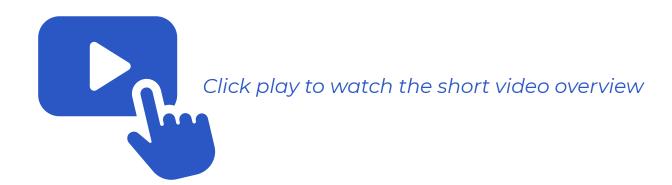




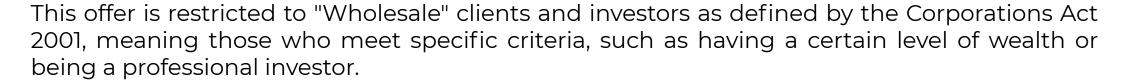
CRAFT NOTE INVESTMENT OPPORTUNITY

Lower-Risk, Asset-Backed, Private Credit in Essential Global Trade



VERSION: 007.2 DATE: 26 JULY 2025

Disclaimer



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01 Executive Summary: Why invest in CRAFT Notes

CRAFT issues **senior**, **asset-backed fixed-interest notes** that offer:

- 8.0% p.a. fixed return, paid semi-annually
- Uncorrelated to equity or property markets
- Lowest historical default rates across credit classes
- Collateralised by physical commodities, production inventories, and receivables
- Well established Tier 1 & Tier 2 borrowers only, in developed economies
- OTC tradable notes (not locked in like managed funds)

...the higher the ratio the better return for risk taken

CRAFT Notes: ~2.25 Sharpe Ratio (estimate)

- ✓ 3x better than real estate credit
- ✓ Better risk-adjusted returns than SME or distressed debt
- ✓ Backed by short-term, secured trade flows
- ✓ True income with low volatility

This is fixed income exposure to the final, most reliable stages of global commodity supply chains.

02 What is CRAFT?

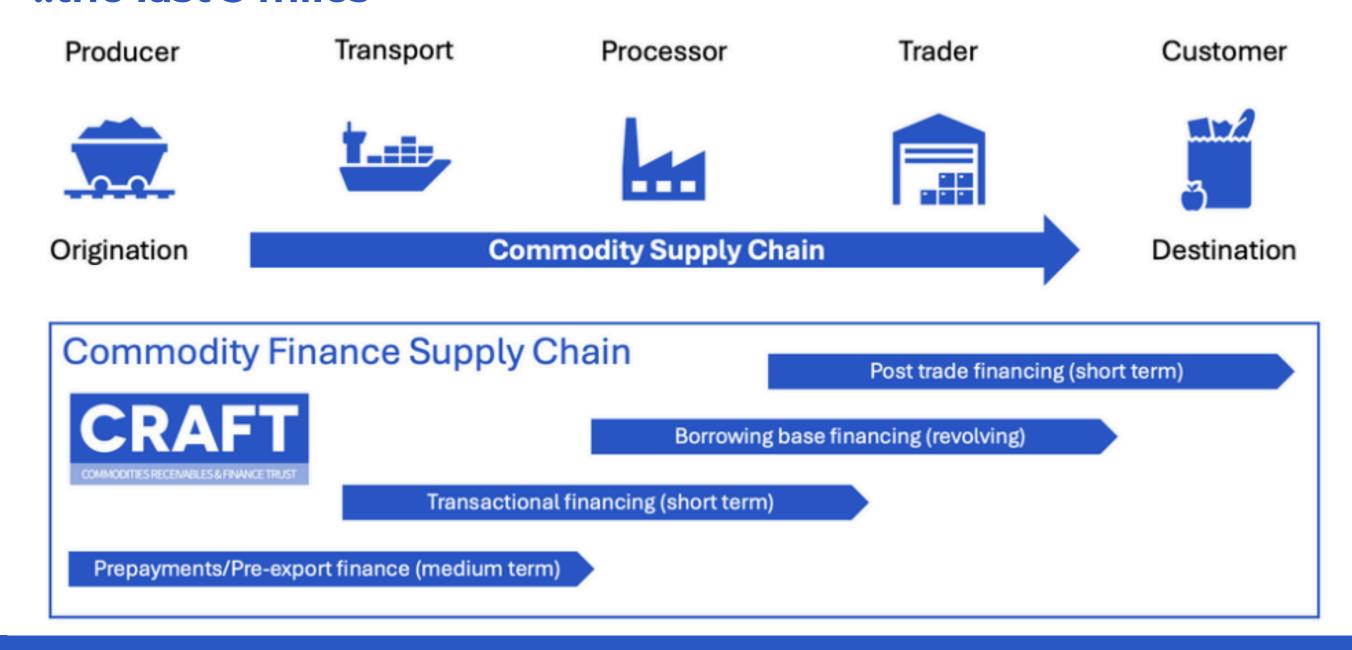
CRAFT is a **specialist private credit** business that finances the **"last 3 miles"** — the critical final steps of delivering physical goods to end-users:

- Lending only to well established, creditworthy counterparties
- Financing **real deliveries** of materials, energy and food
- Secured by in-demand bulk commodities and backed by offtake contracts or receivables.
- No exposure to commodity prices or price volatility, upstream risks, or emerging markets

CRAFT delivers private credit exposure without the typical SME or real estate risks.

