June 2026 Quarterly Activities Report & Appendix 4C

First Quarter of Positive Group EBITDA as Record Production Caps the FY26 Turnaround

- **First quarter of positive Group EBITDA:** Q4 FY26 Group EBITDA of A$710k on revenue of ~A$4.4m, an EBITDA margin of ~16% and a QoQ EBITDA turnaround of ~A$1.0m (Q3 FY26: ~A$0.3m loss) (unaudited).
- **Revenue up ~40% QoQ:** Q4 FY26 revenue of ~A$4.4m (Q3 FY26: ~A$3.2m) was the highest quarterly revenue of FY26, reflecting the earnings inflection delivered by the operational reset.
- **Record production, guidance delivered:** 1,610,908 beverage units produced in Q4 FY26 (Q3 FY26: 1,002,405 units), a 61% QoQ increase and the highest quarterly volume in Company history - in line with guidance of ~1.6m units, upgraded twice during the quarter, with each upgrade delivered. FY26 production totalled 4,184,749 units, with Q4 output more than double the H1 FY26 quarterly average.
- **Cash trajectory improving:** Record quarterly customer receipts of A$3.327m (Q3 FY26: A$3.015m), up ~10% QoQ, with net cash used in operating activities reduced 42% QoQ to A$1.523m (Q3 FY26: A$2.630m). Q4 revenue exceeded receipts by ~A$1.1m, reflecting the timing of collections on volumes produced late in the quarter; collections have accelerated since quarter end.
- **Service levels sustained at scale:** OTIF (On-Time-In-Full) of 97% across Q4 FY26 (Q3 FY26: 99.95%; June 2025: 53%), maintained through the largest production quarter in the Company's history.
- **Envision Emulsions™ adoption deepening:** Used across 62% of active SKUs at 30 June 2026 (31 March 2026: 50%) and 34% of all beverage units produced during the quarter; all eight new beverage products launched in Q4 were formulated on the platform.
- **19 new product listings secured:** Across five provinces and four categories, including 12 in Ontario, extending Peak beyond beverages into concentrates, infused pre-rolls and edibles.
- **Proprietary brands at record levels:** All-time-high quarterly Alberta sales of ~20,500 cans (up ~281% QoQ) and Manitoba up ~119% QoQ to ~5,100 cans; first-in-Canada 4-can multi-pack listed in Alberta and Quebec entry completed via JUSTE Bulles.
- **First US brand-partner manufacturing agreement:** Binding three-year exclusive agreement with BTAB Solutions Inc. to manufacture Fryday Kush® THC beverages across 13 designated US states.
- **Funding strengthened:** A$2.4m Loan Note raising completed and converted to equity during the quarter; cash and cash equivalents of A$1.417m at 30 June 2026, up 163% QoQ (31 March 2026: A$538k).

Peak Processing Limited (ASX: PKP) ('PKP', or 'the Company'), a leading manufacturer of THC-infused beverages, is pleased to provide a summary of activities undertaken during the three-month period ended 30 June 2026 ("Q4 FY26", "the quarter", "the Reporting Period").

Q4 FY26 was the largest production quarter in the Company's history and its first quarter of positive Group EBITDA, completing the turnaround that began with the operational reset in mid-2025. Peak manufactured 1,610,908 beverage units, up 61% on Q3 FY26. Production guidance was upgraded twice during the period, from ~1.4m units to ~1.5m units on 29 April 2026 and to ~1.6m units on 16 June 2026, with each upgrade delivered. FY26 production totalled 4,184,749 units, with Q4 output more than double the H1 FY26 quarterly average.

Q4 FY26 revenue was ~A$4.4m, up ~40% QoQ, and Group EBITDA was A$710k, a margin of ~16% and a QoQ turnaround of ~A$1.0m. Net cash used in operating activities reduced to A$1.523m from A$2.630m in Q3 FY26, a 42% improvement, on record quarterly customer receipts of A$3.327m. Revenue exceeded receipts by ~A$1.1m during the quarter, principally reflecting the timing of collections against the production ramp. The Company previously indicated that it expected positive operating cash flow in Q4 FY26. This outcome was not achieved. The shortfall primarily reflected the timing of government receivable and customer collections and scheduled legacy arrears repayments made during May and June. Cash and cash equivalents closed the quarter at A$1.417m, up from A$538k at 31 March 2026. The Board considers positive Group EBITDA to be an important milestone in the Company's turnaround; however, management remains focused on improving operating cash flow and working capital conversion.

