Peak Processing Limited
Appendix 4D
Half year report

1. Company details

Name of entity:	Peak Processing Limited
ABN:	78 626 966 943
Reporting period:	For the half year ended 31 December 2025
Previous period:	For the half year ended 31 December 2024

2. Results for announcement to the market

			$'000 31 Dec 2025	$'000 31 Dec 2024
Revenues from ordinary activities	down	47.7%	5,491	10,585
Loss from ordinary activities after tax	up	257.7%	(5,428)	(1,526)
Loss for the half year	up	257.7%	(5,428)	(1,526)

Comments
The loss for the consolidated entity after providing for income tax amounted to $5,428 for the half year ended 31 December 2025 (31 December 2024: $1,526).

The result for the period includes a profit from discontinued operations of $2,546, primarily comprising accounting gains recognised during the administration process, and an impairment of non current assets of $4,352, which is a non cash accounting adjustment.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.30)	(0.51)

4. Loss of control over entities

Control of a subsidiary was temporarily lost during the period due to voluntary administration and subsequently regained prior to the end of the reporting period. Further details are disclosed in Note 4.

5. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

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7. Details of associates and joint venture entities

Not applicable.

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8. Foreign entities

Details of origin of accounting standards used in compiling the report:

The Group includes subsidiaries incorporated in the Canada, United States and Ireland. The consolidated financial statements are prepared in accordance with Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). No separate accounting policies or reconciliations to foreign accounting standards have been required for these subsidiaries.

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9. Audit qualification or review

The financial statements were subject to a review by the auditors, and the review report is attached as part of the Interim Report. A material uncertainty related to going concern is included in the auditor's review report, however the auditor's opinion is not modified with respect to this matter.

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10. Attachments

The Interim Report of Peak Processing Limited for the half year ended 31 December 2025 is attached.

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11. Signed

Manik Pujara
Chairman

Date: 27 February 2026

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Reak Processing Limited

(Formerly known as Althea Group Holdings Limited)

ABN 78 626 966 943

Consolidated Half Year Financial Statements for the period ended 31 December 2025

Peak Processing Limited
Corporate directory
31 December 2025

Directors	Manik Pujara (Independent Non-Executive Director, appointed on 6 October 2025; appointed Chairman on 14 November 2025) Matt John Adams (Independent Non-executive Director, appointed on 17 February 2025) Barry Katzman (Chief Executive Officer; appointed Managing Director 3 December 2025) Vaughan Webber (Chairman and Independent Non-Executive Director, resigned on 3 December 2025) Joshua Fegan (Chief Executive Officer and Managing Director, resigned on 24 July 2025) Alan Boyd (Independent Non-executive Director, resigned on 6 October 2025)
Company secretary	Adam John Gallagher
Registered office	Level 19 180 Lonsdale Street Melbourne, VIC 3000
Principal place of business	Level 19 180 Lonsdale Street Melbourne, VIC 3000
Share register	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford, VIC 3067 1300 787 272
Auditor	RSM Australia Partners Level 27, 120 Collins Street Melbourne, VIC 3000
Solicitors	Thomson Geer 1 Eagle Street Brisbane, QLD 4000
Stock exchange listing	Peak Processing Limited shares are listed on the Australian Securities Exchange (ASX code: PKP)
Website	https://peakprocessing.com/

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Peak Processing Limited
Directors' report
31 December 2025

The Directors present their report, together with the interim financial statements, on the consolidated entity (referred to hereafter as the consolidated entity) consisting of Peak Processing Limited (referred to hereafter as the Company or Parent Entity) and the entities it controlled at the end of, or during, the half year ended 31 December 2025.

