



“Mānuka for Her”

“Kānuka for Him”

- Deal + Draft Term Sheet -

## NZD5M Convertible Mezzanine Funding

Launching a \$1B tea tree agribiz in the Far-North of Aotearoa/New Zealand



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## Deal Sheet – NZ Tea Tree Oil Project

Convertible, 12 month Mezzanine Funding Facility.

Issuer: Tribal Natural Healthcare Limited.

### Project / Transaction Overview:

The Company seeks **NZD5M in mezzanine financing** to bridge the closing of its **NZD6.6M Series A Round**. Funding will be used to **(a)** secure a freehold factory property / going concern ruby red orchard on the Kerikeri region, **(b)** install state-of-the-art NZ tea tree oil extraction equipment, **(c)** acquire additional harvesting plant & equipment, **(d)** ship the first consignment of oil to Australia for value adding / on-shipment to the US distribution facility for in the US and **(e)** open the “ArtHouse” community outreach / in-residence art centre/gallery in the Kerikeri region.

### Funding Structure

- **Instrument:** 1-Year Convertible Zero Coupon Bond.
- **Principal:** NZD 5,000,000.
- **Maturity / Redemption Value:** NZD 6,000,000 Issue Value.
- **Coupon:** Zero coupon. (redeemed at Issue Value on maturity).
- **Tenor:** 12 months from drawdown.
- **Issue Date:** Date funds received.
- **Redemption Date:** Issue Date + 12 months
- **Conversion Option Date:** Any date within 185 days of Issue Date.
- **Conversion Security:** 6,000,000 ordinary shares in the capital of the Issuer.

### Security

- **First-ranking mortgage** over freehold factory and going concern kiwifruit orchard.
- **Floating debenture** over all assets of the Company, including plant, equipment, inventory, receivables etc.
- **Guarantees:** Negotiable.



## Use of Proceeds

1. Acquisition of freehold factory site – NZD2,900,000
2. Purchase/Installation of tea tree oil extraction equipment – NZD350,000.
3. Purchase of harvesting plant & equipment – NZD400,000.
4. Opening of ArtHouse operations for community outreach – NZD100,000.
5. Shipment of 400kgs of oil to Australia for value adding – NZD300,000.
6. Working capital for fees, initial operations, logistics etc – NZD950,000.

## Commercial Rollout

- **Initial Shipment:** First batch of NZ tea tree oil extracted and shipped to related affiliate’s TGA / GMP compliant facility (NSW, Australia).
- **Retail Value:** USD 998,000 (first shipment batch).
- **Distribution:** Processed and packaged natural health products exported to Valencia, CA warehouse for U.S.-wide distribution.

## Exit / Repayment Sources

- Redemption funded by proceeds of:
  - NZD6.6M Series A equity raise (closing within 12 months).
  - Active Investor Plus (AIP) visa applicants from the US.
  - Additional / strategic investor support (if required).

## Key Investor Highlights

- ✓ **Secured position** via first mortgage & debenture.
- ✓ **20% fixed return** in 12 months (if not converted).
- ✓ **Premium product** – NZ native oil valued 10x Australian competitor oils.
- ✓ **Established export channel** into U.S. health product markets.
- ✓ **ESG / heritage alignment** with sustainable NZ sourcing.

## ABOUT REDEMPTION:

As the **Minister of Economic Development** during the Ardern govt years, Stuart Nash, a director of the Company was the architect of the Active Investor Plus (AIP) program that brings foreign investors into NZ. Since leaving Govt, Stuart operates a company that specializes in bringing foreign investors into NZ to familiarize themselves with the country and to meet professionals who can help them settle into NZ. These clients of Stuart’s company are high net worth (HNW) investors who by investing not less than NZD5M into a NZ Company, qualify for residency under the “Direct” category of the AIP program. The directors see no difficulty in sourcing AIP investor program based redemption capital should the Mezzanine funder not take up the conversion option.





# Deal Investment Highlights

## THE PRODUCT

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This project has an incredibly compelling foundation. **A convergence of market opportunity, cultural narrative, ecological advantage, and therapeutic potential that few, if any global natural health products can match.**

This is not just a health story—it’s a **sovereign-level green goldmine** with commercial, cultural, and ecological alignment.

**Cultural Differentiation = Blue Ocean Positioning** – a highly innovative brand differentiator delivering a unique first mover advantage in an new, uncontested healthcare market niche:

- **Mānuka = traditional women’s medicine**—used by ancient hapū for **general healing**, respiratory issues, and infections.
- **Kānuka = warrior’s remedy**—used for **strength, stamina, wound care, post-combat infection**, etc.