02 What is CRAFT?

CRAFT Commodity Supply Chain Finance: Lower-Risk, Specialised Lending for Essential Global Trade - "..the last 3 miles"



03 CRAFT is Not Traditional Private Credit

CRAFT Loans

- Lower-Risk, Shorter-Term
 Working Capital or Commodity
 Production Inventory Financing
- Working capital for physical delivery
- Inventory-backed, short-term
- Developed market counterparties
- Asset-backed by tradable goods

Not CRAFT

- Higher-Risk, Longer-Term
 Pre Production or Speculative
 Trading
- Exploration or feasibility lending
- Real estate or unsecured loans
- Startups or emerging market borrowers
- Consumer credit or derivatives

Commodity Finance

The Lowest Default Risk Credit Class Compared to All Other Forms of Lending















04 The Lowest Default Risk Credit Class

Across every major economic shock, **commodity finance remains the most resilient:**

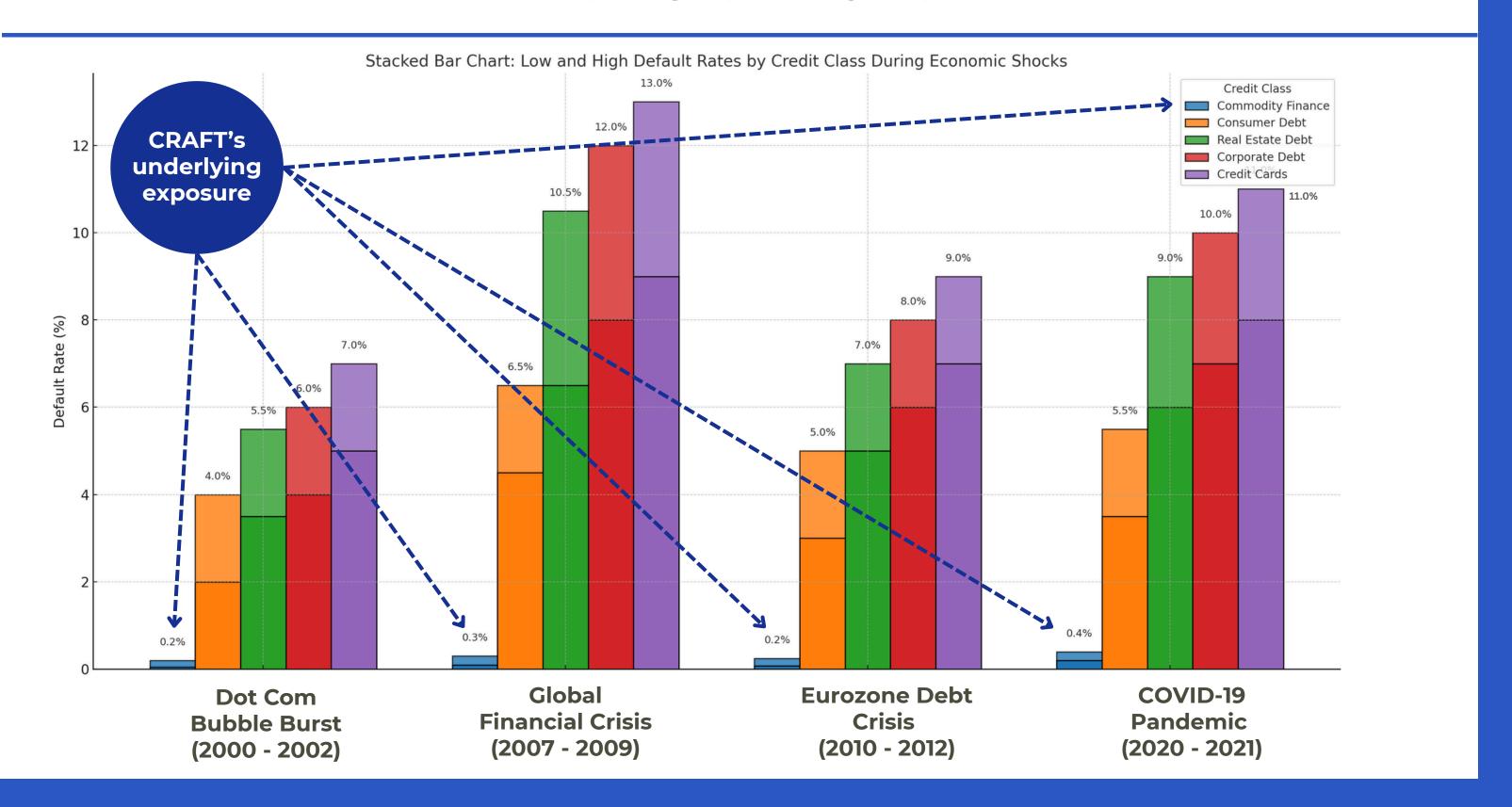
Default Rate Comparisons (GFC High-Band)

- Credit Cards: 43x higher¹
- Corporate Debt: 40x higher²
- Real Estate Credit: 35x higher³
- Consumer Debt: 21x higher4
- CRAFT-style Commodity Finance: <0.1% default rate⁵

CRAFT's <0.1% historical default rate sits at the **very bottom of the private credit risk spectrum** — even during global crises.