Consistent with its ASX reporting cycle, the Company will report financial performance on a quarterly basis, with quarter-on-quarter comparisons as the primary measure of progress.

Managing Director and CEO, Barry Katzman, said:

"The June quarter delivered the milestones our transformation was designed to produce - record production of more than 1.6m beverage units, in line with guidance upgraded twice during the quarter, our first quarter of positive Group EBITDA, and OTIF delivery performance of 97% maintained through our largest production quarter ever, all on a substantially leaner cost base."

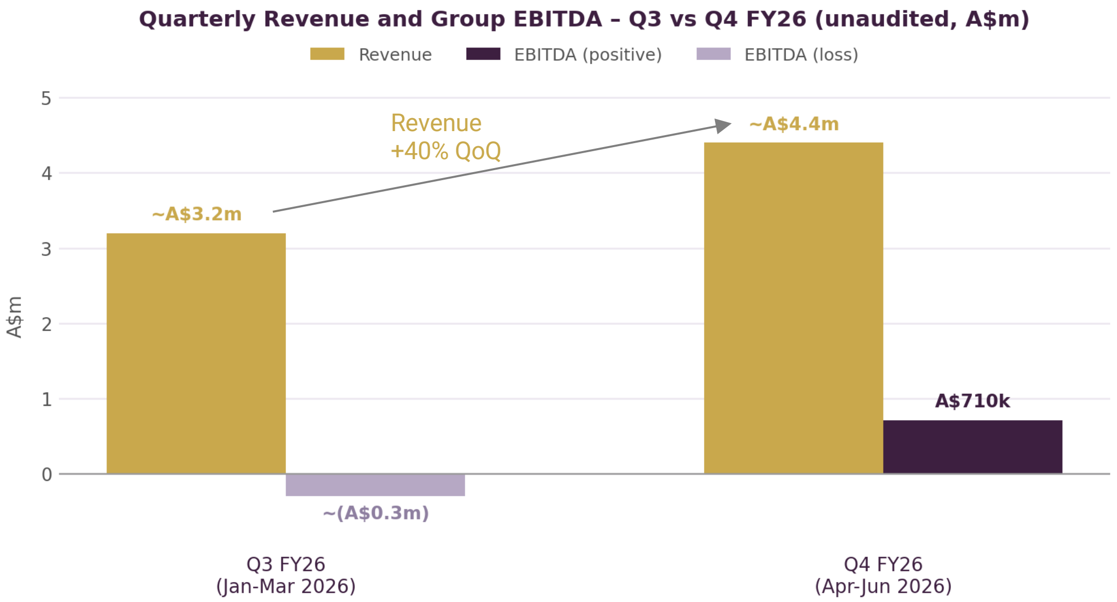
"The Fryday Kush agreement is another significant milestone - our first US brand-partner manufacturing contract, extending our asset-light model and proprietary Envision technology across 13 designated states. As we enter FY27, our priority is converting this stronger production and earnings base into improved cash generation. Collections have accelerated since quarter end, and we begin the new financial year with a broader listing pipeline, a leaner cost base and a clear pathway to grow our US operations."

Financial overview

Q4 FY26 unaudited result

Q4 FY26 revenue was ~A$4.4m (Q3 FY26: ~A$3.2m), up ~40% QoQ and the highest quarterly revenue of FY26. Group EBITDA was A$710k (Q3 FY26: ~A$0.3m loss), the Company's first quarter of positive Group EBITDA and a QoQ turnaround of ~A$1.0m, at an EBITDA margin of ~16%.

All figures are unaudited and stated on a consolidated Group basis after corporate and head-office costs, before non-operating and non-cash items. The Company's audited full-year results will be released with its Appendix 4E and Annual Report.



Graph 1: Quarterly revenue and Group EBITDA, Q3 FY26 vs Q4 FY26 (unaudited). Group EBITDA on consolidated group basis, after corporate and head-office costs, before non-operating and non-cash items

Operating cash flow and customer receipts

Cash receipts from customers were a record A$3.327m for the quarter (Q3 FY26: A$3.015m), up ~10% QoQ. Receipts were ~A$1.1m below reported revenue, reflecting the timing of collections on volumes produced late in the quarter; collections have accelerated subsequent to quarter end.

