

First Month of Positive EBITDA as Operational Reset Completes

- **First month of positive EBITDA under the new operating model:** March 2026 delivered ~A\$159k positive EBITDA on ~A\$1.2m revenue, and a 56% contribution margin (up from 32% in February) (unaudited)
- **Production scaled, Q4 guidance upgraded:** ~1m beverage units produced in Q3 FY26, exceeding the ~900,000 unit guidance by over 10% and representing a ~42% QoQ increase (Q2 FY26: ~702k units); Q4 FY26 production now expected at ~1.5m beverage units (a ~50% QoQ increase), upgraded from prior guidance of ~1.4m, following confirmed customer purchase orders.
- **Service-level transformation sustained:** OTIF (On-Time-In-Full) of 99.95% across Q3 FY26, sustaining the step-change improvement from 53% in June 2025 when the operational reset commenced.
- **Balance sheet repair:** Key payables materially reduced, including Canada Revenue Agency liability reduced to ~A\$200k from a peak of ~A\$1.8m; working capital strategically deployed into core inventory ahead of contracted Q4 production.
- **Cost base rebased:** A\$2.25m in annualised cost savings now flowing through the P&L, with March 2026 operating expenses recorded in FY26 (unaudited).
- **Major customer wins driving Q4 production:** St. Peter's Beverages manufacturing agreement expanded 250% (4 to 14 SKUs); Electric Brands (Sweet Justice) extended with exclusivity provisions to ~1.4m annualised beverage units across the existing Canadian platform; 30 new OCS listings across the last five product calls (10 in March 2026), with momentum accelerating through 2026.
- **Proprietary brand portfolio accelerating:** 7 new listings nationwide for Peak's own brands during the quarter, including Just Seltzers Lite's first appearance in British Columbia (scaling to 229 distribution points within three weeks of launch), Just Seltzers' first listing in Quebec, and SnapBack's first-ever multi-pack listings in Ontario.
- **Envision Emulsions™ embedded across the platform:** Now powering 50% of all active SKUs at Peak, with cumulative production of ~3,000kg to date. Florida Envision Emulsion Lab commissioned at the Funky Buddha co-location facility, with first commercial batches completed.

Peak Processing Limited (ASX: PKP) ('PKP', or 'the Company'), a leading manufacturing of THC-infused beverages, provides this report on activities for the three-month period ended 31 March 2026 ("Q3 FY26", "the quarter", "the Reporting Period").

Q3 FY26 marked the inflection point in Peak's operational and management reset. March 2026 delivered the Company's first month of positive EBITDA under the new operating model. Production volumes exceeded guidance, and Q4 FY26 production guidance was upgraded following confirmed customer purchase orders. The reset is complete; the platform is now scaling.

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Managing Director and CEO, Barry Katzman, said:

"March 2026 was Peak's first month of positive EBITDA under the new operating model, on a 56% contribution margin and the lowest monthly operating expenses in FY26. The cost base of this business has been fundamentally rebased."

"Operationally, ~1m beverage units produced in our historically softest quarter, 99.95% OTIF sustained, and confirmed Q4 purchase orders above prior guidance show the platform is now scaling. Peak today is leaner and more efficient than at any point in recent years."

Financial overview**March 2026 unaudited result**

Peak delivered its first month of positive EBITDA under the new operating model in March 2026. EBITDA of ~A\$159k was underpinned by record monthly revenue of ~A\$1.22m, a 56% contribution margin. Operating expenses have been progressively reduced through the FY26 period, reflecting the cumulative effect of the cost optimisation program.

The result demonstrates that Peak's manufacturing platform now generates positive EBITDA at current capacity levels, with the operating cost break-even point materially lower than at any prior point in FY26. With Q4 FY26 production volumes expected to exceed Q3 levels by approximately 50%, the Company is well-positioned to extend the trend.

Cash receipts and revenue

Cash receipts for Q3 FY24 were A\$3.0m (Q2 FY26: A\$3.9m), reflecting timing of customer invoices and payment cycles relative to the prior quarter. Q3 FY26 revenue was higher than Q2 FY26, with March 2026 delivering record monthly revenue of ~A\$1.2m (unaudited).

