

in association with

MADGO SARL

JULY 2026

CONFIDENTIAL

GLOBAL TRADE & MARKETING PTY LTD

20 July 2026

Dear Chairman and Members of the Board,

Thank you for taking the time to consider this proposal.

Global Trade & Marketing Pty Ltd (Australia), together with our Malagasy partner MADGO SARL, respectfully invites Taloumis Group to become the founding strategic partner of the GeoStab Madagascar Road Stabilisation Program. This proposal is not simply a request to finance the construction of a 1.5 kilometre demonstration road. Rather, it presents an opportunity for Taloumis Group to establish a leadership position in what we believe could become one of Madagascar's most significant infrastructure and industrial development initiatives.

Following successful laboratory and field validation in Australia and Vietnam, GeoStab technology has completed independent testing by Madagascar's LNTPB, received formal support from the Ministry of Public Works, and secured the participation of SOGEA SATOM Madagascar as the proposed construction contractor for the demonstration project.

The remaining requirement is sponsorship of the demonstration road section. This investment will enable construction of a fully monitored demonstration section near Antananarivo International Airport, providing the final in-country validation required before broader government and commercial adoption can proceed. We believe Taloumis Group is uniquely positioned to participate in this opportunity. Your Group has earned a reputation for investing in projects that create long-term value for Madagascar through industrial capability, manufacturing, logistics, employment and national development.

Should the demonstration prove successful, the opportunity extends well beyond a single project to local manufacturing, technology transfer, national infrastructure development and selected African export markets. The enclosed proposal has therefore been prepared as an investment memorandum outlining the technical validation completed to date, the proposed commercial structure, the investment required and the potential long-term benefits for Taloumis Group and Madagascar.

We respectfully request the Board's consideration of becoming the inaugural strategic sponsor of this Program and would welcome the opportunity to present the proposal and answer any questions the Board may have.

Every national infrastructure Program begins with a single successful project. We believe the proposed demonstration road offers Taloumis Group the opportunity to help initiate a new chapter in Madagascar's transport infrastructure while establishing a long-term commercial position in its future development.

Yours sincerely,

Michael Hendry
Managing Director
Global Trade & Marketing Pty Ltd
Australia

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1. EXECUTIVE SUMMARY

A Strategic Investment Opportunity

GeoStab Madagascar Pty Ltd is being established to commercialise an independently validated Australian soil stabilisation technology through the manufacture and distribution of GeoStab products within Madagascar and, ultimately, selected African markets.

Independent laboratory and field testing undertaken in Australia, Vietnam and Madagascar has substantially reduced technical risk. The immediate objective is to complete Madagascar's first commercial GeoStab demonstration road near Antananarivo International Airport. Successful performance through the subsequent wet season is intended to support Government evaluation and provide the foundation for broader commercial adoption.

Rather than representing a single construction project, the demonstration is intended to establish the commercial platform for a locally based manufacturing business capable of supplying road stabilisation products throughout Madagascar and, over time, neighbouring African markets.

Taloumis Group has the opportunity to become the Founding Strategic Investment Partner, contributing investment capital together with industrial capability, manufacturing expertise, logistics experience and a long-term commitment to Madagascar's economic development.

The proposed investment of USD 169,344 is intended to finance the manufacture and shipment of the initial commercial GeoStab inventory required for the demonstration project along with construction support to establish the foundation for future commercial operations.

Investment Overview

Item	Summary
Investment Sought	USD 169,344
Indicative Equity	Approximately 5% (subject to negotiation)
Demonstration Project	1.5 km near Antananarivo International Airport
Manufacturing Location	Initially Australia followed by Madagascar
Long-Term Strategy	Madagascar manufacturing hub serving selected African markets

This proposal is not simply an opportunity to finance a demonstration road. It is an invitation to participate in the establishment of a Madagascar-based manufacturing business with the potential to support national infrastructure development and long-term regional expansion across Africa.

Commercialisation Approach

While these milestones have substantially reduced technical uncertainty, the proposed demonstration project is intended to provide independent validation under Malagasy operating conditions before broader commercial implementation. As with any technology commercialisation program, successful market adoption cannot be guaranteed; however, this phased approach is specifically designed to reduce commercial risk before national rollout.

2. INVESTMENT SUMMARY

GeoStab Madagascar

1. INVESTMENT REQUIRED USD 169,344 • Manufacture • Shipment • Demonstration project	**2. EQUITY OFFERED** • Approximately 5% in GeoStab Madagascar P/L (Subject to due diligence and negotiation.)
3. CURRENT STATUS • Technology validated internationally • LNTPB validation completed • Ministry LOI • Demonstration identified • Construction partner engaged	**4. WHAT FUNDS ARE USED FOR** • Manufacturing • QA • Freight • Logistics • Demonstration construction support
5. EXPECTED MILESTONES • Investment • Manufacture • Shipment • Demonstration • Validation • Commercial rollout	**6. LONG-TERM VISION** • Madagascar manufacturing • National rollout • African exports • Long-term shareholder value

Prepared exclusively for the Taloumis Group Board of Directors • Commercial-in-Confidence

WHY WE BELIEVE GEOSTAB WILL SUCCEED

GeoStab Madagascar

SIX COMMERCIAL STRENGTHS THAT POSITION GEOSTAB MADAGASCAR FOR LONG-TERM SUCCESS

01 PROVEN TECHNOLOGY

Independently validated through extensive laboratory and field testing in multiple countries.