Net cash used in operating activities was A$1.523m, a 42% QoQ reduction on the A$2.630m outflow recorded in Q3 FY26. The improvement reflects higher customer receipts and lower cash payments across manufacturing, staff and corporate activities, including the normalisation of inventory purchasing following the Q3 inventory build.

Operating costs and balance sheet

Product manufacturing and operating costs were A$2.822m (Q3 FY26: A$3.330m), reflecting the normalisation of input purchasing following the Q3 inventory build. Staff costs reduced to A$1.263m (Q3 FY26: A$1.455m) as the final tranche of restructured severance concluded during the quarter, and administration and corporate costs reduced to A$653k (Q3 FY26: A$765k). Advertising and marketing costs were A$22k for the quarter.

The Canada Revenue Agency balance was further reduced during the quarter and is subject to a structured formal payment plan, with current excise duties paid monthly as they fall due.

Funding position and working capital

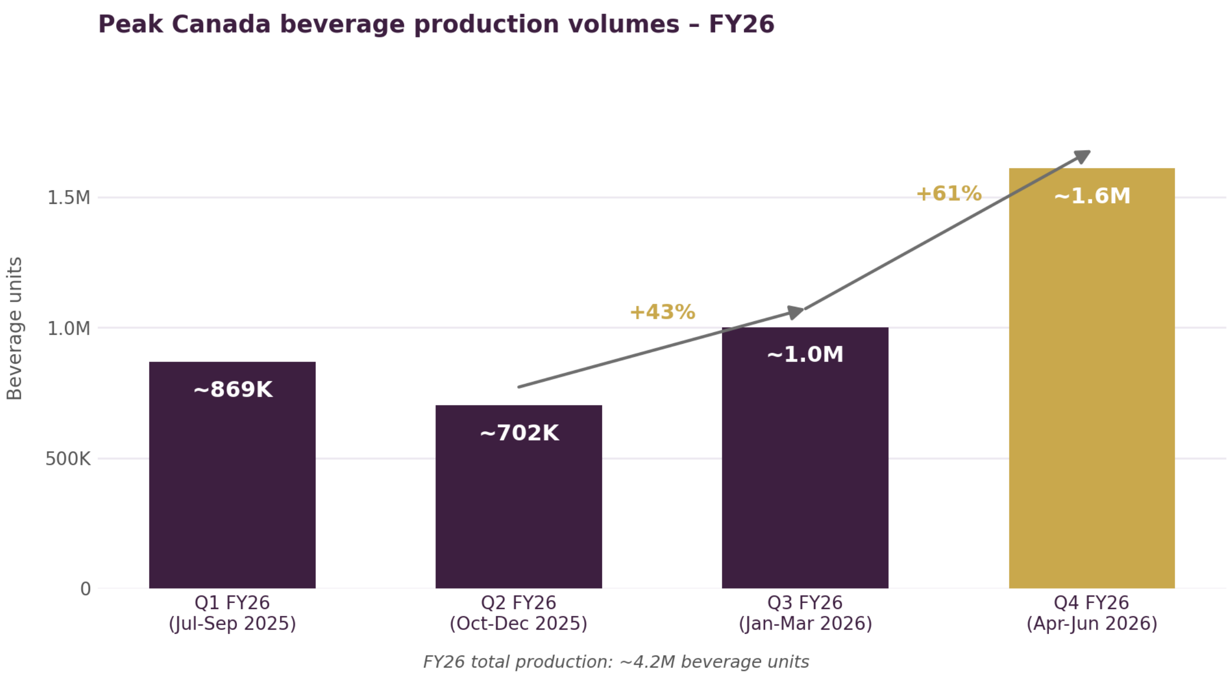
Cash and cash equivalents at 30 June 2026 were A$1.417m, up 163% from A$538k at 31 March 2026. Total available funding at quarter end was A$1.422m, including A$5k of unused financing facilities. Net cash from financing activities was A$2.470m for the quarter, reflecting the Loan Note raising completed during the period.

Operations overview

Canadian operations - record beverage production

Peak Canada produced 1,610,908 beverage units during Q4 FY26, representing 61% QoQ growth (Q3 FY26: 1,002,405 units) and the highest quarterly production volume in Company history. Production guidance was upgraded twice during the period, with the final result in line with the latest guidance of ~1.6m units.