Directors

The following persons were Directors of Peak Processing Limited during the whole of the financial half year and up to the date of this report, unless otherwise stated:

Manik Pujara
Chairman and Independent Non Executive Director, appointed on 6 October 2025 and appointed Chairman on 14 November 2025

Matt John Adams
Independent Non Executive Director, appointed on 17 February 2025

Barry Katzman
Chief Executive Officer and Managing Director, appointed on 3 December 2025

Vaughan Webber
Chairman and Independent Non Executive Director, retired effective 2 December 2025

Alan Boyd
Independent Non Executive Director, retired effective 6 October 2025

Joshua Fegan
Chief Executive Officer and Managing Director, resigned on 24 July 2025

Principal activities

The principal activities of the consolidated entity during the half year ended 31 December 2025 were the manufacture and supply of cannabis derived products, including the manufacture of THC beverage products for customers in North America.

There were no significant changes in the nature of the consolidated entity's principal activities during the period.

Review of operations

For the half year ended 31 December 2025, the consolidated entity generated revenue of $5,491 (31 December 2024: $6,395) and recorded a loss after income tax of $5,428 (31 December 2024: $1,526).

The result for the current period includes a profit from discontinued operations of $2,546, which primarily comprised income and other income items, as well as an impairment of non current assets of $4,352.

Comparative information for the prior corresponding period includes discontinued operations.

The impairment was recognised following an impairment assessment performed at the cash-generating unit level. Further details are provided in Notes 5 and 6 to the interim financial statements.

Significant Changes in the State of Affairs

On 28 November 2025, the Company changed its name from Althea Group Holdings Limited to Peak Processing Limited.

On 9 July 2025, a voluntary administrator was appointed to Althea Company Pty Ltd, a wholly owned subsidiary of the Company. The subsidiary subsequently entered into a Deed of Company Arrangement, which was implemented and terminated on 16 December 2025.

There were no other significant changes in the consolidated entity's state of affairs during the half year not otherwise disclosed in this report or the interim financial statements.

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Dividends

There were no dividends paid, recommended or declared during the current or previous financial half year.

Events after the reporting period

Subsequent to 31 December 2025, on 2 February 2026 the Company completed an equity placement raising approximately $2,720 (before costs).

Other than the above, no matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Likely Developments

Information regarding likely developments in the operations of the consolidated entity and the expected results of those operations in future financial periods has not been included in this report, as the Directors believe that the disclosure of such information would be likely to result in unreasonable prejudice to the consolidated entity.

Auditor's Independence

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, is set out immediately after this report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Manik Pujara
Chairman

27 February 2026

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Peak Processing Limited for the half year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

A L WHITTINGHAM
Partner

Date: 27 February 2026
Melbourne, Victoria

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Peak Processing Limited
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31 December 2025

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General information

The financial statements cover Peak Processing Limited as a consolidated entity comprising Peak Processing Limited as the parent entity and the entities it controlled at the end of, or during, the half year. The financial statements are presented in Australian dollars, which is the functional and presentation currency of Peak Processing Limited.

Peak Processing Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business of the Company is:

Level 19, 180 Lonsdale Street
Melbourne, VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 27 February 2026.

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Peak Processing Limited
Consolidated statement of profit or loss and other comprehensive income
For the half year ended 31 December 2025

	Note	31 December 2025 $'000	31 December 2024 $'000
Continuing operations			
Revenue	3	5,491	6,395
Cost of goods sold		(2,753)	(3,193)
Gross profit		2,738	3,202
Interest income		2	31
Other Income		296	-
Expenses			
Employee benefits expense		(2,622)	(2,465)
Depreciation and amortisation expense		(765)	(842)
General and administrative expenses		(1,636)	(558)
Distribution expenses		(517)	(713)
Marketing expenses		(3)	(56)
Professional services		(650)	(641)
Finance costs		(476)	(377)
Foreign exchange gain/ (loss)		11	279
Loss on disposal of assets		-	(3)
Impairment of non current assets		(4,352)	-
Loss before income tax expense		(7,974)	(2,143)
Income tax expense		-	-
Loss from continuing operations		(7,974)	(2,143)
Profit from discontinued operations	4	2,546	617
Loss for the half year		(5,428)	(1,526)
Other comprehensive income/ (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation from continued operations		(362)	(480)
Foreign currency translation from discontinued operations		-	(1,532)
Other comprehensive loss for the half year, net of tax		(362)	(2,012)
Total comprehensive loss for the half year		(5,790)	(3,538)
Total comprehensive loss for the half year is attributable to:			
Continuing operations		(8,336)	(2,623)
Discontinued operations		2,546	(915)
		(5,790)	(3,538)
		Cents	**Cents**
Loss per share from continued operations			
Basic loss per share	14	(0.83)	(0.43)
Diluted loss per share	14	(0.83)	(0.43)
Profit/(loss) per share from discontinued operations			
Basic earnings/(loss) per share	14	0.26	0.12
Diluted earnings/(loss) per share	14	0.26	0.12
Loss per share			
Basic loss per share	14	(0.56)	(0.31)
Diluted loss per share	14	(0.56)	(0.31)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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Peak Processing Limited
Consolidated statement of financial position
As at 31 December 2025