Why? Because essential goods must flow. This is trade that cannot stop.

04 The Lowest Default Risk Credit Class



05 Why These Markets Must Work

"You can regulate banks or print money when finance breaks... but when food, energy or materials stop, society collapses."



CRAFT finances the real economy — food to eat, energy to use, materials to build. These flows must continue **regardless of recessions**, **pandemics**, **or war**.

06 Proof Points: Real Borrowers, Real Scale

Example A – ASX-Listed Producer

- Market Cap > \$7 B
- **EBITDA** > \$1 B p.a.
- Security: Senior charge over production, hard assets, and inventory
- **Risk Score: 0.028%**

Example B – Global Private Trading House

- Vertically integrated across supply chain
- **\$25M** facility size
- Cargo-by-cargo secured disbursements (90–180 days)
- Corporate guarantees + receivable assignments

"...investment grade balance sheet borrowers"

07 Secured Lending, Self-Liquidating Structures

CRAFT investments and loans are:

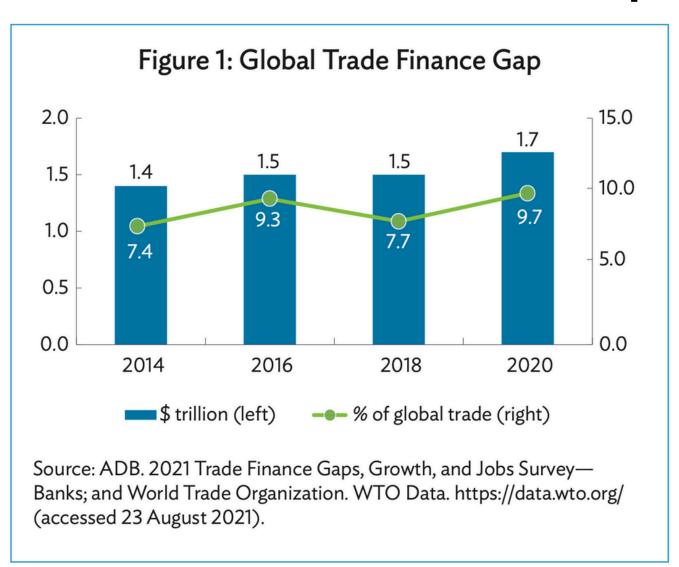
- Backed by commodity production inventory or pre-sold receivables
- Short to medium term (90–180 days)
- Revolving in nature, encouraging borrower discipline
- Protected by multi-layered structures:
 - Letters of credit
 - Locked-box accounts
 - Senior ranking charges
 - Hard assets collateral

08 Diversification Built into Every CRAFT Note

- Each CRAFT Note is secured by a diversified pool of commodity finance loans not a single borrower
- Investors benefit from built-in risk dispersion and portfolio-level protection
- No single counterparty drives investor outcomes returns are anchored to portfolio performance across multiple loans
- Exposure spans independent supply chains, sectors, and geographies, mitigating correlated risks
- This structure enhances capital stability, improves liquidity, and reduces volatility

09 Target Market

\$1.7 Trillion Trade Finance Gap



CRAFT's Addressable Target

~ \$20 billion
niche in low risk
commodity
receivables from
Tier 1 & 2
counterparties

"The global trade finance gap is estimated to have increased to \$1.7 trillion during the COVID-19 pandemic in 2020 from \$1.5 trillion in 2018."

10 Management & Track Record

Investment Committee

Executive Directors

Tim Kaighin

Managing Director



- Over 20 years of experience in natural resources.
- Master of Business Administration (MBA) - Curtin University, Australia
- Certified Practicing Accountant (CPA)

Ben Gourlay

Director, CFO



- Over 20 years expereince in international corporate finance
- Australian Institute of Company Directors (MAICD)
- Senior Associate (SA FIN), FINSIA
- Graduate Diploma of Applied Finance & Investment, Major in Investment Management, FINSIA
- Chartered Accountant (CA), Chartered Accountants Australia and New Zealand
- Bachelor of Commerce, dual major in Finance & Accounting (BCom), Bond University

Stuart Tye

Director, COO



- Over 30 years experience in international logistics, procurement and supply chains
- Master of Science, Procurement, Logistics & Supply Chain Management (distinction), University of Salford
- MCIPS Level 6 certification, Chartered Institute of Procurement & Supply

Advisory Board

Kai Einheuser

Advisor



30+ years of experience in oceangoing commodities supply chain logistics and international trade. Kai co-founded Nepa Shipping Group in Hong Kong in 1995 as an extension to Nepa Shipping in The Netherlands, established in 1988. Nepa operates approximately 200 dry bulk vessels annually, transporting around 6 million tons of commodities and goods worldwide.

