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2025

US Distribution Investment Case



From its NZD6.6M Series A Round, Tribal Natural Healthcare Ltd is to make an **AUD2M** (USD1.3M) investment in the purchase of this Natural Health Products (NHP) warehousing / distribution facility based in Valencia, CA, USA for use as **(1)** a “Showcase” of NZ sourced, native plant based Natural Health Products (“NHP”) and **(2)** a Showcase of NZ agribiz sector investment opportunities that open the door to NZ residency for foreign investors.

N Iverson – Director

Tribal Natural Healthcare Ltd

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“THE PITCH”

Resolving an omnipotently perennial problem for early stage NZ companies.

This document has been prepared to support the deployment of NZD2.5M from an NZD6.6M Series A Round to purchase a well-established, FDA compliant Natural Health Products, (“NHP”) distribution facility based in Valencia, CA with a national customer network and valuable commercial attributes that mitigate investment risk in the Company.

But to raise the Series A Round, we need access to a “warm intro loop” to connect with intergenerationally focused investors who seek out “Unicorns” in the making by accessing “pitches” through the warm loop in which they operate.

From our side, we understand that the core of a pitch has not changed since our years in the Valley. In essence, Pitch Sheets still follow the archetypical 6 disclosure questions, two of which go to the heart of an investment pitch. i.e.,

- (1) What **problem** have you identified?
- (2) How does your solution **address / resolve that problem**?

Well anyone who has followed / studied the crop of recent agribiz related investment market disasters in NZ and the millions of dollars lost, will have noted that two totally interrelated, problematic issues came up in the Receiver / Liquidator reports in each of these failures. These issues being:

(a) “Distribution” **(b)** “Distance to Market”.

These two omnipotently perennial problems, created by **(1)** the limitations of our small domestic marketplace and **(2)** our nation’s distance / isolation from larger markets where economy of scale is achievable, have “forever” plagued countless early stage NZ companies.

Having **(a)** identified the problem we **(b)** have a simple solution to this problem:

- ✓ *Purchase / own / control an established product distribution facility suited to a NZ’s company’s products that can deliver low cost, “Plug ‘n Play” entry delivery capability into the largest consumer market in the world.*
- ✓ *A USD27T PA GDP economy. The USA.*

Our “Pitch” follows:.....

INTRO TO A UNIQUE STRATEGIC INVESTMENT

The purchase of this facility for **AUD2M (USD1.3M)** is based on the commercial reality that the value of a business isn't always solely a function of earnings or book value. In this case, the **strategic value** to Tribal Natural Healthcare Ltd “TNH” in the launch of the “Tribal” range as a New Zealand native plant based Natural Health Products (NHP) manufacturer / exporter in the infection control niche of the healthcare market, is significantly higher than (say) an EBITDA based market value because as the buyer, TNH stands to benefit from **synergies, infrastructure, speed to market, and reduced setup risk**. This giving rise to a **strategic evaluation** of this California-based natural health products distributor.

KEY FACTS EVALUATION SUMMARY

Table 1

Item	Financial / Strategic Value Parameters
Current Revenue	USD2.4 million/year.
Original setup cost	USD1.2 million (by Australian founders).
Net profits	Currently structured to break even (i.e. zero US taxable income).
Age of business	13 years.
Location	California.
Assets	Distribution infrastructure, warehousing, compliance in place.
Buyer	A NZ company with a new product line.
Buyer intent	Fast-track launch of therapeutic plant oils into the US market.
Strategic value	High – avoids setting up from scratch in complex market.

Strategic Value Perspective

This investment is more than a **business acquisition**. It's a **market-entry strategy** that:

- Saves 12–18 months in setup time.
- Completely avoids complex regulatory hurdles, warehousing, logistics.
- Comes with a compliant, US-based entity with distribution relationships and history.
- Offers an instant foothold in a crowded, regulated, but high-margin niche.
- Adds intangible value via *speed, trust, and execution readiness*.

A strategic launch “Showcase” facility that we plan to offer to regional NZ owned companies in the agribiz sector with an emphasis on manufacturers of native plant based healthcare products looking to access the US marketplace for **(1)** product distribution **(2)** expansion capital.