02 LOCAL MANUFACTURING

Local production in Madagascar ensures supply security, reduces costs and creates local jobs.

03 GOVERNMENT ENGAGEMENT

Strong engagement with key government bodies provides a clear pathway for independent evaluation and approval.

04 CONSTRUCTION PARTNER

Experienced construction partner (SOGEA SATOM) committed to delivering the demonstration project.

05 GROWING INFRASTRUCTURE DEMAND

Significant and expanding demand for quality, cost-effective roads across Madagascar.

06 STRONG MALAGASY STRATEGIC PARTNER

Taloumis Group brings industrial experience, local capability and a long-term commitment to Madagascar.

These commercial strengths, working together, provide a strong foundation for **successful implementation** and **sustainable shareholder value**.

GEOSTAB MADAGASCAR

STRATEGIC INVESTMENT PROPOSAL

FOUNDING STRATEGIC PARTNERSHIP OPPORTUNITY

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JULY 2026 | CONFIDENTIAL

AT A GLANCE

INVESTMENT REQUIRED
USD
169,344

PROPOSED EQUITY
Approximately
5%
(subject to negotiation)

DEMONSTRATION PROJECT
1.5 km
Near Antananarivo International Airport

MANUFACTURING STRATEGY
Local Manufacture
Madagascar

LONG-TERM VISION
African Manufacturing Hub Serving Africa

CURRENT POSITION
- ✓ Technology Validated
- ✓ Government Support
- ✓ Demonstration Ready
- ✓ Commercialisation Ready

A strategic opportunity to invest after technical validation, but before commercial scale-up and long-term **value creation.**

PURPOSE OF THIS PROPOSAL

This document has been prepared to seek, in principle, approval from the Board of Directors of Taloumis Group to commence discussions regarding a **strategic investment** in GeoStab Madagascar Pty Ltd.

The proposed investment is intended to finance Madagascar's first commercial GeoStab demonstration project and establish the foundation for a **locally manufactured** road stabilisation business with **long-term expansion** into selected African markets.

This proposal seeks to establish a **long-term manufacturing partnership** rather than simply fund a demonstration road.

THE BOARD IS INVITED TO CONSIDER

1. **APPROVAL IN PRINCIPLE**
   Approve the proposed investment in principle.
2. **COMMENCE DUE DILIGENCE**
   Authorise management to undertake due diligence.
3. **NEGOTIATE DOCUMENTATION**
   Authorise negotiation of definitive investment and shareholder agreements.
4. **RETURN FOR FINAL APPROVAL**
   Return to the Board for final approval following completion of due diligence and negotiations.

Taloumis Group has the opportunity to participate as the **Founding Strategic Investment Partner** in a business with the potential to transform road infrastructure delivery in Madagascar and beyond.

5. INVESTMENT HIGHLIGHTS

This opportunity represents a founding strategic investment in the commercialisation of GeoStab technology in Madagascar. The proposed demonstration project is intended to establish the foundation for a locally manufactured product with long-term national and regional growth potential.

Key Investment Metrics

Metric	Summary
Investment Required	USD 169,344
Indicative Equity	Approximately 5% (subject to negotiation)
Demonstration Project	1.5 km near Antananarivo International Airport
Technology Status	Independently validated in Australia, Vietnam and Madagascar
Commercial Objective	Government validation leading to commercial rollout
Manufacturing Strategy	Establish local manufacturing capability in Madagascar
Long-Term Vision	Regional African export platform

Why This Opportunity Matters

- Technical risk has been substantially reduced through multiple independent validations.
- Investment is proposed before large-scale commercial value creation.
- Potential to support national road infrastructure using locally available materials.
- Opportunity to establish a long-term manufacturing business in Madagascar.
- Platform for expansion into selected African markets.

Taloumis Group is invited to participate at the transition from proven technology to commercial implementation, where the greatest strategic value may be created.

6. PURPOSE OF THIS PROPOSAL

This Strategic Investment Proposal has been prepared exclusively for the Board of Directors of Taloumis Group to support consideration of a potential founding investment in GeoStab Madagascar Pty Ltd. The proposal outlines the commercial opportunity, the current stage of technology validation, the proposed demonstration project, and the long-term vision of establishing a Madagascar-based manufacturing business serving both domestic and selected African markets.

Objectives of this Proposal

- Present a strategic investment opportunity.
- Outline the proposed demonstration project and manufacturing strategy.
- Summarise the commercial rationale and long-term growth potential.
- Provide a framework for Board consideration and due diligence.

Board Decision Requested

1. Approve the proposal in principle.

2. Authorise management to undertake commercial, legal and financial due diligence.

3. Commence negotiation of investment and shareholder documentation.

4. Return final agreements to the Board for approval prior to execution.

This proposal seeks to establish a long-term strategic manufacturing partnership rather than simply fund a demonstration road.

7. BOARD RESOLUTION REQUESTED

This section outlines the decisions sought from the Board of Directors of Taloumis Group. The requested resolutions are intended to authorise progression from the current proposal stage to detailed due diligence and negotiation. Final investment commitments would remain subject to Board approval following completion of those processes.

Resolutions Requested

1. Approve, in principle, participation as a Founding Strategic Investment Partner in GeoStab Madagascar Pty Ltd.

2. Authorise management to undertake commercial, technical, financial and legal due diligence.

3. Authorise negotiation of indicative investment, shareholder and governance arrangements.

4. Request that final transaction documentation be returned to the Board for review and approval prior to execution.

Approval in principle authorises further evaluation only and does not commit Taloumis Group to proceed with the investment until final documentation has been reviewed and approved.