Across FY26, quarterly production moved from 869,147 units in Q1 and 702,289 units in Q2 to 1,002,405 units in Q3 and 1,610,908 units in Q4, for total FY26 production of 4,184,749 units, with Q4 output more than double the H1 FY26 quarterly average. The Q4 result reflects the cumulative effect of contracted volume growth secured through H2 FY26, improved plant utilisation, streamlined and improved operations, and automation investment at the Windsor, Ontario facility, including vision inspection systems, automated fill-level verification and case sealing.



Graph 2: Peak Canada quarterly beverage production volumes, FY26 actual

Operational performance - OTIF

Peak maintained OTIF (On-Time-In-Full) delivery performance of 97% across Q4 FY26 (Q3 FY26: 99.95%), compared with 53% in June 2025 when the operational reset commenced. This performance was delivered through the largest production quarter in the Company's history. OTIF is a key metric used by provincially controlled distributors in Canada when assessing forward orders, new SKU listings and product extensions. As the Canadian market rationalises and provincial boards apply more stringent SKU acceptance criteria, consistent service performance is a key factor in listing decisions, supporting continued SKU onboarding with the Ontario Cannabis Store and other provincial boards, and Peak's position with new brand partners assessing manufacturing options.

Envision Emulsions™

Envision Emulsions™ powered 34% of all beverage units produced during Q4 FY26 and was used across 62% of active SKUs at 30 June 2026, up from 50% at 31 March 2026. The increase in portfolio penetration reflects continued customer adoption of the platform across Peak's manufacturing base. Transition of an existing product's emulsion is a regulated Health Canada undertaking that takes time; virtually all current brand partners are at some stage of transition to Envision, deepening their integration with the Company.

Commercial activities

Product launches

Peak launched eight new beverage products across five customer and proprietary brands during the quarter, all formulated using the Envision Emulsions™ platform. A further four products were launched across the tea, agave beverage and topical categories.

New product listings

Peak secured 19 new product listings during the quarter across beverages, concentrates, infused pre-rolls and edibles, including products for Betty's Eddies, Reggae Royalty, Cannabis Cartel, Cross Border Concentrates and Legacy. The Legacy brand includes the Canadian version of Fryday Kush.

The listings comprised 12 in Ontario, one in British Columbia, two in Alberta, one in Saskatchewan and three in Manitoba. The Ontario listings included five beverages, two concentrates, two infused pre-rolls and three edibles. This is consistent with Peak's plan to diversify its revenue stream beyond reliance exclusively on beverages, and to leverage its existing team and know-how to participate in other revenue categories for both new brands and line-extension opportunities for existing brands. The five Ontario beverage listings are currently forecast to generate ~75,000 cans across five production runs, although actual production volumes will depend on customer orders and provincial demand.

Proprietary brand performance

Peak's proprietary beverage portfolio continued to expand across key Canadian provinces during the quarter. Alberta delivered record quarterly sales of ~20,500 cans, up ~281% QoQ, while Manitoba sales increased ~119% QoQ to ~5,100 cans. Alberta was the first province to list Peak's new proprietary 4-can multi-pack, available for the first time in Canada due to regulatory relaxation, an opportunity now extending to all provinces and all Peak brands. Just Seltzers Lite launched in British Columbia with ~27,000 cans sold to retailers, and Peak entered Quebec, Canada's second-largest market, with JUSTE Bulles completing its first full quarter with ~18,800 units shipped.

Sales and marketing

The Company concluded its third-party sales agency arrangement on 30 June 2026, with estimated annualised savings of ~A$60k to be redirected into direct sales enablement and retail partnership activity.

Peak USA operations

Three-year exclusive manufacturing agreement for Fryday Kush®

On 30 June 2026, Peak's wholly owned US subsidiary, Peak USA Inc., entered into a binding three-year exclusive agreement with BTAB Solutions Inc. to manufacture THC beverages under the Fryday Kush® brand across 13 designated US states. Products will be manufactured through Peak's established Florida production arrangement using its proprietary Envision™ emulsion technology.

The agreement represents Peak's first US brand-partner manufacturing contract and builds on its existing relationship with BTAB, for which Peak has commercialised 14 products in Canada. The timing and value of revenue will depend on customer orders, demand and the formalisation of distribution arrangements.

B2B commercial engagement

Peak attended the Hemp Beverage Expo in Austin, Texas during the quarter, an executive-level trade event bringing together hemp beverage brands, suppliers, distributors and retailers. The event supported pipeline development for Peak USA's contract manufacturing offering and follows the commissioning of the Florida Envision Emulsion Lab during Q3 FY26.