STRATEGIC VALUATION MODELING

In determining the value of the proposed acquisition to TNH, the following factors were taken into account. In particular, what would it cost TNH / any early stage NZ company to:

- Incorporate and license a US entity?
- Rent warehousing / office space?
- Establish distribution partnerships and networks?
- Build compliance, warehousing and distribution systems?
- Hire staff / contractors?
- Meet the cost of waiting up to 12 months or more before selling product?

Including estimated setup & delay cost:

- Setup: \$800K–\$1.2M (Realistically, probably more).
- Lost opportunity: \$500K–\$1M (Based on faster revenue realization)

As the investor/buyer, these numbers would appear to support a strategic value to TNH of between **NZD1.5M – NZD2.5M** when based on our launch expectations which will be substantially met due to the following deliverables from the investment. i.e.,

- Immediate plug-and-play value.
- Elimination of time-to-market barriers.
- Existing turnover of \$2.4M with potential to expand.
- Established customer / commercial relationships, systems, and track record.

Indicative Valuation Range

Typically, the three following valuation models would apply to this acquisition.

Type	Range
Demonstrable trading asset-based.	\$1.2M – \$1.5M
Market/Revenue Multiple base	\$1.2M – \$2.4M
Strategic Buyer Value (<i>our adopted base</i>).	\$1.5M – \$2.5M+

POST INVESTMENT VALUATION SYNOPSIS

Great, the fact that TNH **expects to more than double the turnover** and achieve a **substantial EBITDA** of **USD3.122M** in the first full year post-acquisition significantly impacts the valuation. From both a **strategic** and **financial** perspective. This is a classic case of **leveraging an existing infrastructure to drive growth**, which makes the **synergy premium** even more pronounced. Below, we break this playbook down further through the incorporation of these expectations.

(a) Strategic Value Enhancement:

The key drivers here are:

- **Doubling turnover** post-acquisition.
- **Achieving high EBITDA** (USD3.122M) in first year / implies strong margins.
- **Nationwide customer network** already in place.

(b) Assumptions for Post-Acquisition Growth:

- **Revenue in Year 1 Post-Acquisition** = Triple current turnover from USD2.24M to USD7.91M in the first full year following acquisition:
- **Expected EBITDA in Year 1** = USD 3.122M.
- **EBITDA Margin Post-Acquisition:**
EBITDA Margin=3.122M on USD7.91M = **39%** EBITDA Margin

By leveraging off the significant, fixed and variable operating costs already in place through the acquired company, this healthy margin appears to be achievable. Assuming that TNH can deliver on these targets, the **future earnings potential** is much more valuable than the current situation.

VALUATION METHODS WITH FUTURE GROWTH CONSIDERATIONS:

Given the **growth expectations** (more than doubling turnover) and the **EBITDA** in the first year, one would typically apply an **EBITDA multiple**, not a revenue multiple.

- **AI based research indicates that in the USA, the average EBITDA multiples for distribution businesses** typically range between **4x and 8x** depending on factors like growth potential, industry strength, and operational synergies.

Given that TNH expects **higher margins**, this makes the business being acquired, much more valuable, justifying a higher multiple. Assuming a multiple between **5x to 7x** based on the projected **Year 1 EBITDA**, the following post investment value could attribute to the US Corporation.

VALUATION SYNOPSIS – POST ACQUISITION

- **At 5x EBITDA:**
 $5 \times \text{USD}3.122\text{M} = \text{USD}15.61\text{M}$ post-acquisition value.
- **At 6x EBITDA:**
 $6 \times \text{USD}3.122\text{M} = \text{USD}18.73\text{M}$ post-acquisition value.
- **At 7x EBITDA:**
 $7 \times \text{USD}3.122\text{M} = \text{USD}21.85\text{M}$ post-acquisition value.

Thus, based on the forecast EBITDA of USD3.122M, the post-acquisition valuation could range from **USD\$15.6M to \$21.85M**

VALUATION RANGES TYPICALLY ADOPTED (Arising from expected Post-Acquisition Synergy)

Method	Valuation Range (USD)	Key Assumptions
EBITDA Multiple (5x–7x)	\$15.6M – \$21.85M	Based on projected Year 1 EBITDA of \$3.122M and solid gross margin.
Revenue Multiple	\$7.9M–\$11.8M	Based on doubling revenue to \$7.9M but prefer EBITDA as the valuation model.
Strategic Synergy Value	\$18M – \$22M+	Based on TNH’s forecast ability to scale rapidly, use of established infrastructure, nationwide reach.