David Stone

Advisor



- Bachelor of Mining Engineering University of Wollongong
- Diploma in Risk Management University of Queensland
- Diploma Australian Institute of Company Directors
- 1st Class Mine Managers Certificate of Competency (QLD & NSW, Australia)

Refer to the Appendix for bios

Management & Track Record 10

230 million ounces

produced, financed and shipped

Gold & other precious metals

200+ Vessels

Capable of shipping over 6 million tonnes of commodities freight p.a.

USD \$100 Billion

Commodities freight shipped

25+ Years

Management team have over 200 years combined experience across the entire commodities supply chain

200 million tonnes

Coal produced, financed and shipped

1,000's+

Supply chain contracts worth tens of billions of dollars

11 CRAFT Notes: Key Terms

Issuer	CRAFT Bond Issues Pty Ltd
ISIN	AU3CB0319721
Austraclear I.D.	CFT01
Bloomberg Ticker	COMRFT 8 03/31/30 Corp
Series A Issue Size	AUD 150,000,000
Interest Rate	8.0% p.a. semi-annually paid
Maturity	5 Years
Security Type	Senior, asset-backed, notes
Liquidity	OTC tradable security

12 Strategic Comparison with Other Private Credit

Category	CRAFT 5yr Notes	Real Estate Credit Funds	SME Lending Funds	Distressed Debt Funds
Target Return	8.0% p.a.	7–10%	9–15%	12-20%
Default Rate	<0.1%	5–15%	7–12%	15-25%
Sharpe Ratio (Est.)	~2.25	~0.73	~0.85	~1.04
Security Type	Inventory-backed	Property-backed	Director Guarantees	Mixed or unsecured
Liquidity	OTC tradable	Gated funds	Illiquid	Illiquid
Redemption or Distribution Control?	No	Yes	Yes	Yes
Market Correlation	Low	Medium-High	High	High

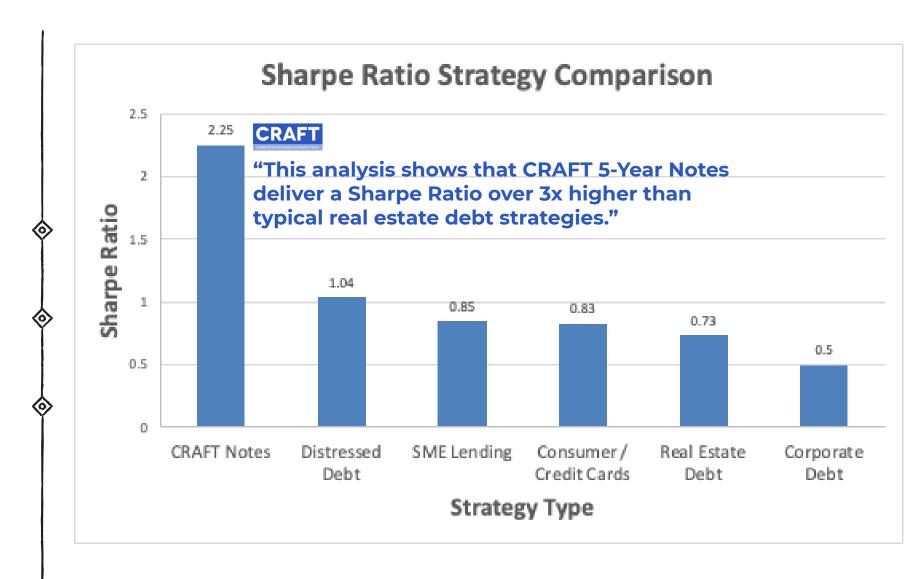
CRAFT offers a distinct advantage over traditional private credit funds — with lower market correlation, materially lower default risk, and a higher estimated Sharpe Ratio. Unlike managed income funds, CRAFT Notes are structured to prevent discretionary control by an investment manager over redemptions or distributions. Interest payments cannot be suspended, providing investors with greater predictability and contractual certainty.

13 Understanding Risk Adjusted Returns (Sharpe Ratio)

- Investment returns are only half the equation.
- The best strategies deliver more return per unit of risk.
- Risk-adjusted return is commonly measured by the **Sharpe Ratio**:

(Return – Risk-Free Rate) / Volatility

- A higher Sharpe Ratio = better risk efficiency
- **CRAFT Notes outperform** most private credit strategies on this basis by a wide margin