	Note	As at 31 December 2025 $'000	As at 30 June 2025 $'000
Assets			
Current assets			
Cash and cash equivalents		735	528
Trade and other receivables		6,335	6,630
Inventories		2,454	2,135
Prepayments		1,213	1,008
Total current assets		10,737	10,301
Non current assets			
Other financial assets		362	77
Property, plant and equipment	5	1,277	3,164
Right-of-use assets	6	3,363	6,938
Intangibles	7	6	8
Total non current assets		5,008	10,187
Total assets		15,745	20,488
Liabilities			
Current liabilities			
Trade and other payables	8	11,793	13,350
Contract liabilities	9	340	605
Borrowings	10	1,028	1,370
Lease liabilities		142	139
Provisions		6	27
Total current liabilities		13,309	15,491
Non current liabilities			
Contract liabilities	9	814	842
Lease liabilities		4,421	4,605
Tax Obligations		58	58
Provisions		150	-
Other		-	67
Total non current liabilities		5,443	5,572
Total liabilities		18,752	21,062
Net assets (liabilities)		(3,007)	(574)
Equity			
Issued capital	11	97,376	93,969
Reserves	12	(656)	(244)
Accumulated losses	13	(99,727)	(94,299)
Total deficiency		(3,007)	(574)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

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Peak Processing Limited
Consolidated statement of changes in equity
For the half year ended 31 December 2025

Consolidated	Issued Capital $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Financial instrument reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	86,332	2,908	(182)	-	(88,744)	314
Loss after income tax expense for the half year	-	-	-	-	(1,526)	(1,526)
Other comprehensive income for the half year, net of tax	-	-	(2,012)	-	-	(2,012)
Total comprehensive income/ (loss) for the half year	-	-	(2,012)	-	(1,526)	(3,538)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	1,740	-	-	-	-	1,740
Funds raised from convertible notes, net of transaction costs	-	-	-	1,880	-	1,880
Share-based payments expensed during the period, relating to existing performance rights	-	30	-	-	-	30
Performance rights forfeited on termination	-	(77)	-	-	-	(77)
Balance at 31 December 2024	88,072	2,861	(2,194)	1,880	(90,270)	349

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The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Peak Processing Limited
Consolidated statement of changes in equity
For the half year ended 31 December 2025

Consolidated	Issued Capital $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Financial instrument reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	93,969	113	(357)	-	(94,299)	(574)
Loss after income tax expense for the half year	-	-	-	-	(5,428)	(5,428)
Other comprehensive income for the half year, net of tax	-	-	(362)	-	-	(362)
Total comprehensive loss for the half year	-	-	(362)	-	(5,428)	(5,790)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 11)	3,407	-	-	-	-	3,407
Share-based payments expensed during the period, relating to existing performance rights	-	-	-	-	-	-
Performance rights forfeited on termination	-	(50)	-	-	-	(50)
Balance at 31 December 2025	97,376	63	(719)	-	(99,727)	(3,007)

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The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Peak Processing Limited
Consolidated statement of cash flows
For the half year ended 31 December 2025