POST ACQUISITION VALUATION RANGE

Given the **strategic premium** attached to this acquisition, particularly with the **NZ company’s growth expectations**, and based on EBITDA expectations, fair valuation for financial reporting purposes could easily fall within the **NZD15.6M – NZD21.85M**

A NZ NATURAL HEALTH PRODUCTS “NHP” USA HUB

Supporting emerging NHP manufacturers in NZ.

For small NZ companies in the plant-based natural health products sector, entering the U.S. market can be daunting due to the significant barriers to entry, including **regulatory complexity, distribution challenges, and consumer trust**. By partnering with TNH in our **Valencia, CA facility**, these companies would **significantly reduce risk and accelerate market entry**. They would immediately benefit from our **established infrastructure, logistics capabilities, compliance expertise, and network of industry contacts**.

This partnership would allow them to leverage off our facility as a **launchpad** for their products, dramatically improving their chances of success in a highly competitive and regulated market.

KEY BENEFITS THAT WE CAN DELIVER:

1. Immediate Access to Established U.S. Distribution Network

- **Customer Reach:** Our U.S. facility has an established network of distributors, retailers, and customers. This means New Zealand companies don't need to spend years and huge amounts of money building relationships from scratch.
 - ✓ **Benefit:** Fast track entry to **major U.S. retailers, wholesale distributors, and e-commerce platform support**, all of which are critical to gaining traction in the highly competitive U.S. market.

2. Regulatory Compliance & Expertise

- **FDA Compliance:** In the USA, Natural health products are regulated by the **FDA** and other federal/state agencies. Navigating these regulations (e.g., labeling, marketing claims, product safety) can be daunting.
 - ✓ **Benefit:** Our facility is already compliant with U.S. regulations, meaning NZ manufacturers can avoid costly mistakes and delays in getting products to market. We can also offer consulting on **regulatory hurdles**, such as FDA registration, ingredient approvals, and Good Manufacturing Practices (GMP) certifications.

3. Warehousing, Logistics, and Supply Chain Support

- **Warehousing Efficiency:** U.S.-based warehousing facilities in **California**, give access to fast, cost-effective shipping solutions across the U.S.
 - ✓ **Benefit:** Small NZ companies would save significant costs on warehousing, inventory management, and distribution. With established **3PL** (Third-Party Logistics) relationships, we can offer streamlined **inventory control, order fulfillment**, and even **reverse logistics** if required.

4. Brand Credibility & Trust with U.S. Consumers

- U.S. consumers are increasingly **brand-conscious** and tend to trust products that are **locally distributed**, through a reputable operator with an established presence.
 - ✓ **Benefit:** By partnering with a U.S.-based distributor, a New Zealand company can **leverage our brand's hard earned credibility** to gain consumer trust more quickly than if they were starting from scratch.

5. Cost Savings on Marketing and Sales Channels

- **Established Sales Teams & Relationships:** Marketing and selling in the U.S. is very costly. Small NZ companies would need to build their own **sales teams, advertising budgets, and marketing strategies**.
 - ✓ **Benefit:** We have **local sales teams** that already have relationships with health product buyers, distributors, and online platforms. Small companies could **leverage off our existing infrastructure** to reduce marketing costs and speed up the time to market. We can help them tap into **health-focused sales channels** that are more difficult for new entrants to access without significant financial investment.

6. Logistical Efficiency and Speed to Market

- **Fast Time-to-Market:** For a small company, time is money. The complexity of setting up a U.S. distribution network can take **months or even years**.
 - ✓ **Benefit:** With an already functional facility in Valencia, New Zealand manufacturers can **shorten the timeline** from production in New Zealand to retail shelves in the U.S., often by **months**. This leads to **faster revenue generation** and a **quicker return on investment** for both the NZ company and its stakeholders.