This gives **gender-differentiated natural remedies** that no other country or tea tree oil producer can credibly claim

## THE INVESTMENT

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- **Secured position** via first mortgage and floating debenture.
- **High-return, short-duration instrument** (20% uplift in 12 months)
- **Value adding** via an established GMP / TGA compliant, natural health products manufacturer in NSW, Australia exporting the completed SKU’s a TGA / FDA compliant for direct placement onto US retail shelves.
- **Established downstream pathway** to U.S. retail markets via affiliated GMP facility and California distribution center.
- **Premium product positioning** – NZ native tea tree oil valued significantly above Australian competitors in therapeutic oils markets.
- **Potential market value** of Northland oil resource alone, **USD5.8B** of extractable therapeutic oil from 108,000 hectares of wild harvest biomass.



## THE INVESTMENT SECURITY

The figures presented below are based on our inhouse “**Forward Looking Statement**” assessments only and have not been corroborated by any external, professional third party skilled in the interpretation and analysis of such statements.

While we believe that the Forward Looking Statements are commercially defensible, any prospective, external investor party must carry out their own diligence as part of any mezzanine capital investment offer / commitment.

This is a Forward Looking Statement. Investment risks apply. Not warranted to any party whatsoever.

Asset description/class	Value on drawdown	Forecast Revenue PA	Forecast EBITDA PA	Payments	Value post drawdown
Land & buildings	2,900,000	420,000	220,000		3,000,000
Extraction ops	350,000	1,200,000	400,000		4,000,000
Harvesting equip	400,000				400,000
ArtHouse/ gallery / lodging	100,000	100,000			250,000
US launch shipment (1 of 4 in yr 1)	300,000				553,000
Working Capital	950,000			250,000	700,000
<b>TOTAL</b>	<b>5,000,000</b>	<b>1,720,000</b>	<b>620,000</b>	<b>250,000</b>	<b>8,903,000</b>



# Draft Term Sheet

## Term Sheet – NZD 5.0M Mezzanine Financing

This Term Sheet is for discussion purposes only. All terms are subject to due diligence, credit approval, and the execution of definitive legal documentation.

### 1. Parties

- **Issuer / Borrower:**
- Tribal Natural Healthcare Limited, a NZ registered company (the “Company”).
- **Investor / Lender:**
- [Investor Entity] (the “Lender”).

### 2. Facility

- **Type:** 1-Year Zero Coupon Bond (Mezzanine Instrument).
- **Issue Value:** NZD 6,000,000.
- **Purchase Price:** NZD 5,000,000.
- **Redemption Amount / Face Value:** NZD 6,000,000.
- **Tenor:** 12 months from drawdown.
- **Coupon:** None (zero coupon).
- **Drawdown Date:** [Date to be agreed].
- **Maturity Date:** 12 months from drawdown.

### 3. Use of Proceeds

Funds to be applied exclusively towards:

1. **Acquisition** of freehold factory property in New Zealand.
2. **Purchase** / Installation of state-of-the-art tea tree oil extraction plant.
3. **Purchase** of harvesting plant and equipment.
4. **Working capital** and logistics for initial oil extraction and shipment.
5. **Export** of first commercial oil batch (USD 998,000 retail value) to affiliate’s GMP/TGA compliant natural health products facility in NSW, Australia, for value-added processing and subsequent distribution to the U.S. market via Valencia, CA.

### 4. Security Package

- **First-ranking legal mortgage** over freehold factory property (valued at NZD [Independent Valuation]).
- **First-ranking general security agreement / floating debenture** over all present and after-acquired property of the Company.
- **Specific security interest** over extraction plant, harvesting equipment, inventory.
- **Guarantees:** Guarantees from [to be agreed].

### 5. Repayment & Exit

- **Redemption** of bond at Issue Value (NZD 6,000,000) on Maturity Date.
- **Planned** repayment sources:
  - Proceeds of NZD 6.6M Series A equity raise.
  - Operating cashflows from U.S. product sales.
  - Refinancing from strategic investors.
  - US capital from the “Endless Summer” Sanctuary Investment program.



## 6. Investor Return

- 20% gross return over 12 months (NZD 1,000,000 uplift).
- Payable in full upon redemption.