9. WHY THIS OPPORTUNITY EXISTS TODAY

Madagascar Opportunity

Classified road network	≈32,000 km
≈19% paved	Only ≈6,000 km paved
≈81% remains unpaved	≈26,000 km unpaved
Lack of access to an all-season road	≈17 million people

Source: World Bank

GeoStab Madagascar represents a rare opportunity to invest at the point where independent technical validation has been completed, government engagement has commenced and commercial implementation is ready to begin. The proposed investment is intended to bridge the final stage between proven technology and a scalable manufacturing business.

Why Now?

- Independent testing in Australia, Vietnam and Madagascar has all but eliminated technical risk.
- Madagascar's Ministry of Public Works has expressed formal interest in the Program.
- LNTPB has completed independent laboratory evaluation with positive results.
- SOGEA SATOM Madagascar has indicated their willingness in principle to construct the demonstration project.
- The remaining milestone is successful commercial implementation through the 1.5 km demonstration project.

Strategic Opportunity

Unlike an early-stage research venture, the principal challenge is no longer proving the technology, it is executing a disciplined commercial rollout. Successful completion of the demonstration project is expected to support Government assessment, establish market credibility, and provide the foundation for local manufacturing and long-term expansion into selected African markets.

Key Takeaway

Taloumis Group has the opportunity to participate after the major technical milestones have been achieved, but before the majority of commercial value has been created.

10.WHY TALOUMIS GROUP

GeoStab Madagascar requires more than investment capital. It requires a long-term Malagasy strategic partner with the industrial capability, commercial credibility and commitment to national development needed to transform a technically validated innovation into a successful manufacturing business.

Why Taloumis is the Ideal Strategic Partner

- Established Malagasy industrial group with a proven record of long-term investment.
- Diversified operations across manufacturing, logistics, distribution and commercial sectors.
- Strong understanding of Madagascar's regulatory and commercial environment.
- Capability to support manufacturing scale-up and supply chain development.
- Potential to accelerate market acceptance through an established national reputation.

Strategic Partnership Opportunities

Taloumis Capability	Potential Contribution
Strategic Investment	Founding equity participation and long-term capital support
Corporate Governance	Board representation and strategic oversight
Manufacturing	Support establishment of local production capability
Commercial Networks	Government, infrastructure and private-sector relationships
Regional Expansion	Support future African distribution partnerships

Executive Perspective

The objective is to establish a long-term strategic partnership in which GeoStab Madagascar Pty Ltd contributes proven technology and Taloumis contributes industrial capability, commercial leadership and national market presence. Together, the partnership has the potential to establish a Madagascar-based manufacturing business serving domestic infrastructure projects before expanding into other selected African markets.

GeoStab Madagascar provides the technology. Taloumis provides the industrial capability. Together they can create a nationally significant manufacturing business with regional growth potential.

12. STRATEGIC VALUE CREATION

GeoStab Madagascar is intended to create value far beyond the successful completion of a single demonstration road. The long-term strategy is to establish a sustainable manufacturing enterprise in Madagascar that supports national infrastructure development while creating a platform for regional African expansion.

Four Pillars of Value Creation

Value Driver	Strategic Contribution
Technology	Commercialisation of an independently validated Australian soil stabilisation technology.
Manufacturing	Local production to improve supply security, reduce costs and build industrial capability.
Infrastructure	Support more durable, lower-life-cycle-cost road construction using local materials.
Regional Growth	Develop Madagascar as a manufacturing and export hub serving selected African markets.

Expected Long-Term Outcomes

- Creation of a Madagascar-based manufacturing capability.
- Recurring product demand driven by road construction and rehabilitation.
- Skilled employment and technical capability development.
- Potential enterprise value growth through manufacturing scale and market expansion.
- Progressive regional export opportunities following successful commercialisation.

Executive Perspective

The demonstration project should be viewed as the catalyst rather than the destination. Its strategic purpose is to establish the commercial credibility needed to support recurring revenue, manufacturing expansion and long-term shareholder value.

The enduring value of GeoStab Madagascar will be created through manufacturing, recurring product sales and regional expansion. Not through a single construction project

13. TECHNOLOGY VALIDATION AND READINESS

GeoStab Madagascar has progressed beyond the research phase. Independent laboratory and field evaluations undertaken in multiple jurisdictions have demonstrated the technology's capability to improve the engineering performance of in-situ soils for road construction with high resistance to water washout. The proposed demonstration project represents the transition from technical validation to commercial implementation.

Validation Milestones

- Independent laboratory testing completed in Australia, Vietnam and Madagascar.
- Successful operational demonstration under field conditions in Australia, and Vietnam.
- Independent laboratory evaluation completed by LNTPB in Madagascar.
- Engagement with Madagascar's Ministry of Public Works and key stakeholders.
- Demonstration project prepared as the final commercial validation step.

Why the Demonstration Project Matters

The 1.5 km demonstration road is intended to confirm long-term performance under Malagasy operating conditions, including exposure to a full wet season. A successful outcome is expected to provide confidence for broader government consideration and commercial adoption.

Executive Perspective

Most of the technical risk has already been addressed. The remaining challenge is disciplined commercial execution supported by a capable strategic partner.