Corporate overview

Loan Note raising

During the quarter, Peak completed the A$2.4m convertible Loan Note raising foreshadowed in the March 2026 quarterly report, supporting inventory, capital expenditure, customer programs, US working capital and general working capital. Following shareholder approval at the EGM on 25 June 2026, the Loan Notes were converted and 160,133,316 shares were issued at A$0.015 per share on 29 June 2026.

Transaction costs of approximately A$209k (including GST) relating to the February 2026 placement and the Loan Note raising were paid in July 2026 and will be reflected in the September 2026 quarterly report. As disclosed in the Notice of General Meeting, the placement lead manager accepted approximately A$57k of its 6% fee through the issue of 3,379,999 placement shares in February 2026, with the balance paid in cash as part of the July 2026 payments noted above.

Related party payments

Aggregate payments to related parties and their associates during Q4 FY26 shown in item 6.1 of the Appendix 4C totalled A$117k, comprising executive salary, director fees, reimbursements and allowances paid in the ordinary course of business.

Following shareholder approval at the EGM on 25 June 2026, two separate issues of shares were made to the Non-Executive Chairman, Mr Manik Pujara, on 29 June 2026. First, 4,000,000 shares (A$68k at A$0.017) were issued in lieu of 50% of his director fees, consistent with the election announced in the March 2026 quarterly report; as a non-cash movement, this amount is not included in the item 6.1 total. Second, Mr Pujara subscribed for 4,000,000 shares (A$68k at A$0.017) under the February 2026 placement on the same terms as other placement participants, with settlement deferred pending shareholder approval; the subscription was paid in cash on 30 June 2026 and is reflected in item 3.1 of the Appendix 4C.

Subsequent to quarter end, on 24 July 2026, 5,650,000 shares were issued to the Managing Director & CEO, Mr Barry Katzman, at a deemed issue price of A$0.028 per share, in lieu of cash payment of his FY25 incentive remuneration (A$133,200) and a one-off FY26 bonus (A$25,000), in accordance with shareholder approval at the 25 June 2026 EGM (Resolution 10). As a non-cash issue made after 30 June 2026, it is not reflected in the Appendix 4C for the quarter.

Outlook

Peak enters FY27 with a larger production base, a broader Canadian listing pipeline spanning four product categories, deepening Envision Emulsions™ adoption and its first US brand-partner manufacturing agreement in place. Near-term priorities are to maintain production and service levels, launch the Canadian listings secured during Q4, progress Fryday Kush production in accordance with agreed development, regulatory and commercial timelines, and increase adoption of Envision across the manufacturing platform.

The Company expects operating cash flow to continue improving quarter on quarter as Q4 production converts to receipts, collections continue to accelerate and the impact of legacy arrears repayments reduces. The rate of improvement is dependent on customer collections, production scheduling and working capital requirements. Collections have accelerated since quarter end, including receipt of an initial payment of more than A$220k from a key wholesale customer.

-ENDS-

The Board of Peak Processing Limited authorised this announcement to be lodged with the ASX.

About Peak Processing

Peak Processing Limited (ASX: PKP) is a leading FMCG organisation specialising in the manufacturing, sales, and distribution of THC beverages. Peak Processing develops premium, compliant products that resonate with adult consumers in regulated global markets, including USA and Canada. Visit www.peakprocessing.com

Forward-Looking Statements

Certain statements in this announcement may constitute forward-looking statements or statements about future matters based on information known and assumptions made as at the date of this announcement. Forward-looking statements can generally be identified by the use of words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, financial position or performance are also forward-looking statements. These statements are subject to internal and external risks and uncertainties that may have a material effect on future business. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this announcement. Accordingly, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
Peak Processing Limited		
ABN	Quarter ended ("current quarter")	
78 626 966 943	On 30/06/2026	

Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1. Cash flows from operating activities		
1.1 Receipts from customers	3,327	15,699
1.2 Payments for: (a) research and development	(31)	(36)
(b) product manufacturing and operating costs	(2,822)	(11,841)
(c) advertising and marketing	(22)	(142)
(d) leased assets	–	–
(e) staff costs	(1,263)	(5,795)
(f) administration and corporate costs	(653)	(3,533)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	–	2
1.5 Interest and other costs of finance paid	(59)	(264)
1.6 Income taxes paid	–	–
1.7 Government grants and tax incentives	–	–
1.8 Other (provide details if material)	–	–
1.9 Net cash from / (used in) operating activities	**(1,523)**	**(5,910)**