	Note	Consolidated 31 December 2025 $'000	Consolidated 31 December 2024 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,357	14,299
Payments to suppliers and employees (inclusive of GST)		(10,941)	(16,838)
		(1,584)	(2,539)
Interest received		2	31
Interest and other finance costs paid		(149)	(520)
Net cash used in operating activities		(1,731)	(3,028)
Cash flows from investing activities			
Payments for property, plant and equipment		(82)	(383)
Payments for intangibles		-	22
Proceeds from sale of MyAccess Clinic assets		-	991
Net cash from/(used in) investing activities		(82)	630
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	11	2,532	1,740
Repayment of borrowings		(554)	(55)
Repayment of lease liabilities		(314)	(163)
Proceeds from borrowings		344	476
Proceeds from issue of convertible note		-	590
Proceeds from lease deposit		-	36
Net cash from financing activities		2,008	2,624
Net increase/(decrease) in cash and cash equivalents		195	226
Cash and cash equivalents at the beginning of the financial half year		528	331
Effects of exchange rate changes on cash and cash equivalents		12	6
Cash and cash equivalents at the end of the financial half year		735	563

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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These general purpose financial statements for the interim half year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, as appropriate for profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.*

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Presentation of amounts

Unless otherwise stated, amounts are presented in Australian dollars and expressed in thousands ($'000).

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The interim consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2025, the consolidated entity incurred a loss of $5,428 and had net cash outflows from operating activities of $1,731. As at that date, the consolidated entity had net current liabilities of $2,572 and net over liabilities of $3,007.

These conditions indicate the existence of a material uncertainty related to going concern, which may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors.

During the half year ended 31 December 2025, the Company raised $2,532 through a share placement and loan note funding, which supported working capital and ongoing operations. Subsequent to the half year end, and as outlined in note 15, on 2 February 2026, the Company completed a further capital raising of $2,720 through an equity placement.

Management has completed an organisational and cost base review and implemented further reductions in administrative and operational expenditure, which are expected to generate annualised savings and improve the Group's cash flow position over the next twelve months.

The consolidated entity continues to assess funding options available to it under ASX Listing Rules 7.1 and 7.1A, should additional capital be required to support forecast operating outcomes.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

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Note 2. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into operating segments based on the internal reports reviewed by the Board of Directors, who are identified as the Chief Operating Decision Makers. These internal reports are used to allocate resources and assess performance.

Following the strategic restructuring of the Group and the classification of the former pharmaceutical operations as discontinued operations, the Group's continuing activities comprise its North American recreational cannabis manufacturing operations conducted through its Canadian operating subsidiary, 2682130 Ontario Limited.

Accordingly, the consolidated entity has 1 principal operating segment representing its continuing manufacturing operations. Corporate overheads and costs that are not directly attributable to the operating segment are presented separately as corporate.

The CODM assesses performance of the operating segment based on revenue, gross margin, operating expenses and cash flow metrics. Segment information is presented on a basis consistent with the internal management reporting provided to the CODM. Discontinued operations and finance income are managed on a consolidated basis and are not included in segment performance.

Major customers
During the half year ended 31 December 2025, approximately 28% (2024: 14%) of the consolidated entity's external revenue was derived from one customer.

Operating segment information

	Recreational Cannabis $'000	Corporate $'000	Total $'000
For the half year ended 31 December 2025			
Revenue from external customers	5,491	-	5,491
Profit/(loss) before tax	(6,250)	(1,724)	(7,974)
For the half year ended 31 December 2024			
Revenue from external customers	6,395	-	6,395
Profit/(loss) before tax	(2,103)	(40)	(2,143)
Assets & Liabilities			
Segment assets			
31 December 2025	15,743	66	15,809
30 June 2025	20,477	11	20,488
Segment liabilities			
31 December 2025	18,146	670	18,816
30 June 2025	21,062	-	21,062

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Note 3. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 December 2025 $'000	31 December 2024 $'000
Sales channels		
Goods sold through intermediaries	5,491	6,395
	5,491	6,395
Geographical regions		
Canada	5,283	6,395
USA	208	-
	5,491	6,395
Timing of revenue recognition		
Goods transferred at a point in time	5,451	6,296
Services transferred over time	40	99
	5,491	6,395

Note 4. Discontinued operations

On 9 July 2025, a voluntary administrator was appointed to Althea Company Pty Ltd, a wholly owned subsidiary of the Company, pursuant to section 436A of the Corporations Act 2001.