14. COMMERCIAL IMPLEMENTATION STRATEGY

Following successful technical validation, the strategic focus shifts from proving the GeoStab technology in Madagascar to implementing a disciplined commercial rollout. The demonstration project is intended to establish market confidence, support Government evaluation and provide the catalyst for a sustainable manufacturing business in Madagascar.

Implementation Strategy

Phase	Objective
Phase 1	Manufacture and ship the initial GeoStab inventory to Madagascar.
Phase 2	Construct the 1.5 km demonstration road near Antananarivo International Airport.
Phase 3	Monitor performance through the wet season and support Government assessment.
Phase 4	Secure initial commercial projects and establish recurring demand.
Phase 5	Develop local manufacturing capability and expand market penetration.
Phase 6	Progressively expand into other selected African export markets.

Critical Success Factors

- Successful completion of the demonstration project.
- Positive wet-season performance.
- Government confidence and validation.
- Initial commercial contract awards.
- Establishment of local manufacturing capability.

Executive Perspective

The demonstration project is not the end objective, it is the gateway to recurring commercial revenue, local manufacturing and long-term African expansion.

15. MANUFACTURING STRATEGY

Local manufacturing is central to the long-term GeoStab Madagascar strategy. Establishing production within Madagascar is expected to reduce supply lead times, strengthen commercial competitiveness, support local employment and position the business for future regional export growth.

Strategic Objectives

- Establish reliable local production capability.
- Reduce dependence on imported finished products.
- Support rapid response to commercial demand.
- Develop skilled Malagasy technical capability.
- Create a scalable manufacturing platform for regional expansion.

Expected Benefits

Benefit	Strategic Outcome
Supply Chain	Improved product availability and shorter lead times.
Cost Competitiveness	Reduced logistics costs and greater pricing flexibility.
Employment	Creation of skilled manufacturing and technical positions.
Industrial Development	Contribution to Madagascar's manufacturing capability.
Regional Growth	Platform for supplying neighboring African markets.

Executive Perspective

The long-term value of GeoStab Madagascar will be driven by manufacturing capability, recurring product demand and scalable regional growth.

16. MARKET OPPORTUNITY

Madagascar presents a substantial long-term opportunity for innovative road construction technologies. Large portions of the national and rural road network require upgrading, while government agencies, development partners, mining companies and agricultural industries continue to seek more durable and cost-effective infrastructure solutions.

Primary Target Markets

- National and regional government road infrastructure Programs.
- Rural access and agricultural development initiatives.
- Mining haul roads and industrial access roads.
- Private industrial developments and logistics corridors.
- Future export opportunities into selected African markets.

Market Drivers

Driver	Strategic Significance
Infrastructure Demand	Continuing need for durable road construction solutions.
Local Materials	Ability to utilize in-situ soils and reduce imported aggregates.
Government Interest	Alignment with national infrastructure priorities.
Manufacturing	Opportunity to establish domestic industrial capability.
Regional Expansion	Potential to supply neighboring African markets over time.

Executive Perspective

The opportunity extends beyond a single market. Success in Madagascar can provide the credibility and manufacturing base for progressive expansion into selected African markets.

17. STRATEGIC PARTNERSHIP STRUCTURE

GeoStab Madagascar Pty Ltd has been established to commercialise an Australian developed soil stabilisation technology within Madagascar through local manufacturing and long-term commercial operations.

Global Trade & Marketing Pty Ltd (GTM) has invested several years in technology development, international testing, laboratory validation, intellectual property, commercial development and stakeholder engagement to bring the project to its current stage.

The proposed equity structure recognises these historic investments while inviting Taloumis Group to become the founding strategic investment partner responsible for supporting commercial implementation and long-term growth in Madagascar.

The proposed investment terms are intended to align the long-term interests of both parties while providing an appropriate foundation for future manufacturing expansion and regional African growth.

18. FINANCIAL VALUE PROPOSITION

The proposed investment is intended to fund the transition from independently validated technology to commercial implementation. Rather than financing a single road project, the objective is to establish the commercial foundation for a scalable manufacturing business capable of generating recurring revenue from infrastructure development.

Investment Overview

Item	Description
Investment Sought	USD 169,344
Purpose	Manufacture and shipment of initial GeoStab inventory and support of demonstration road construction
Demonstration	1.5 km commercial demonstration road
Indicative Equity	Approximately 5% (subject to negotiation)
Strategic Objective	Establish GeoStab Madagascar Pty Ltd as a manufacturing business

Long-Term Value Drivers

- Recurring product demand from public and private road projects.
- Local manufacturing with potential economies of scale.
- Expansion into additional regions of Madagascar.
- Progressive export opportunities into selected African markets.
- Potential enterprise value growth as commercial operations expand.

Executive Perspective

The proposed investment represents participation at the point where technical risk has been addressed, and commercial value creation is expected to accelerate.

19. ILUSTRATIVE FINANCIAL MODEL & SHAREHOLDER RETURN

This section presents an illustrative five-year financial model based on conservative planning assumptions. It is intended to demonstrate the commercial potential of a Madagascar-based manufacturing business and should not be interpreted as a forecast.