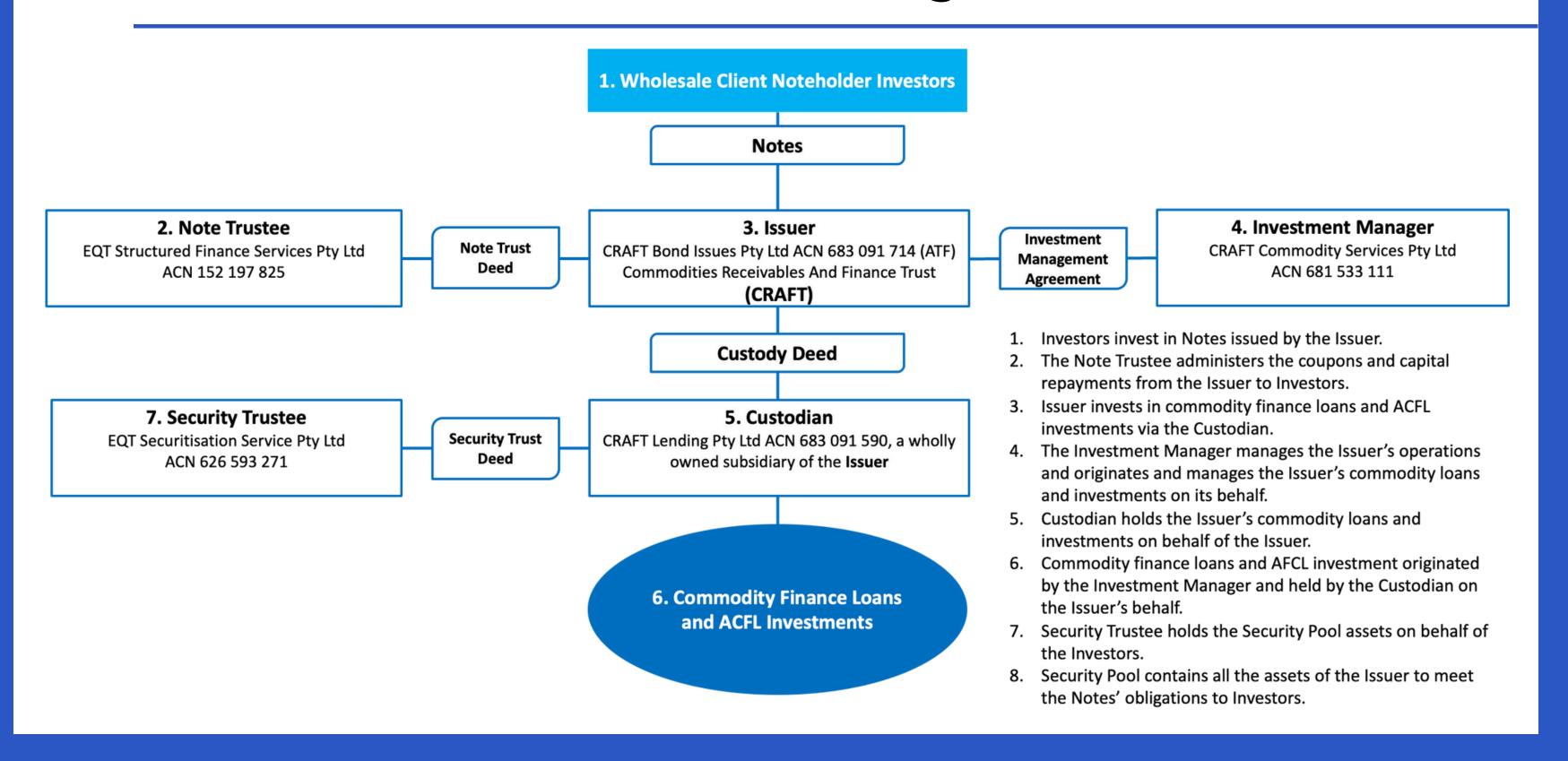


(V)

CRAFT Notes offer a **higher return per unit of risk**, compared to other credit strategies.

*Assumes a risk-free rate of 3.5% (5Y Gov Bond)

14 CRAFT Note Issue Structure Diagram



15 What is a Note?

- A Note is a debt instrument you are lending capital to the issuer for a fixed return over a defined term
- It is **not an equity investment** there's no shareholding or ownership dilution
- CRAFT Notes are **senior**, **asset-backed**, and **secured** against real, short-term commodity finance receivables
- Notes offer **predictable income**, fixed terms, and known exit points unlike managed funds or equities
- As a wholesale investor, you are **ranked ahead of equity**, with protections and priority of repayment
- Think: Fixed income with real-world collateral not venture, not property, not speculation.

Example

AUD 1 million CRAFT Note Investment

Term: 5 years

Return: 8.0% p.a. paid semi-annually

Security: Asset-backed pool of short-term

commodity facilities

Total Income Over 5 Years

AUD 400,000

(paid in 10 x AUD 40,000 instalments)

Principal: Repaid in full at maturity

Liquidity: OTC tradeable

16 CRAFT Notes v. Term Deposits

- When you invest in a **Term Deposit**, you lend to a bank.
- When you invest in a **CRAFT Note**, you lend to a real-economy business and take a **secured yield** in return.

Feature	CRAFT 5yr Notes	Bank 5yr Term Deposit
Return	8.0% p.a., fixed, paid semi-annually	~3.06 p.a., fixed, paid at maturity*
Security	Asset-backed by short-term commodity loans	Government guaranteed (up to \$250k)
Liquidity	OTC tradable	Locked until maturity
Exposure	Essential trade flows (energy, food, materials)	Bank funding pool
Risk Profile	Low default history (<0.1%), diversified pool	Very low (APRA-regulated)
Access	Wholesale investors only	Retail & wholesale
Diversification	Spread across borrowers, trades & sectors	Concentrated to bank counterparty risk

^{*}the current average 5yr term deposit rate from ANZ, WBC, NAB, and CBA.