Operating costs

Product manufacturing and operating costs of A\$3.3m (Q2 FY26: A\$2.7m) reflect higher input material volumes associated with the Q4 production ramp, not a structural cost change. Staff costs reduced to A\$1.5m (Q2 FY26: A\$1.7m) and administration and corporate costs to A\$765k (Q2 FY26: A\$1.0m), reflecting the A\$2.25m in annualised restructure savings now flowing through the P&L.

Balance sheet improvements

During the quarter the Company materially reduced its Canada Revenue Agency liability to ~A\$200k, down from a peak of ~A\$1.8m. Working capital was strategically deployed into core material inventory to support contracted Q4 production volumes on improved terms and to insulate against supply chain variability, leaving PKP with the headroom required to exceed unit manufacturing estimates in future periods.

Funding position

Cash and cash equivalents at 31 March 2026 were A\$538k, with total available funding of A\$543k including unused financing facilities. Net cash used in operating activities was (A\$2.6m), reflecting the working capital deployed into core inventory and the timing of customer receipts noted above. Net cash from financing activities was A\$2.5m, primarily reflecting the placement completed during the quarter (refer Capital Raise below).

The Company expects operating cash outflows to reduce materially over the coming period as Q4

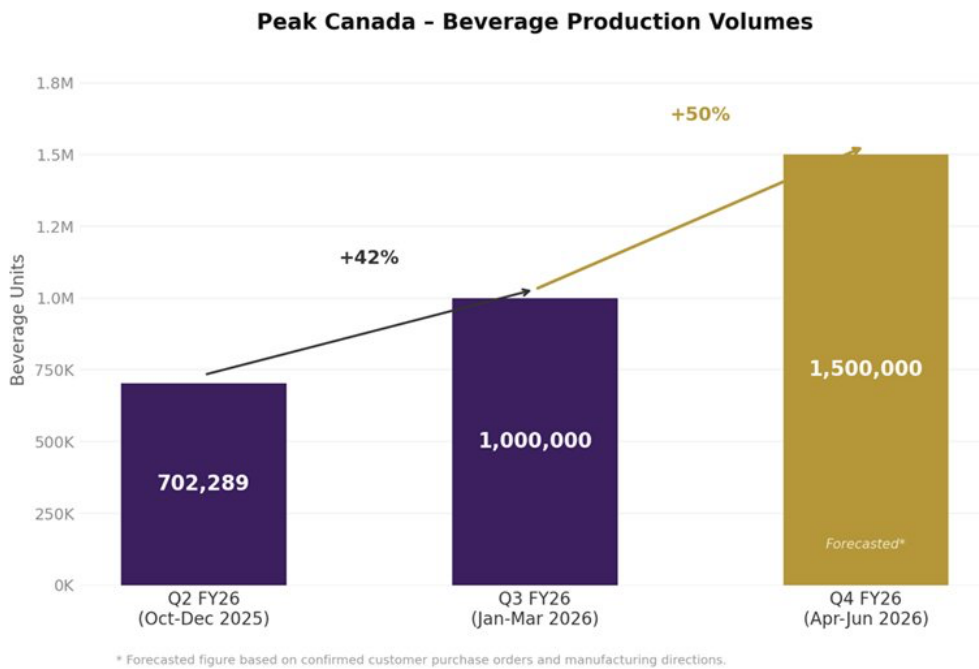
production is delivered and converted to cash receipts, and as the final tranche of restructured salary severance periods conclude during Q4. The Company is currently undertaking a convertible note capital raising to support working capital requirements through the Q4 FY26 production ramp, accretive capex initiatives and working capital. Further details will be announced once the raising is finalised.

Operations overview

Canadian production

Peak Canada produced ~1m beverage units in Q3 FY26, a ~42% QoQ increase (Q2 FY26: ~702k units) and ~28% YoY increase, exceeding prior guidance of ~900k units. This is the highest Q3 production volume in the Company's history, achieved against a period typically characterised by seasonal softness in the Canadian beverage category. Continued investment in automation, including vision inspection systems, automated fill-level verification and case taping systems, contributed to throughput and performance improvements across the platform.