Key Planning Assumptions

Assumption	Illustrative Value
Selling price (ex-works)	USD 7.90/kg
Illustrative COGS	USD 2.74/kg
Illustrative gross margin	USD 5.16/kg (65.3%)
Construction team capacity	Approx. 500 km/year
Equity under consideration	Indicative 5%

Illustrative Five-Year Financial Summary (USD millions)

Metric	Y1	Y2	Y3	Y4	Y5
Revenue	1.6	5.4	11.2	18.8	27.6
Gross Profit	1.0	3.5	7.3	12.3	18.0
EBITDA*	0.5	2.1	5.0	8.8	13.2
Illustrative Enterprise Value (Conservative scenario)	5	18	42	78	120
Illustrative Value of Taloumis 5% Shareholding	0.25	0.90	2.10	3.90	6.00
Illustrative Multiple on Initial Investment	**1.5×**	**5.3×**	**12.4×**	**23.0×**	**35.4×**

***Illustrative valuation based on projected EBITDA growth and valuation multiples commonly applied to comparable speciality chemical, industrial manufacturing and infrastructure materials businesses. Values are illustrative only and are not intended as a formal business valuation.**

GEOSTAB CREATES VALUE ACROSS THE TALOUMIS GROUP

Every kilometre of durable, all-weather road strengthens our businesses, reduces costs and drives long-term profitability.

GeoStab
MADAGASCAR
DURABLE ROADS STRONGER FUTURE

1. FOOD MANUFACTURING

- Lower inbound and outbound freight costs
- Fewer production interruptions
- Reduced product damage
- Improved delivery reliability

IMPACT: Improved operating margins and stronger competitiveness

2. AGRICULTURAL PROCUREMENT

COFFEE, TEA, VANILLA, COCOA & SPICES

- Reliable year-round access to rural producers
- Increased purchasing volumes
- Better quality and less spoilage
- Stronger export capability

IMPACT: Higher volumes, better quality and expanded market reach

3. DISTRIBUTION & TRADING

- Faster travel times
- Lower vehicle operating costs
- Fewer breakdowns and delays
- More deliveries, more often
- Improved customer service

IMPACT: Lower logistics costs and higher productivity

4. RUM & BEVERAGE MANUFACTURING

- Reliable transport of raw materials
- Consistent supply of packaging and inputs
- Reliable delivery to distributors and ports

IMPACT: Lower production interruptions and improved supply chain efficiency

ROAD IMPROVEMENT BENEFITS

- Lower vehicle maintenance costs
- Reduced tyre wear
- Lower fuel consumption
- Faster freight movement
- Reduced inventory requirements
- Improved supply chain reliability
- Year-round access to markets
- Higher labour productivity
- Reduced seasonal disruption

5. CONSTRUCTION & INDUSTRIAL SERVICES

- Easier access to remote project sites
- Faster delivery of materials and equipment
- Higher equipment utilisation
- Reduced project delivery costs

IMPACT: More projects, lower costs, higher returns

6. PROPERTY & INDUSTRIAL DEVELOPMENTS

- Reduced transport accessibility
- Increased commercial attractiveness
- Higher occupancy and demand
- Long-term uplift in asset value

IMPACT: Stronger asset values and long-term investment returns

ONE INVESTMENT. TWO RETURNS.

1. DIRECT RETURN

- 5% equity in GeoStab Madagascar Pty Ltd
- Capital appreciation as the company grows
- Future dividend income
- Participate in a major national infrastructure opportunity

2. INDIRECT RETURN

- Reduced transport costs across multiple businesses
- Lower fleet operating and maintenance costs
- Improved access to suppliers and customers
- Increased productivity and competitiveness
- Long-term operational savings year after year

STRONGER ROADS.
STRONGER BUSINESSES.
STRONGER MADAGASCAR.

Building the infrastructure that builds our future.

By partnering in GeoStab Madagascar Pty Ltd, Taloumis Group strengthens its business today and builds lasting value for tomorrow

21. INDICATIVE OPERATIONAL BENEFITS

BASED ON INTERNATIONAL EXPERIENCE

Decades of global experience show that upgrading from poor / seasonal roads to durable, all-weather roads delivers material recurring operational benefits to business across multiple sectors.

DURABLE, ALL-WEATHER ROADS DELIVER		
AREA OF BENEFIT	**TYPICAL INTERNATIONAL RANGE**	**CONFIDENCE**
Vehicle maintenance cost	15% - 40% reduction	High
Tire Life	20% - 50% improvement	High
Fuel consumption	5% - 15% reduction	High
Travel time	20% - 60% reduction	High
Freight productivity	15% - 50% improvement	High
Delivery reliability	20% - 70% improvement	Moderate-High
Inventory carrying costs	5% - 20% reduction	Moderate
Seasonal interruptions	30% - 90% reduction (where roads are impassable)	High
Agricultural market access	10% - 40% increase	Moderate
Supply chain resilience	Significant qualitative improvement	High

These ranges are derived from international studies by organisations such as the World Bank, Asian Development Bank, African Development Bank and national road authorities. They represent indicative benchmarks, not GeoStab-specific guarantees.

HOW THIS TRANSLATES INTO BUSINESS VALUE

Better roads reduce the hidden costs of doing business: vehicle wear, fuel, transport time, delays, spoilage and seasonal inaccessibility. These savings flow directly to the bottom line and continue every year for as long as the roads remain in service.