At a meeting of creditors held on 13 August 2025, creditors resolved that the subsidiary enter into a Deed of Company Arrangement (DOCA). The DOCA provided for the compromise of unsecured creditor claims and included a deed of deferral under which certain claims by the parent entity were deferred for the duration of the DOCA.

The DOCA was successfully implemented and terminated on 16 December 2025, having achieved its purpose. As a result, control of the subsidiary was regained by the consolidated entity prior to the end of the reporting period.

Classification as discontinued operations and restatement of comparatives

As a consequence of the voluntary administration process, the operations conducted within the subsidiary were classified as discontinued operations in accordance with AASB 5 Non current Assets Held for Sale and Discontinued Operations. Comparative information for the half year ended 31 December 2024 has been restated to present the financial performance and cash flows of those operations separately as discontinued operations.

The profit recognised from discontinued operations for the half year ended 31 December 2025 primarily relates to accounting gains arising from the compromise and settlement of creditor claims under the Deed of Company Arrangement. These gains were recognised during the administration period and do not represent ongoing trading performance of the subsidiary.

Control of the subsidiary remained with the consolidated entity throughout the reporting period. Following termination of the DOCA on 16 December 2025, the assets and liabilities of the subsidiary are reflected in the consolidated statement of financial position at 31 December 2025. All income and expenses of the subsidiary are presented as discontinued operations.

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Note 4. Discontinued operations (continued)

Financial performance of discontinued operations

The results of discontinued operations are summarised below:

	31 December 2025 $'000	31 December 2024 $'000
Discontinued revenue	47	4,190
Cost of goods sold	-	(2,219)
Gross profit	47	1,971
Other Income	2,607	-
Expenses		
Employee benefits expense	(3)	(1,745)
Depreciation and amortisation expense	-	(192)
General and administrative expenses	-	(864)
Professional services	(123)	(8)
Finance costs	-	(134)
Foreign exchange gain/ (loss)	18	1,589
Profit before income tax expense	2,546	617
Income tax expense	-	-
Profit from discontinued operations	2,546	617
Net cash from operating activities	(61)	(638)
Net cash used in investing activities	-	-
Net cash used in financing activities	-	(134)
Net increase in cash and cash equivalents from discontinued operations	(61)	(772)

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Note 5. Non current assets - property, plant and equipment

Impairment assessment

During the half year ended 31 December 2025, the consolidated entity performed an impairment assessment of its non current assets following continued operating losses, a tightening liquidity position and revised cash flow forecasts.

Cash generating unit

The impairment assessment was performed at the cash generating unit level. The cash generating unit comprises the Group's North American manufacturing operations, including cannabis beverage manufacturing activities conducted in Canada and the United States. The cash generating unit generates cash inflows that are largely independent of other assets or groups of assets within the consolidated entity.

Amount of impairment

As a result of the impairment assessment, an impairment loss of $4,352 was recognised for the period, applying a discount rate of 18%.

The impairment loss was allocated to assets within the cash generating unit as follows:

Property, plant and equipment: $1,197
Right of use assets: $3,155
No impairment was allocated to goodwill, as no goodwill is recognised in respect of the cash generating unit.

The impairment expense has been recognised in profit or loss within impairment of non current assets. The impairment represents a non cash accounting adjustment and did not result in a cash outflow during the period.

No impairment was recognised in the comparative period.

Basis of recoverable amount

The recoverable amount of the cash generating unit was determined based on a value in use calculation.

The value in use calculation was derived from management approved cash flow forecasts covering a forecast period consistent with the expected useful lives of the underlying assets. Cash flow projections were based on expected production volumes, customer demand, operating cost structures and capital expenditure requirements, taking into account past performance and current operating conditions.