Based on confirmed customer purchase orders and scheduled manufacturing directions, the Company now expects to produce ~1.5m beverage units in Q4 FY26 (~50% QoQ growth), exceeding prior guidance of ~1.4m units. The increase in production volumes is expected to translate into materially higher Q4 revenue.



Graph 1: Peak Canada beverage production volumes - Q2 FY26 actual, Q3 FY26 actual, Q4 FY26 forecast

Manufacturing expansion

During the quarter Peak materially expanded its two largest customer agreements, locking in incremental contracted production volumes for Q4 FY26 and beyond.

The St. Peter's Beverages manufacturing agreement was expanded from 4 to 14 SKUs, a 250% uplift in production scope expected to drive ~500,000 to 700,000 incremental beverage units annually. All products run on the Envision Emulsions™ platform.

The Electric Brands Inc. agreement for the Sweet Justice portfolio was extended on improved financial terms with exclusivity provisions across all SKUs in market, supporting ~1.4m annualised beverage units

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across the existing Canadian platform with progression into US operations (refer ASX announcement: 3 March 2026). Sweet Justice is the best selling cannabis beverage brand in British Columbia, the highest per capita THC beverage consuming province in Canada.

In parallel, brand partners launched several new SKUs on the Peak platform during the quarter utilising Envision Emulsions™ technology, including Ray's Lemonade rosin-infused beverages (the market's first combined CBG and rosin product), myCocoCanna Original CBG (a market-first format), and Green Monke x Envision under the expanded St. Peter's agreement.



Operational performance: OTIF

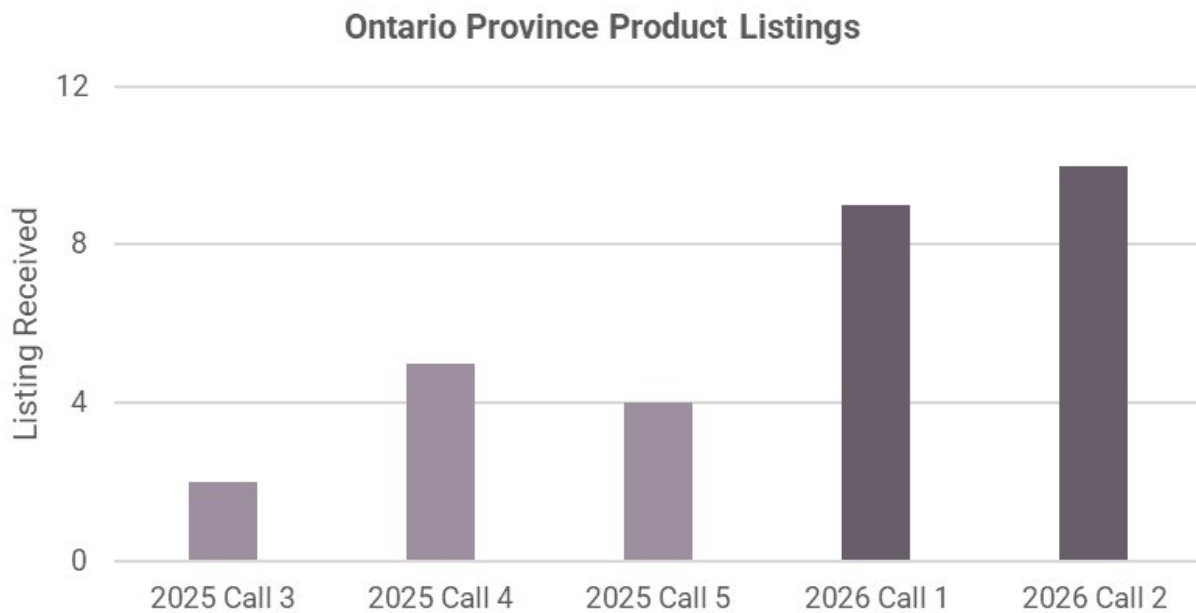
Peak maintained an OTIF (On-Time-In-Full) delivery rate of 99.95% across Q3 FY26, sustaining the step-change improvement from 53% in June 2025. OTIF performance is the primary metric used by provincially controlled distributors in Canada when assessing forward orders, new SKU listings and product extensions. The continued near-perfect performance reflects the durability of the operational improvements implemented during H1 FY26, including enhanced production planning, refined scheduling processes and strengthened supply chain execution.