22. ILLUSTRATIVE BUSINESS IMPACT BY TALOUMIS GROUP BUSINESS UNITS

The table below illustrate how improved all-weather roads can improve operating performance across the Taloumis Group. The financial values shown are illustrative examples only, based on typical cost structures in similar businesses

BUSINESS UNIT	KEY BENEFITS FROM BETTER ROADS	ILLUSTRATIVE ANNUAL SPEND (USD)	POTENTIAL ANNUAL BENEFIT	
			5% IMPROVEMENT	10% IMPROVEMENT
Food Manufacturing	• Lower inbound/outbound freight • Fewer production interruptions • Reduced product damage • Improved delivery reliability	10,000,000	500,000	1,000,000
Coffee, Tea, Vanilla & Cocoa Procurement	• Year-round access to rural producers • Increased purchasing volumes • Less spoilage and losses • Stronger export capability	15,000,000	750,000	1,500,000
Distribution & Trading	• Faster travel and deliveries • Lower vehicle operating costs • Fewer breakdowns and delays • Improved customer service	12,000,000	600,000	1,200,000
Rum & Beverage Manufacturing	• Reliable transport of raw materials • Consistent supply of packaging and inputs • Reliable delivery to distributors and ports	6,000,000	300,000	600,000
Construction & Industrial Developments	• Easier access to remote sites • Higher equipment utilization • Reduced project delivery costs • Lower machinery maintenance	8,000,000	400,000	800,000
Property & Industrial Developments	• Improved transport accessibility • Greater commercial attractiveness • Higher occupancy and demand • Long term value uplift	5,000,000	250,000	500,000
	TOTAL (Illustrative)	**56,000,000**	**2,800,000**	**5,600,000**

Illustrative only: If logistics-related expenditure across the Taloumis Group were approximately USD 56 million per year, a 5% improvement in transport efficiency could deliver around **USD 2.8 million in reoccurring annual benefits.**

A 10% improvement could deliver around **USD 5.6 in reoccurring annual benefits.**

23. FINANCIAL MODEL AND SHAREHOLDER RETURN

The following financial model is illustrative only and has been prepared using conservative planning assumptions for discussion purposes. Actual performance will depend upon commercial adoption.

23.1 Financial Planning Basis

The purpose of this financial model is to illustrate the potential commercial performance of GeoStab Madagascar Pty Ltd under a range of conservative planning scenarios.

The model has been developed using prudent commercial assumptions based on the progressive adoption of GeoStab by road construction contractors operating within Madagascar and, subsequently, selected African markets.

Importantly, GeoStab Madagascar Pty Ltd is **not** intended to operate as a civil road construction contractor.

Its core business is expected to comprise:

- Manufacture of GeoStab products;
- Distribution throughout Madagascar;
- Export into selected African markets;
- Technical support to contractors;
- Product quality assurance;
- Future manufacturing expansion.

Road construction itself will be undertaken by independent contractors, government agencies and mining companies using GeoStab products supplied by GeoStab Madagascar Pty Ltd.

This distinction provides the business with a highly scalable operating model, as revenue growth is driven by increasing product demand rather than by the construction capacity of a single contractor.

23.2 Commercial Assumptions

Item	Assumption
Selling Price (Ex Works Madagascar)	USD 7.90/kg
Cost of Goods Sold	USD 2.74/kg
Gross Profit	USD 5.16/kg
Gross Margin	65.30%
Average GeoStab Consumption	4,480 kg per kilometer

23.3 Operational Capacity

Experience to date indicates that a single modern soil stabilisation construction team has the capability to process approximately **500 kilometres of road per annum** (x 6m width) under normal operating conditions.

GeoStab Madagascar Pty Ltd is not constrained by this capacity.

Rather, each additional contractor adopting GeoStab technology represents additional demand for GeoStab products.

Consequently, future business growth is expected to be achieved through increasing numbers of independent contractors, government agencies and commercial customers using GeoStab products simultaneously.

23.4 Market Adoption Scenarios

The financial model has been prepared using three planning scenarios.

Scenario	Active Construction Teams	Average Team Utilisation	Annual Road Production
Conservative	1	50%	250 km
Base Case	2	75%	750 km
Growth	5	80%	2,000 km

These scenarios are intended to illustrate differing levels of market adoption rather than predict future sales.

The investment recommendation contained within this memorandum is based solely upon the **Conservative Planning Scenario**.

23.5 Market Opportunity

Madagascar

Madagascar possesses a substantial requirement for road rehabilitation and new road construction across multiple sectors including:

- National highways;
- Provincial roads;
- Municipal roads;
- Agricultural access roads;
- Mining haul roads;
- Forestry roads;
- Tourism infrastructure;
- Industrial developments.

Collectively, these sectors represent many thousands of kilometres of existing and future road infrastructure.

Accordingly, even the Conservative Scenario represents only a modest level of market penetration.

African Export Markets

Following successful commercial establishment within Madagascar, GeoStab Madagascar Pty Ltd intends to progressively expand exports into selected African markets through local distribution and strategic partnerships.

Potential markets include:

- Mozambique
- Tanzania
- Zambia
- Malawi
- Zimbabwe
- Kenya
- Uganda
- Botswana
- Namibia

The financial model deliberately assumes only modest export penetration during the planning period.

23.6 Revenue Potential

Scenario	Annual Road Construction	GeoStab Sold	Annual Revenue
Conservative	250 km	1,120,000 kg	USD 8.85 million
Base Case	750 km	3,360,000 kg	USD 26.54 million
Growth	2,000 km	8,960,000 kg	USD 70.78 million

23.7 Gross Profit

Scenario	Revenue	Gross Profit
Conservative	USD 8.85 million	USD 5.78 million
Base Case	USD 26.54 million	USD 17.34 million
Growth	USD 70.78 million	USD 46.23 million

23.8 Operating Expenses

Operating expenditure has been modelled conservatively and includes:

- Executive management;
- Administration;
- Technical support;
- Manufacturing overhead;
- Warehousing;
- Logistics;
- Sales and marketing;
- Professional services;
- Insurance;
- Travel;
- Research and product improvement;
- General corporate overhead.