## 7. Covenants

- **Financial Covenants:**
  - Asset cover ratio of 1.8x (valuation of secured assets vs outstanding debt).
  - Restriction on incurring additional indebtedness without Lender consent.
  - Restriction on dividend or distribution payments prior to repayment.
- **Information Covenants:**
  - Quarterly management accounts and operational updates.
  - Immediate notification of material adverse events.
- **Operational Covenants:**
  - Proceeds must be applied solely to agreed project expenditure.
  - Insurance maintained on all secured assets with Lender noted as first loss payee.

## 8. Events of Default

- Non-payment at maturity.
- Breach of covenants not remedied within 30 days.
- Cross-default with other financial indebtedness.
- Insolvency, liquidation, or appointment of administrator/receiver.
- Misrepresentation or fraud.

## 9. Other Terms

- **Governing Law:** New Zealand.
- **Jurisdiction:** New Zealand courts.
- **Costs:** Borrower to pay all Lender’s reasonable legal and due diligence costs.
- **Documentation:** Formal subscription agreement, debenture, and mortgage to be prepared by Lender’s counsel.

## 10. Timetable

- **Execution of Term Sheet:** [Date].
- **Completion of Due Diligence:** Within 30 days.
- **Drawdown:** Within 10 business days of completion of conditions precedent.

## 11. Conditions Precedent

- Execution of definitive loan/bond documents.
- Registration of security interests under NZ PPSR and Land Registry.
- Delivery of independent valuation report on property.
- Evidence of insurance cover in place.
- Board resolutions authorizing transaction.



## DUE DILIGENCE LIBRARY

A number of documents have been prepared to support the DD process.

The documents can be accessed of the Company's webpage <https://tribalteatree.com/tikanga>.

For immediate reference, the files are listed below and are hyperlinked to the underlying document which is hosted in an AWS cloud storage folder.