17 Why CRAFT Notes (Recap)

Why Invest in CRAFT Notes – **Key Takeaways**

- 8.0% p.a. fixed income, paid semi-annually
- Asset-backed by physical inventories and trade flows
- Tier 1 & 2 counterparties only no startups or emerging markets
- Sharpe ratio superior to other credit strategies
- Transparent, secure, and scalable private credit exposure
- Cannot be "gated" like most managed funds, which permit the Investment Manager to suspend redemptions and distributions
- CRAFT Notes underlying is designed to perform true to label, even through periods of volatility or macroeconomic dislocation

18 Next Steps & How to Invest

Why CRAFT Notes?



8.0% p.a. fixed interest, paid semiannually



Senior, asset-backed notes with 10% first-loss buffer



Well established Tier 1 & 2 borrowers only in developed markets



Uncorrelated to equity and property markets - no real estate risks



Backed by real deliveries of energy, food, and materials

Eligibility

CRAFT Notes are available only to wholesale clients under Section 761G of the Corporations Act 2001.

Minimum investment and compliance requirements apply.

Take the Next Step



Schedule a Call

Discuss the opportunity with your private wealth advisor or with our capital markets team (see below)



Request the Full IM

Your advisor, or a member of our team, will provide the full Information Memorandum and subscription documentation as required



Contact Us

Ben Gourlay – Executive Director Head of Capital Markets







Management Team Bios

Tim Kaighin

Tim is a CPA with over 20 years of CFO and financial management experience in the resources sector, including key roles at Pan Aust Ltd, TerraCom Ltd, and Superior Energy Services Inc. He has extensive expertise across the entire resource life cycle—from opportunity identification and capital raising to operations, asset divestments, and structured financing. Tim's deep knowledge of debt and loan-to-own financing, product marketing agreements, and offtake arrangements is complemented by his global commodity market experience in coal, gold, and base metals, spanning marketing, trading, and financing.

Ben Gourlay

Ben has over 20 years of international corporate finance experience across capital markets, family offices, direct investments, fund management, and professional services. With deep expertise in capital management, he has led the restructuring of approximately AUD 1.0 billion in debt facilities for listed and unlisted managed investment schemes. Based in Hong Kong SAR for nearly 12 years, Ben served as Executive Director and Head of Investments for a leading single-family office and direct investment firm, overseeing operations across 12 jurisdictions.

Stuart Tye

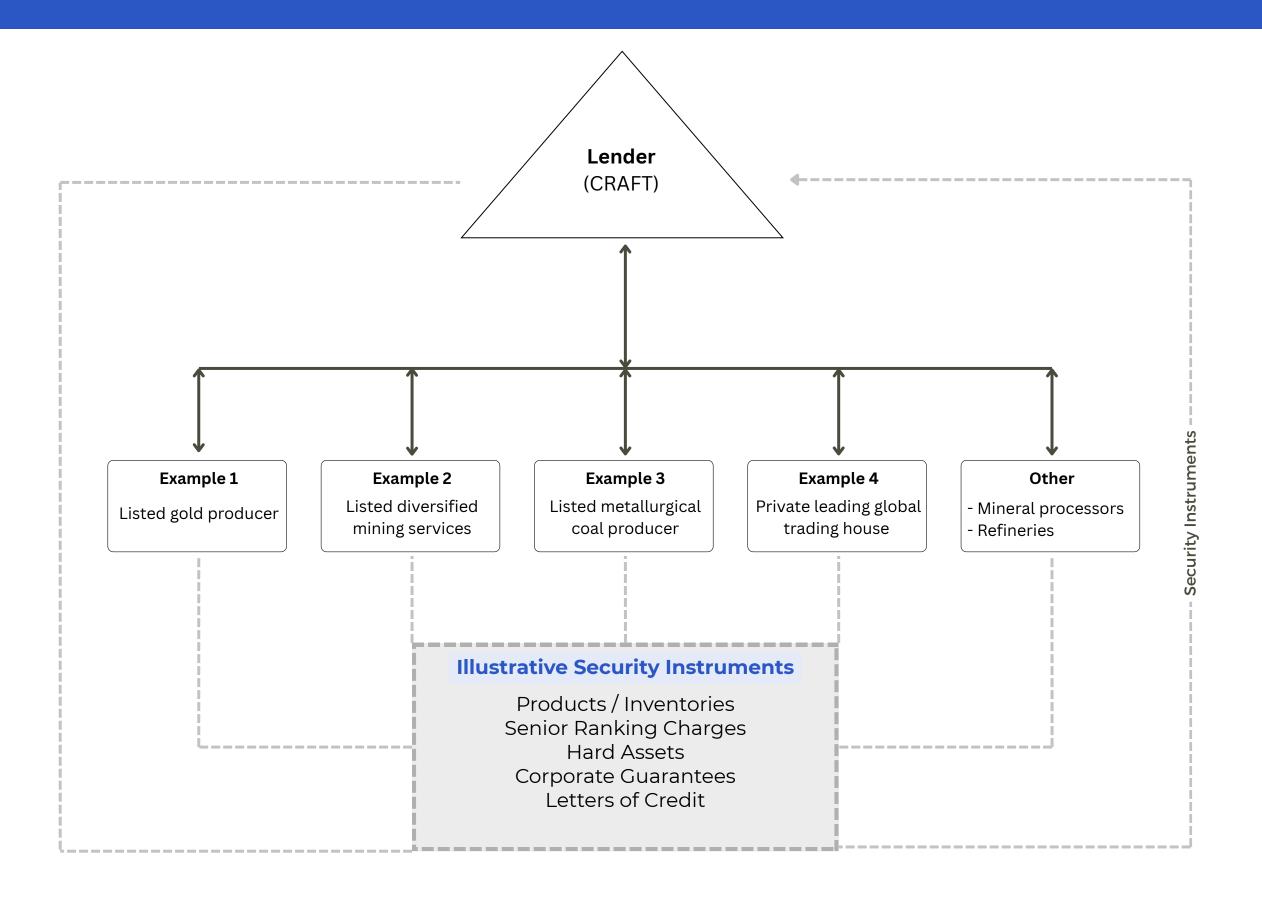
Stuart has over 30 years of experience in logistics, procurement, and supply chain management across Australia and the Asia Pacific. He has a proven track record of driving performance improvements for multinational and large-scale enterprises in global trade, project execution, and program management. Holding postgraduate qualifications in Procurement, Logistics, and Supply Chain Management, Stuart brings deep expertise in global trade flows, with a particular focus on funding requirements and strategic supply chain solutions.