Scenario	Annual Operating Expenses
Conservative	USD 1.80 million
Base Case	USD 3.90 million
Growth	USD 8.20 million

23.9 EBITDA

Scenario	EBITDA
Conservative	USD 3.98 million
Base Case	USD 13.44 million
Growth	USD 38.03 million

The increasing EBITDA reflects the significant operating leverage available as production volumes increase.

23.10 Illustrative Enterprise Value

To demonstrate the potential relationship between operating performance and shareholder value, an illustrative enterprise valuation has been prepared using EBITDA multiples commonly observed for profitable specialty manufacturing and industrial businesses.

These values are provided for illustration only and should not be interpreted as formal valuations.

Scenario	EBITDA	5× EBITDA	6× EBITDA	7× EBITDA
Conservative	USD 3.98 million	USD 19.9 million	USD 23.9 million	USD 27.9 million
Base Case	USD 13.44 million	USD 67.2 million	USD 80.6 million	USD 94.1 million
Growth	USD 38.03 million	USD 190.2 million	USD 228.2 million	USD 266.2 million

23.11 Illustrative Value of Taloumis Group's Proposed 5% Equity Interest

Scenario	5×	6×	7×
Conservative	USD 995,000	USD 1.19 million	USD 1.40 million
Base Case	USD 3.36 million	USD 4.03 million	USD 4.71 million
Growth	USD 9.51 million	USD 11.41 million	USD 13.31 million

23.12 Illustrative Return on Investment

Item	Value
Initial Investment	USD 169,344
Proposed Equity Interest	5%

Illustrative Year 5 Outcome

Scenario	Illustrative Equity Value (6× EBITDA)	Approximate Investment Multiple
Conservative	USD 1.19 million	7.0×
Base Case	USD 4.03 million	23.8×
Growth	USD 11.41 million	67.4×

These illustrations exclude any dividends that may be distributed during the investment period.

23.13 Illustrative Exit Strategies

Potential pathways for Taloumis Group to realise value from its investment include:

Long-Term Shareholding

Continue participating in future dividends and capital appreciation.

Share Buy-Back

Sale of the equity interest to GeoStab Madagascar Pty Ltd or Global Trade & Marketing Pty Ltd under a mutually agreed arrangement.

Strategic Sale

Sale to a strategic investor or industrial partner seeking an ownership interest in the business.

Future Capital Raising

Partial or full disposal of the equity interest as part of a future funding round supporting manufacturing expansion and regional growth.

23.14 Financial Commentary

The financial model demonstrates the scalability of the proposed business model.

Unlike traditional road construction companies, GeoStab Madagascar Pty Ltd is not a road construction company and is not constrained by the annual production capacity of a single construction contractor.

As additional contractors, government agencies and commercial organisations adopt GeoStab technology, product demand can increase without requiring the company to become a road contractor itself.

The Board should note that the investment recommendation contained within this memorandum is based on the **Conservative Planning Scenario**, which assumes adoption equivalent to only **one construction team operating at approximately 50% of its annual processing capacity**.

The Base Case and Growth Case are presented solely to demonstrate the potential long-term scalability of the business should commercial adoption exceed the conservative assumptions adopted for this analysis.

Accordingly, the proposed investment is intended to establish the commercial foundations of a Madagascar-based manufacturing and export business capable of serving both the domestic market and selected African markets through disciplined, phased expansion.

GeoStab Madagascar
Strategic Investment Opportunity

TWO SOURCES OF SHAREHOLDER VALUE

CONFIDENTIAL

Prepared for
THE BOARD OF DIRECTORS
TALOUMIS GROUP

One Strategic Investment. Two Complementary Financial Returns.

TALOUMIS GROUP

Initial Strategic Investment
USD 169,344
↓
Potential Long-Term Value Creation
MILLIONS OF US DOLLARS

A. DIRECT SHAREHOLDER RETURN

From Equity Ownership in GeoStab Madagascar Pty Ltd

1. INVESTMENT TODAY
Strategic investment to fund the demonstration project.

2. 5% EQUITY OWNERSHIP*
Indicative equity participation (subject to negotiation).

3. COMMERCIAL ROLLOUT
Successful demonstration leads to national and regional adoption.

4. ENTERPRISE VALUE GROWTH
Revenue, profitability and scale drive significant enterprise value.

5. DIVIDEND POTENTIAL
Cash generation supports dividends from Year 4 onwards.

6. SHAREHOLDER VALUE
Value realised through dividends and potential future exit.

ILLUSTRATIVE 5-YEAR EQUITY VALUE

USD 6.0 MILLION
Illustrative value of a 5% shareholding*

- Illustrative Enterprise Value at Year 5: USD 120 MILLION
- Indicative dividends from Year 4 onwards
- Indicative IRR (5 years): ~35% – 45%
- Subject to successful commercial execution

** Subject to due diligence and definitive agreements.*

GeoStab Madagascar

Building a Madagascar-based manufacturing and infrastructure platform for long-term growth and regional expansion.