A terminal value was determined using a long term growth rate that does not exceed the long term average growth rate for the industry and geographic markets in which the cash generating unit operates.

Future cash flows were discounted using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit for which the future cash flow estimates have not been adjusted.

Significant judgements and sensitivity

The impairment assessment involved significant judgement, particularly in relation to forecast production volumes, operating margins, long term growth assumptions and the discount rate applied.

The value in use calculation indicated that the carrying amount exceeded the recoverable amount, resulting in the recognition of an impairment loss. As the recoverable amount approximates the carrying amount, the cash generating unit is sensitive to changes in key assumptions.

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	Consolidated	
	31 December 2025 $'000	**30 June 2025 $'000**
Buildings - at cost	329	317
Less: Accumulated depreciation	(194)	(132)
Less: Impairment loss	(65)	-
	70	185
Asset under construction - at cost	266	489
Less: Impairment loss	(129)	-
	137	
Plant and equipment - at cost	6,383	6,369
Less: Accumulated depreciation	(4,599)	(4,196)
Less: Impairment loss	(863)	-
	921	2,173
Computer equipment - at cost	479	745
Less: Accumulated depreciation	(466)	(725)
Less: Impairment loss	(6)	-
	7	20
Office equipment - at cost	826	807
Less: Accumulated depreciation	(550)	(510)
Less: Impairment loss	(134)	-
	142	297
	1,277	3,164

Note 6. Non current assets - right-of-use assets

	Consolidated	
	31 December 2025 $'000	**30 June 2025 $'000**
Land and buildings - right-of-use	7,613	7,780
Less: Accumulated depreciation	(1,095)	(842)
Less: Impairment loss	(3,155)	-
	3,363	6,938

The consolidated entity leases land and buildings for its offices and manufacturing sites under agreements of between six to fifteen years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The consolidated entity also leases land and buildings under agreements less than one year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

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Note 7. Non current assets - intangibles

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Website - at cost	116	116
Less: Accumulated amortisation	(110)	(108)
	6	8
Software - at cost	-	1,771
Less: Accumulated amortisation	-	(1,771)
	-	-
	6	8

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Trade payables	8,395	9,276
Other payables	3,398	4,074
	11,793	13,350

Note 9. Contract liabilities

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Contract liabilities	1,154	1,447

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial half year are set out below:

Opening balance	1,447	2,658
Payments received in advance	-	370
Transfer to revenue - included in the opening balance	-	(150)
Transfer to revenue - other balances	(263)	(1,431)
Closing balance	1,154	1,447

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Note 10. Current liabilities - borrowings

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Causeway Loan	-	448
Credit Facility	1,028	922
	1,028	1,370

At 31 December 2025, current borrowings comprise a secured asset-based loan facility with Stoke Partners with a carrying amount of $1,028 (30 June 2025: $922).

The facility has a principal limit of approximately $1,100, was fully drawn at 31 December 2025 and bears interest at a rate of 22% per annum, with interest only repayments. The facility matures in May 2026 and is secured over certain assets of the consolidated entity.

The Directors are actively assessing refinancing and alternative funding options in advance of the facility's maturity and consider it reasonably foreseeable that the facility will be refinanced or otherwise settled when due.

The Causeway loan, which had a carrying amount of $448 at 30 June 2025, was fully repaid during the half year ended 31 December 2025.

Note 11. Equity - issued capital

	Consolidated			
	31 December 2025 Shares	30 June 2025 Shares	31 December 2025 $'000	30 June 2025 $'000
Ordinary shares - fully paid	1,001,813,856	822,575,370	97,376	93,969

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Opening Balance	1 July 2025	822,575,370		93,969
Shares issued for non-cash consideration				
Repayment of borrowings and accrued interest	1 August 2025	2,834,855	$0.030	85
Consulting services	1 August 2025	17,710,000	$0.025	443
Settle outstanding liabilities	1 August 2025	2,346,731	$0.028	65
Capital Raising services	29 September 2025	370,250	$0.018	7
Corporate Secretarial service	29 September 2025	2,222,222	$0.018	40
Shares issued for cash				
Share placement	17 September 2025	140,690,000	$0.018	2,532
Shares issued on conversion of performance rights				
Performance rights	29 September 2025	13,064,228	$0.018	235
Cleansing Issues				
Cleansing issue	6 August 2025	100	$0.100	-
Cleansing issue	30 September 2025	100	$0.100	-
Balance	31 December 2025	1,001,813,856		97,376

Of the total increase in issued capital of $3,407, $2,532 was cash and $875 related to non cash share issues.