Kai Einheuser

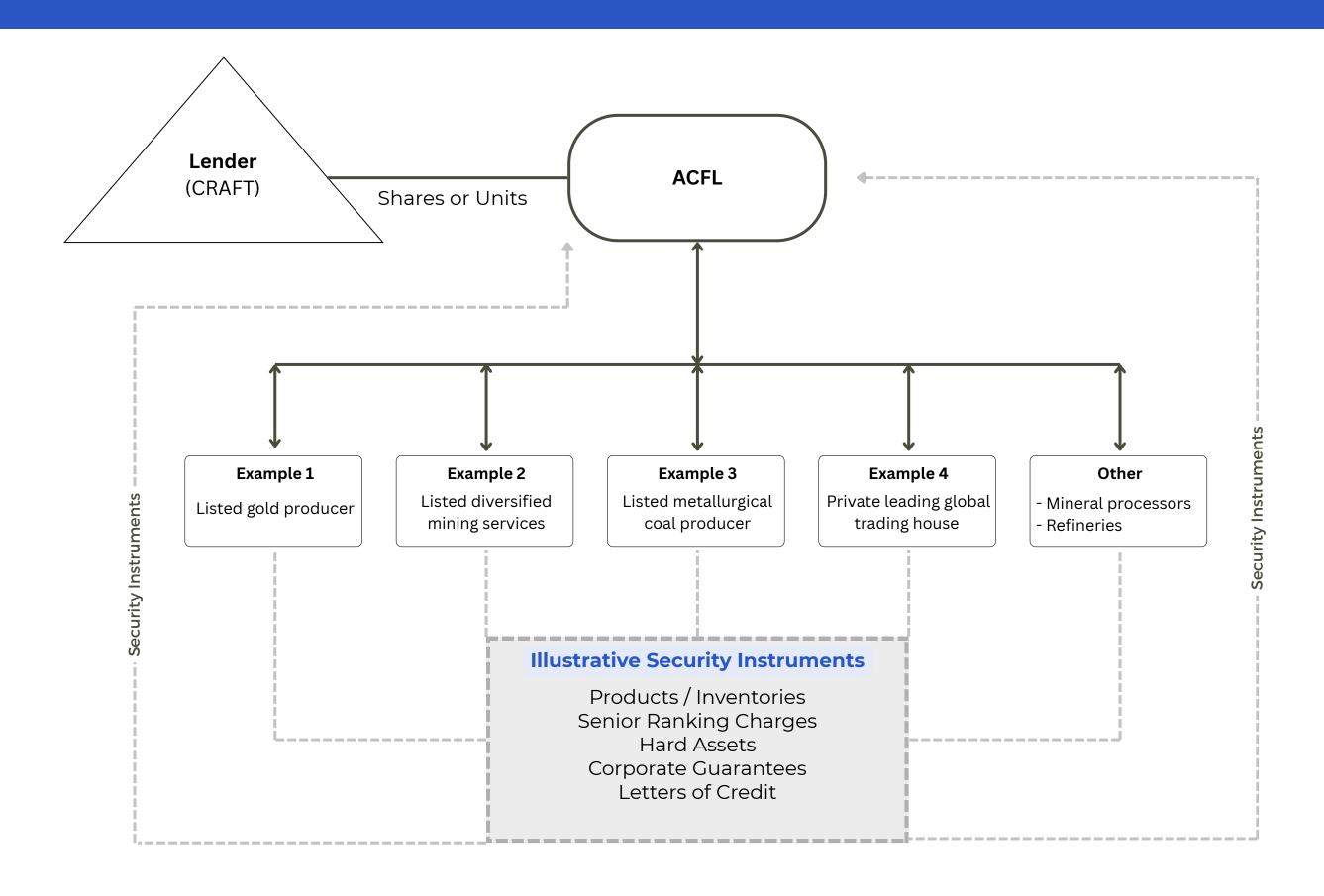
Kai has over 30 years of experience in ocean-going commodities supply chain logistics and international trade. In 1995, he cofounded Nepa Shipping Group in Hong Kong as an extension of Nepa Shipping Netherlands, established in 1988. Today, Nepa operates approximately 200 dry bulk vessels annually, transporting around 6 million tons of commodities and goods worldwide. Kai brings deep expertise in global commodities logistics, delivering world-class, reliable, and professional shipping solutions.