B. INDIRECT OPERATIONAL RETURN

Through Improved Roads Across Taloumis Group Operations

1. LOWER TRANSPORT COSTS
Reduced freight costs across all Taloumis business operations.

2. LOWER VEHICLE MAINTENANCE
Reduced wear and tear on vehicles and equipment.

3. LOWER FUEL CONSUMPTION
Smoother roads improve fuel efficiency and reduce operating costs.

4. IMPROVED LOGISTICS
Faster, more reliable delivery and improved supply chain efficiency.

5. REDUCED SUPPLY CHAIN LOSSES
Less product damage, delays and unplanned downtime.

6. INCREASED PROFITABILITY
Stronger margins across multiple Taloumis business units.

ILLUSTRATIVE ANNUAL OPERATIONAL BENEFIT

CONSERVATIVE SCENARIO	STRONG SCENARIO
5% improvement in logistics efficiency	10% improvement in logistics efficiency
USD 2.8 MILLION per year	**USD 5.6 MILLION** per year
Illustrative recurring financial benefit	Illustrative recurring financial benefit

Based on illustrative operational expenditure of approximately USD 56 million per year across Taloumis Group businesses.

INITIAL INVESTMENT		ILLUSTRATIVE DIRECT SHAREHOLDER VALUE		ILLUSTRATIVE ANNUAL OPERATIONAL BENEFITS
USD 169,344	+	**USD 6.0 MILLION**	+	**USD 2.8M – 5.6M**
Founding strategic investment to launch the demonstration.		Illustrative value of a 5% shareholding* over 5 years.		Recurring annual benefit from improved roads across Taloumis operations.

ONE STRATEGIC INVESTMENT • TWO FINANCIAL RETURNS • LASTING SHAREHOLDER VALUE

Building Madagascar's Future. Creating Value for Taloumis.

All financial figures are illustrative scenarios based on current assumptions and information available.
Actual outcomes will depend on successful demonstration, market adoption, operational execution and prevailing market conditions.

July 2026

25. RISK MANAGEMENT AND MITIGATION

Every strategic investment involves risk. GeoStab Madagascar has been structured to reduce risk through a phased commercialisation strategy in which technical validation precedes commercial implementation, and each subsequent milestone builds upon demonstrated success.

Principal Risks and Mitigation Measures

Risk Category	Potential Impact	Mitigation Strategy	
Demonstration project performance	Failure to achieve expected field performance could delay commercial adoption.	Multiple independent laboratories and field testing have already demonstrated favorable engineering performance. The demonstration project has been specifically designed to validate performance under Madagascar conditions prior to broader market deployment.	✓
Government acceptance	Timing of broader government adoption may vary following the demonstration project.	Early engagement with the Ministry of Public Works, together with independent evaluation by LNTPB, provides a structured pathway toward technical acceptance.	✓
Market adoption	Contractors and infrastructure owners may adopt new technology progressively rather than immediately.	Commercial strategy targets multiple market sectors including government, mining, agriculture, municipalities and private industry, reducing dependence on any single customer segment.	✓
Manufacturing scale-up	Increasing production capacity requires additional capital investment and operational planning.	Manufacturing expansion is planned in stages, aligned with demonstrated market demand and supported by future capital investment where commercially justified.	✓
Supply chain	Availability of raw materials and logistics could affect production.	Multiple sourcing strategies, inventory management and local manufacturing capabilities are intended to reduce supply chain risk over time.	✓
Competition	Alternative stabilisation technologies or conventional construction methods may compete for projects.	GeoStab's value proposition is based on proprietary technology, independent technical validation, local manufacturing, long-term customer support and whole of life lower cost rather than price alone.	✓
Working capital	Rapid commercial growth may increase short-term funding requirements.	Additional capital requirements are expected to be addressed through retained earnings, future equity participation and conventional commercial financing where appropriate.	✓
Export market development	Expansion into other African markets may occur more gradually than anticipated.	The financial model supporting this proposal does not rely on significant export sales during the initial planning period. Regional expansion therefore represents additional upside rather than a requirement for investment success.	✓

Risk Management Philosophy

- Reduce technical uncertainty before commercial investment.
- Validate performance before manufacturing expansion.
- Scale operations in-line with proven demand.
- Maintain prudent governance and Board oversight.

Executive Perspective

The proposed investment strategy seeks to progressively reduce risk while increasing enterprise value through disciplined execution and milestone-based growth.

26. CONCLUSION AND BOARD RECOMMENDATION

GeoStab Madagascar presents an opportunity to participate in the commercialisation of an independently validated Australian technology through the establishment of a Madagascar-based manufacturing enterprise with long-term regional growth potential. The proposed demonstration project is intended to provide the final commercial proof point before broader market adoption.

Why This Opportunity is Different

- Independent technical validation has substantially reduced technology risk.
- Government engagement and stakeholder relationships are already established.
- Commercial implementation is supported by a phased, disciplined strategy.
- Local manufacturing provides the foundation for recurring revenue and long-term value creation.
- Madagascar offers a potential platform for future African expansion.

Recommendation to the Board

It is recommended that the Board authorise management to progress detailed commercial, financial and legal due diligence and, subject to satisfactory outcomes, negotiate definitive investment documentation for subsequent Board consideration.

GeoStab contributes proven technology. Taloumis contributes industrial capability, commercial leadership and long-term commitment. Together they have the potential to create a nationally significant road improvement and manufacturing business with regional African growth opportunities.