**NZ-DOC-1881 -TNH Series A & B EOI Placement intro NZD16,6M**

**NZ-DOC-1882-Project Investor "Pitch Deck" slide show Presentation**

**NZ-DOC-1883 TNH- Series A -NZD6.6M Placement Memorandum**

**NZ-DOC-1888 - Pre-Series A Angel Secondary Share Placement NZD600k**

**US-DOC-1884 Series B NZD10M PPM.**

**US-DOC-1890 - USD10M (NZD16.6M) "Endless Summer" package**

**US-DOC-799R USD10M 3 country, agribiz sanctuary package**

**NZ-1889-NZD1B NZ.TT agribiz Business Opportunity Pitch Paper**

**NZ-DOC-1898- NZD5M Mezzanine Funding Invite-(This document)**





## ECOSYSTEM SUPPORT

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## NZ “RESIDENCY-BY-INVESTMENT” SEMINAR SERIES

Nash Kelly Global Ltd (Stuart Nash) – **Endless Summer seminar series sponsor**

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### AVAILABLE UPON REQUEST

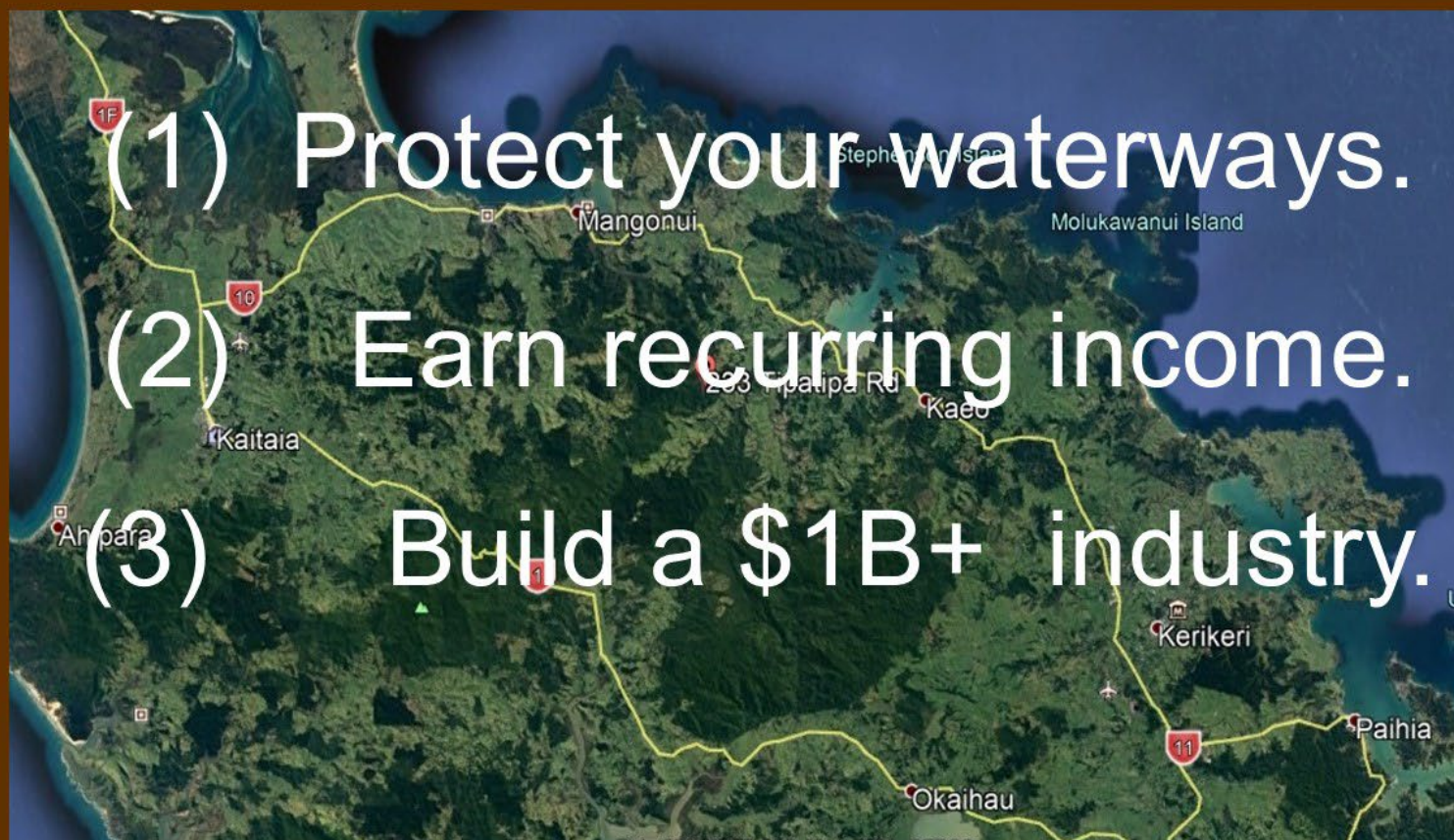
Legal Service Providers.

NZX Listing Service Providers.

NZ Accounting / Taxation Advisors.



Our late Kaiārahi said that there are three great reasons why a landowner, should plant, grow and harvest Mānuka and Kānuka on their whenua according to Tikanga for oil production for export.



## Protect your waterways

### Tea Tree joins the battle to protect waterways

Recent Plant & Food research indicates planting tea tree could reduce the impacts of farming on waterways, as well as giving farmers an additional income stream.

In addition to the fertiliser applied to support pasture growth, animal urine adds nitrogen to soil at rates in excess of the ability of pasture to use it. Plant & Food Research scientists have contributed to a programme which found that, after heavy application of urea, the soil around mānuka and kānuka trees contained dramatically less nitrate than around radiata pines which were used for comparison.

The research found less nitrous oxide gas escaped from the mānuka and kānuka soil than from the pine pots. It also found that just 2kg of nitrates a hectare drained from the mānuka and kānuka pots, compared with 53kg a hectare from the pine tree pots.

The results have boosted the growing national interest in bringing native species back into farming to support biodiversity, and protect surface waters, replacing exotics that are destroying our environmental eco-system.

## Earn recurring income

### Tea Tree oil delivers farm gate income

Environmental chemistry professor Brett Robinson says better use of mānuka and kānuka could offer an all-round win.

*“Using native mānuka and kānuka as part of a farm system supports biodiversity, nutrient cycling efficiency, animal welfare and farm income and will help contribute to sustainable agriculture.”*

Plant & Food Research’s Dr Craig Anderson says the difference doesn’t come from mānuka and kānuka taking up more nitrogen but from the effect of the trees on the microbes in the soil because mānuka and kānuka seem to have an inhibiting effect on the microbes in the soil that mediate the nitrogen cycle.

### **\$5,400+ GROSS INCOME PER HA**

This is the potential gross income per ha based on an Annual Farm Gate Price (AFGP) of NZ\$300 per litre of oil extracted from foliage **delivered by the landowner to the farm gate** for oil extraction. Sustainable farming methodology will ensure recurring income from both mānuka & kānuka every year.