7. Lower Operating Costs and Risk Mitigation

- **Infrastructure Cost Savings:** Setting up **local staffing in a compliant warehouse / distribution center** in California could cost millions. Not only is it expensive, but it also carries significant startup and ongoing operational risks.
 - ✓ **Benefit:** By using our existing infrastructure, NZ manufacturers can avoid the **high upfront capital** and ongoing operational costs. They can scale more quickly and test the market with **lower financial risk**. Plus, sharing our facility can be financially structured with **minimal long-term commitments**, offering flexibility if the products don't scale as expected.

8. Expertise in U.S. Market Trends & Consumer Behavior

- **Market Insights:** The natural health products sector in the U.S. is highly competitive and driven by constantly shifting **consumer preferences**. Understanding what works in the market. From product types to packaging and marketing strategies, is critical.

- ✓ **Benefit:** By opening up our facility to small New Zealand manufacturers, we can provide them with **real-time feedback** and **market insights** gained from our established presence in the U.S. This helping them to adapt their products and marketing strategies in line with U.S. consumer trends. Additionally, we can help them navigate **competitive pricing** and **positioning** within a crowded marketplace.

9. Networking & Partnerships

- **Industry Connections:** Our facility likely has built-up relationships with key players in the industry, including **suppliers, regulatory bodies, logistics companies**, and even **media outlets**.
- ✓ **Benefit:** New Zealand manufacturers can tap into this established network, accelerating their ability to form partnerships with other companies in the sector or even gain media exposure. Networking also opens up opportunities for cross-promotions, shared initiatives, and partnerships with other brands already in the market.

10. Scalability for Future Growth

- As our New Zealand “Showcase” company’s products grow in popularity and volume, our facility scales with them.
- ✓ **Benefit:** They don’t need to worry about **capacity issues** or **growing pains** associated with scaling in a foreign market. Our existing facility is already designed to handle increased volume, and we can adjust operations to meet the growing demand.

INVEST IN NZ SHOWCASE OPERATION

Post closing of the acquisition by the Company of the Delaware Corp that owns the targeted health products distribution facility in Valencia CA, the Company plans to:

- Open the facility up to NZ owned and operated companies who produce natural health and wellness products sourced from native plants that are endemic to NZ in the agribiz sector and looking to export their products to the USA.
- Open a “Showcase” of investment opportunities available in these companies.

CALIFORNIA LOCATION

Our facility is based in Valencia, located in northern Los Angeles County and part of the city of Santa Clarita with its own identity and part of the larger **Santa Clarita Valley**. An area that has seen significant growth in recent decades with many people who work in Los Angeles preferring to live closer to nature in the Valencia / Santa Clarita Valley area.

CALIFORNIA ECONOMY

With a GDP of USD3.9T, if California was a country it would be the 5th largest in the world behind the US, China, Japan and Germany. It is the US gateway to the Pacific and home to 15% of the US baby boomer generation who, on a US wide basis, own an estimated 50% of the entire USD84T of US personal wealth.

VALENCIA/CLARITA VALLEY BASE

The Santa Clarita Valley, and Valencia in particular, is home to a significant number of high-net-worth Baby Boomer families and individuals. Due to its higher-than-average real estate values, desirable quality of life and high-income residents, the Valencia/Santa Clarita Valley is considered as being one of the more affluent areas of the greater LA region. Factors that make our location ideal for setting up and running “**Invest in NZ**” seminars which we plan to hold on a quarterly basis at one of the high end country clubs in the Valencia region. These clubs being **(a)** the Valencia Country Club, **(b)** TPC Valencia and **(c)** The Oaks Club at Valencia.

“INVEST IN NZ” SEMINARS



To be managed by one of our shareholders, Nash Kelly Global Ltd. the Company is to sponsor the seminar series to attract HNWI investors in the US to gain residency by investment in NZ under the country’s “Active Investor Plus” (AIP) visa program. Originally developed by Stuart Nash when he was Minister of Economic Development, and now the CEO of Nash Kelly our inhouse “Residency by Investment” Showcase campaigns are to be marketed under license to CA based Bruce Brown Films LLC as “Endless Summer” branded sanctuary investments in NZ.

OUR CONTACT POINTS

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