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Note 12. Equity - reserves

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Foreign currency reserve	(719)	(357)
Share-based payments reserve	64	113
	(655)	(244)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations into Australian dollars.

The decrease in the reserve during the half year ended 31 December 2025 primarily reflects foreign exchange movements on the translation of the Group's Canadian and United States operations.

Share based payments reserve

The share based payments reserve is used to record the fair value of equity settled share based payment arrangements granted to employees, directors and other service providers that have not yet been settled through the issue of ordinary shares.

Movements in the reserve during the half year ended 31 December 2025 primarily relate to the vesting, conversion and lapse of performance rights, partially offset by the grant of new equity settled share based payment arrangements.

Note 13. Equity - accumulated losses

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Accumulated losses at the beginning of the financial half year	(94,299)	(88,744)
Loss after income tax expense for the half year	(5,428)	(8,347)
Transfer from share-based payments reserve	-	2,792
Accumulated losses at the end of the financial half year	(99,727)	(94,299)

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Note 14. Loss per share

	Consolidated	
	31 December 2025 $'000	31 December 2024 $'000
Loss from continued operations		
Loss after income tax	(7,974)	(2,143)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	963,896,135	499,530,484
Weighted average number of ordinary shares used in calculating diluted earnings per share	963,896,135	499,530,484
	Cents	**Cents**
Loss per share from continued operations		
Basic loss per share (cents)	(0.83)	(0.43)
Diluted loss per share (cents)	(0.83)	(0.43)
Profit from discontinued operations		
Profit after income tax	2,546	617
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	963,896,135	499,530,484
Weighted average number of ordinary shares used in calculating diluted earnings per share	963,896,135	499,530,484
	Cents	**Cents**
Profit per share from discontinued operations		
Basic earnings per share (cents)	0.26	0.12
Diluted earnings per share (cents)	0.26	0.12
Consolidated		
Profit after income tax	(5,428)	(1,526)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	963,896,135	499,530,484
Weighted average number of ordinary shares used in calculating diluted earnings per share	963,896,135	499,530,484
	Cents	**Cents**
Loss per share		
Basic loss per share (cents)	(0.56)	(0.31)
Diluted loss per share (cents)	(0.56)	(0.31)

8,888,243 (31 December 2024: 24,183,472) performance options and 110,266,620 (31 December 2024: 19,147,537) options have been excluded from the above calculations as their inclusion would be anti-dilutive.

Note 15. Events after the reporting period

Subsequent to the half year ended 31 December 2025, on 2 February 2026, the Company completed a capital raising of $2,720 through the issue of approximately 160,000,000 ordinary shares at an issue price of $0.017 per share to sophisticated and professional investors.

Other than the matter noted above, there has not arisen since 31 December 2025 any matter or circumstance that has significantly affected, or may significantly affect, the consolidated entity's operations, results or state of affairs in future financial periods.

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Peak Processing Limited
Directors' declaration
31 December 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Manik Pujara
Chairman

27 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Peak Processing Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Peak Processing Limited ('the Company') and its controlled entities (together referred as 'the Consolidated entity') which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peak Processing Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peak Processing Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates the consolidated entity incurred a loss of $5.43 million and had net cash outflows from operating activities of $1.73 million for the half year ended 31 December 2025. As at that date the Consolidated entity's current liabilities exceeded its current assets by $2.57 million and had net liabilities of $3.0 million. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Financial Report

The directors of Peak Processing Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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RSM AUSTRALIA PARTNERS

A L WHITTINGHAM
Partner

Date: 27 February 2026
Melbourne, Victoria

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