Extraction and Envision Emulsions

Peak completed processing of ~6,291kg of fresh frozen cannabis for live resin extraction for a key customer, with expansion discussions underway following strong output performance. The Envision Emulsions™ platform reached a cumulative production milestone of ~3,000kg to date, and now powers 50% of all active SKUs across Peak's manufacturing portfolio.

New product listings

Peak secured 30 new beverage listings across the last five OCS product calls. Listings momentum has accelerated significantly through 2026, with 19 listings secured across the two most recent calls (compared with 11 across the prior three calls), including 10 from the March 2026 call - the highest number of listings secured by Peak in a single product call. The quarter also delivered Peak's first multi-pack beverage listings (SnapBack in Ontario and Alberta), the first vape category listing in several years, and listings for two net-new brand partners to the Peak platform (Reggae Royalty and Juana Sip).



Graph 2: Ontario Province product listings received per OCS product call

Across provinces, Peak secured 10 new listings in Ontario (9 beverages, 1 vape, all launching Q4 FY26), 4 in British Columbia, 9 in Saskatchewan, 7 in Manitoba and 1 in Quebec, the first listing under Peak's own sales licence in Canada's second largest province. The 10 Ontario listings secured for Q4 launch are expected to generate ~120k cans of production across 8 production runs, all utilising the Envision Emulsions™ platform.

Proprietary brand expansion

Peak's proprietary brand portfolio added 7 new nationwide listings during the quarter. Just Seltzers Lite secured two listings in British Columbia (the brand's first appearance in the province), scaling rapidly from initial listing on 8 March 2026 to 229 distribution points by 29 March 2026 and sustaining 211 distribution points as at 12 April 2026. Just Seltzers also secured its first listing in Quebec, representing Peak's first proprietary brand listing in the province. SnapBack secured 2 multi-pack listings in Ontario, Peak's first-ever multi-pack format listings.

Sales pipeline

Peak continues to advance its forward order pipeline, with four new customers in active discussions or at the quoting stage and three further customers in final stages of contract negotiation expected to be executed during Q4 FY26. Existing customer relationships continue to expand through line extensions, new brands and seasonal entries, supported by Peak's market-leading OTIF performance and improved customer terms.

Peak USA operations

Florida Envision Emulsion Lab commissioned

The Envision Emulsion Lab at the Funky Buddha co-location facility in Florida was commissioned during the quarter. The facility consolidates proprietary emulsion development, production and finished goods beverage manufacturing under one roof, reducing logistics lead times and strengthening end-to-end quality oversight. Peak USA completed its first scaled commercial production batches of both Envision Hemp THC and Envision Hemp CBD emulsion, validating the facility's technical readiness for high-volume output.

B2B commercial engagement

Peak USA is in advanced commercial negotiations with multiple established US beverage brands and has supported scaled production trials demonstrating the integration of Envision Emulsions™ into finished consumer goods. The Company expects to provide further updates on US commercial progress in due course.

Corporate overview**Capital raise**

During the quarter, the Company completed a placement of ~160m shares at A\$0.017 per share, raising A\$2.7m. The placement was supported by both new and existing investors, with Board and management participating on the same terms (subject to shareholder approval).

Related party payments

Aggregate payments to related parties and their associates during Q3 FY26 shown in 6.1 of the Appendix 4C totalled A\$142k, comprising director fees, executive salaries, reimbursements and allowances paid in the ordinary course of business.