2. Cash flows from investing activities		
2.1(c) Payments for property, plant and equipment	(58)	(170)
2.6 Net cash from / (used in) investing activities	**(58)**	**(170)**

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	68	5,277
3.2 Proceeds from issue of convertible debt securities	2,402	2,402
3.3 Proceeds from exercise of options	–	–
3.4 Transaction costs related to issues of equity securities or convertible debt securities	–	(306)
3.5 Proceeds from borrowings	–	344
3.6 Repayment of borrowings	–	(554)
3.7 Transaction costs related to loans and borrowings	–	–
3.8 Dividends paid	–	–
3.9 Other (provide details if material)	–	(146)
3.10 Net cash from / (used in) financing activities	**2,470**	**7,017**

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	538	528
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,523)	(5,910)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(58)	(170)

4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,470	7,017
4.5 Effect of movement in exchange rates on cash held	(10)	(48)
4.6 Cash and cash equivalents at end of period	**1,417**	**1,417**

5. Reconciliation of cash and cash equivalents	**Current quarter $A'000**	**Previous quarter $A'000**
5.1 Bank balances	1,417	538
5.2 Call deposits	–	–
5.3 Bank overdrafts	–	–
5.4 Other (provide details)	–	–
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	**1,417**	**538**

6. Payments to related parties of the entity and their associates	**Current quarter $A'000**	
6.1 Aggregate amount of payments to related parties and their associates included in item 1	117	
6.2 Aggregate amount of payments to related parties and their associates included in item 2	–	

Item 6 includes payments to related parties for salary, directors' fees, reimbursements and allowances during the quarter, paid in the ordinary course of business. Refer to the Related party payments section of the activities report for details of the two issues of 4,000,000 shares each made to the Non-Executive Chairman on 29 June 2026: A$68k in lieu of director fees (non-cash; not included in item 6.1) and A$68k of cash settlement of his February 2026 placement subscription (included in item 3.1).

7. Financing facilities	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1 Loan facilities	1,023	1,023
7.2 Credit standby arrangements	10	5
7.3 Other (please specify)	–	–
7.4 Total financing facilities	**1,033**	**1,028**
7.5 Unused financing facilities available at quarter end	5	

7.6 The Company maintains a corporate credit card facility of A$11k, of which A$5k was drawn at quarter end. The Company also maintains a secured asset-based loan facility with Stoke Partners with a principal amount of C$1m (A$1.023m at 30 June 2026), fully drawn at quarter end, bearing interest at 22% per annum on an interest-only basis. The movement in the AUD amount from the prior quarter reflects foreign exchange retranslation of the Canadian dollar principal. The facility matured in May 2026 and has not been formally extended. The lender has not demanded repayment and the parties remain in discussions; the facility is treated as repayable on demand.

8. Estimated cash available for future operating activities	**$A'000**	
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,523)	
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,417	
8.3 Unused finance facilities available at quarter end (item 7.5)	5	
8.4 Total available funding (item 8.2 + item 8.3)	1,422	
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	**0.93**	

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. The Q4 FY26 net operating cash outflow of A$1.523m was 42% lower than Q3 FY26, reflecting record customer receipts and a reduced cost base. With Q4 production of 1,610,908 units converting to receipts in Q1 FY27, collections accelerating since quarter end and legacy arrears repayments reducing, the Company expects operating cash flows to continue improving quarter on quarter.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. During Q4 FY26 the Company completed the A$2.4m convertible Loan Note raising foreshadowed in the March 2026 quarterly report, converted to equity following shareholder approval on 25 June 2026. No further capital raising is currently proposed. Should additional funding be required, the Company considers it is well placed to access capital, having completed two well-supported raisings totalling A$5.1m during FY26, and expects operating cash flows to continue improving following its first quarter of positive Group EBITDA.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Q4 FY26 delivered the Company's first quarter of positive Group EBITDA on record production and revenue, with cash and cash equivalents of A$1.417m at 30 June 2026, up 163% QoQ. With a broader listing pipeline, contracted production, the Fryday Kush agreement and a reduced cost base, the Company is well positioned to continue improving its operating cash position through FY27.

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2026

Authorised by: Board of Directors