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TRIBAL THERAPEUTICALS LIMITED

NZ tea tree oil – supply gap thesis.

Synopsis

A short form thesis describing the supply-side reset in the NZ tea tree sector following the collapse of the mānuka honey cycle and the disappearance and fragmentation of most extraction capability at a time where demand for natural, therapeutical-grade oil remains strong.

TRIBAL THERAPEUTICAL CORP

(Strategically resetting the NZ tea tree sector supply gap with the emerging Māori economy)

1. The Reset

The contraction of New Zealand's mānuka honey sector has resulted in over **NZD500 million in write-offs and impairments**, triggering a structural reset across the broader tea tree agribusiness landscape.

A key consequence of this reset has been the loss and fragmentation of extraction infrastructure, as vertically integrated operators exited or scaled down.

2. The Emerging Supply Gap

As a result, the sector now faces a **supply-side imbalance**:

- Reduced extraction capacity across the North Island.
- Fragmented biomass supply chains.
- Limited number of operators capable of delivering **therapeutic-grade oil at scale**.

At present, the market is characterised by:

- One established operator constrained by biomass supply variability.
- A small number of sub-scale / cottage producers.
- A growing number of value-added product developers without upstream control.

3. Structural Weakness in Competing Models

Many downstream participants operate as "**middle-layer brands**", lacking:

- Direct access to biomass,
- Control over extraction processes,
- Security of long-term supply,

This creates exposure to:

- Input cost volatility,
- Supply inconsistency,
- Margin compression,

Some of these models appear to be evolving toward **single-product concentration**, replicating the structural weaknesses that contributed to the mānuka honey sector contraction and the consequential capital write-offs and losses.

4. The Tribal Position

Tribal Therapeuticals Ltd is positioned to address this supply gap through a **vertically integrated model**, combining:

- Whānau-aligned biomass access in Te Tai Tokerau.
- Operational extraction capability.
- Export-ready supply chains.

This enables:

- Direct conversion of biomass into high-value oil and derivative products.
- Control over quality, volume, and supply continuity.
- Immediate transition into commercial production **and export**.

5. Beyond Single-Product Risk

Unlike prior sector models, Tribal is structured around a **“whole-of-tree”** framework, enabling multiple revenue streams from a single biological resource.

This reduces reliance on any single product category and enhances:

- Per-hectare economic value.
- Product diversification.
- Long-term resilience.

6. Market Timing

The current window is defined by:

- Supply-side disruption.
- Continued global demand for natural therapeutics.
- Increasing relevance of halal-certified wellness products.

This creates a time-sensitive opportunity for operators capable of moving quickly from production to market.

7. The Investment Opportunity

Tribal is currently undertaking a **NZD250,000 Pre-Series A equity raise** to:

- Activate production.
- Initiate export supply.
- Capture early market position within a constrained supply environment.

Further detail is available in **DOC-6007 (Investment Briefing Paper)**.

Closing Perspective

The NZ tea tree sector is transitioning from:

fragmentation and contraction ... to ... consolidation and rebuild.

Operators with **secured supply, operational capability, and scalable models** are positioned to define the next phase of the industry.