As previously announced, the Non-Executive Chairman, Mr Manik Pujara, has elected to receive 50% of his director fees in PKP shares (subject to shareholder approval at the upcoming EGM), reflecting Board-level alignment with shareholders during the operational reset.

Outlook

The operational and management reset is complete. With confirmed Q4 purchase orders supporting an upgraded production forecast of ~1.5m beverage units, Peak enters the stronger summer season with its strongest forward order position to date. Q4 is expected to deliver materially higher revenue for the Canadian operations relative to prior quarters, reflecting the cumulative effect of contracted volume growth, improved plant utilisation and an expanded brand partner base.

The March 2026 EBITDA milestone demonstrates the platform now generates positive EBITDA at current capacity levels. With overheads at their lowest monthly level in FY26 and the final tranche of restructured salary severance periods concluding during Q4, the Company expects to generate positive operating cash flow during Q4 FY26 and on an ongoing basis thereafter.

Several advanced-stage manufacturing negotiations are expected to conclude during Q4 FY26, across both Canada and the United States. Combined with the convertible note capital raising currently being undertaken subsequent to quarter end, Peak is well positioned to execute on its Q4 FY26 growth agenda from a position that is leaner and more efficient than at any point in recent years.

-ENDS-

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

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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 that are based upon information known and assumptions made as of the date of this announcement. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" 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. As such, 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 31/03/2026

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,015	12,372
1.2 Payments for		
(a) research and development	-	(5)
(b) product manufacturing and operating costs	(3,330)	(9,019)
(c) advertising and marketing	(39)	(120)
(d) leased assets	-	-
(e) staff costs	(1,455)	(4,532)
(f) administration and corporate costs	(765)	(2,880)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(56)	(205)
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	(2,630)	(4,387)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(30)	(112)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(30)	(112)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,659	5,209
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(120)	(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	2,539	4,547
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	685	528
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,630)	(4,387)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(112)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,539	4,547
4.5	Effect of movement in exchange rates on cash held	(26)	(38)
4.6	Cash and cash equivalents at end of period	538	538

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	538	685
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)	538	685

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	142
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6 includes payments to related parties for salary, directors' fees, reimbursements and allowances during the quarter, paid in the ordinary course of business.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,049	1,049
7.2	Credit standby arrangements	10	5
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,059	1,054
7.5	Unused financing facilities available at quarter end		5
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>The Company maintains a corporate credit card facility of A\$11k, of which A\$5k was drawn at quarter end.</p> <p>The Company also maintains a secured asset-based loan facility with Stoke Partners with a principal amount of A\$1.1m, fully drawn at quarter end, bearing interest at 22% per annum on an interest-only basis. The facility matures in May 2026. The Company is in active discussions with the lender regarding the renewal of the existing facility.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,630)
8.2	Cash and cash equivalents at quarter end (item 4.6)	538
8.3	Unused finance facilities available at quarter end (item 7.5)	5
8.4	Total available funding (item 8.2 + item 8.3)	543
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.21
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	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?	
	<p>Answer: No. The Q3 FY26 net operating cash outflow reflects working capital deployed into core inventory ahead of contracted Q4 production of ~1.5m beverage units, and timing of customer payments. With the operational reset complete, A\$2.25m in annualised cost savings flowing through, and confirmed Q4 purchase orders, the Company targeting to deliver positive operating cash flow from Q4 FY26.</p>	

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. The Company is currently undertaking a convertible note capital raising to support working capital requirements through the Q4 FY26 production ramp. Further details will be announced once the transaction is finalised. The Company successfully raised A\$2.7m via placement during Q3 FY26 and considers the current raising to be well-supported.

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. March 2026 delivered Peak's first month of positive EBITDA under the new operating model. Confirmed Q4 FY26 purchase orders support production of ~1.5m beverage units, underpinned by the 250% St. Peter's expansion, the extended Electric Brands (Sweet Justice) agreement, and 30 new OCS listings across the last five product calls. Combined with the convertible note raising currently underway, the Company is well positioned to deliver on its Q4 FY26 growth agenda and positive operating cash flow.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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:April 29th, 2026.....

Authorised by:Board of Directors.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.