David Stone

David has over 30 years of natural resources experience across major international and domestic mining houses, including senior executive positions at Vedanta, Xstrata, Glencore, BHP and Anglo-American. Throughout these roles, David has led the strategy development and execution of major multi-national coal, gold and copper resources. David is considered a global thought leader and expert in optimising large-scale mining operations. David has identified, negotiated and executed complex, large-scale resource acquisitions, commodity trade structuring agreements, and commodity trade financing arrangements throughout the course of his career.



ending-





Default Rates by Credit Class

During times of economic shocks

Heat Map

Economic Shock	Commodity Finance		Consumer Debt		Real Estate Debt		Corporate Debt		Credit Cards	
	Low	High	Low	High	Low	High	Low	High	Low	High
Dot-Com Bubble (2000-2002)	0.05	0.2	2	4	3.5	5.5	4	6	5	7
Global Financial Crisis (2007-2009)	0.1	0.3	4.5	6.5	6.5	10.5	8	12	9	13
Eurozone Debt Crisis (2010-2012)	0.08	0.25	3	5	5	7	6	8	7	9
COVID-19 Pandemic (2020-2021)	0.2	0.4	3.5	5.5	6	9	7	10	8	11



Other Private Credit Fund Exposures

Default Rates by Credit Class

During times of economic shocks

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Credit ratings and risk scores of target borrowers.

Well established Tier 1 and Tier 2 commodity counterparties.

Company Name	Туре	Market Cap (AUD Billion)	Risk Score *	S&P
Company 1 – ASX Listed	World leading gold producer	> \$73	0.005%	BBB+
Company 2 – ASX Listed	Australian based lithium producer	> \$9	0.038%	-
Company 3 – ASX Listed	Premier global gold producer	> \$9	0.033	-
Company 4 – ASX Listed	Diversified mining services, lithium and iron ore producer	> \$7	0.766%	BBB-
Company 5 – ASX Listed	Leading metallurgical and thermal coal producer	> \$7	0.000%	BBB-
Company 6 – ASX Listed	Large metallurgical and thermal coal producer	> \$5	0.028%	-
Company 7 – ASX Listed	Diversified coal, oil, gas, infrastructure and agriculture	> \$4	0.002%	-
Company 8 – ASX Listed	Mineral sands and rear earths producer	> \$2	0.002%	-
Company 9 – ASX Listed	Australian metallurgical coal producer	> \$2	0.091%	-
Company 10 – Private	World leading global trader of minerals, metals and energy.	Unknown	0.848%	-
Company 11 – Private	World leading energy trader and distributer	Unknown	0.507%	-
Company 12 - Private	Vertically integrated producer and trading house	Unknown	0.091%	-

Deal Contacts

Issuer

CRAFT Bond Issues Pty Ltd ACN 683 091 714

Authorised Representative No. 001314349 of Novus Capital Ltd ACN 006 711 995 AFSL 238168

138 Juliette Street, Greenslopes, QLD 4120 +61 7 3088 7934 https://commodityfinance.co bonds@commodityfinance.co

Investment Manager*

CRAFT Commodity Services Pty Ltd ACN 681 533 111

Authorised Representative No. 001314359 of Novus Capital Ltd ACN 006 711 995 AFSL 238168

138 Juliette Street, Greenslopes, QLD 4120 +61 7 3088 7934 https://commodityfinance.co bonds@commodityfinance.co

Note Trustee

EQT Structured Finance Services Pty Ltd ACN 152 197 825

as note trustee of the CRAFT Note Trust. Authorised Representative No. 001266105 of Equity Trustees Limited ACN 004 031 298 AFSL 240975

Level 4, 7 Macquarie Place, Sydney, NSW 2000 1300 133 472 https://www.eqt.com.au

Authorised Intermediary

Novus Capital Ltd ACN 006 711 995 AFSL 238168

Level 20, 68 Pitt Street, Sydney, NSW 2000 + 61 2 9375 0100 https://www.novuscapital.com.au

Security Trustee

EQT Securitisation Services Pty Ltd ACN 626 593 271

as security trustee of the CRAFT Security Trust. Authorised Representative No. 1280613 of Equity Trustees Limited ACN 004 031 298 AFSL 240975

Level 4, 7 Macquarie Place, Sydney, NSW 2000 1300 133 472 https://www.eqt.com.au

Legal Advisors

K&L Gates

Level 31, 1 O'Connell Street, Sydney, NSW 2000 +61 2 9513 2435 https://www.klgates.com/Sydney

*and Lead Manager.

