

PKP Expands into the US Market with Established US Brand Fryday Kush

Exclusive US manufacturing agreement secured for iconic Fryday Kush® THC beverages across 13 states

Highlights

- Peak's wholly owned US subsidiary, Peak USA Inc., has entered into a three-year exclusive manufacturing agreement with BTAB Solutions Inc. to manufacture THC beverages under the globally recognised Fryday Kush brand and its associated licensed intellectual property.
- Peak's first US brand-partner agreement, covering 13 designated US states within its operating territory.
- Extends a proven commercial relationship with BTAB, for whom Peak has successfully commercialised 14 products in Canada.



Peak Processing Limited (ASX: PKP) ("PKP" or "the Company") is pleased to advise that its wholly owned US subsidiary, Peak USA Inc., has entered into an exclusive three-year manufacturing agreement with BTAB Solutions Inc. ("BTAB") for the manufacture of THC beverages under the globally recognised Fryday Kush® brand and its associated licensed brand assets covering 13 US states ("the Agreement").

The Agreement extends Peak's established relationship with BTAB, a longstanding Canadian partner with whom Peak has commercialised 14 products across multiple categories and recently secured new Canadian beverage listings under the Fryday Kush banner. Under the Agreement, Peak USA Inc. will act as the exclusive manufacturing partner for designated THC beverages across 13 US states.

The Agreement is binding on both parties, effective immediately, and not subject to any material conditions precedent. Manufacturing activities are expected to commence in accordance with mutually agreed product development, regulatory and commercial launch timelines.

The launch reflects a broader industry trend whereby established cannabis lifestyle brands are increasingly expanding into the beverage category as consumers seek lower-calorie, sessionable alternatives to traditional cannabis formats. Brands with established consumer recognition, authenticity and cultural relevance are expected to have a competitive advantage as the category continues to mature and retail distribution expands.

Peak expects value to be generated through the manufacture and supply of finished beverage products under the Agreement. Revenue will be derived from commercial production volumes ordered by BTAB over the term of the Agreement. Peak believes the partnership provides a meaningful platform for long-term growth in its US operations. The timing and value of future revenues are currently unknown, as they will be contingent on the formalisation of distribution agreements, which will be driven by customer demand and fulfilment.

About the Fryday Kush Brand

Fryday Kush® is an established cannabis lifestyle brand inspired by the enduring cultural legacy of the iconic Friday entertainment franchise. Since its launch in 2021, the brand has expanded across multiple cannabis product categories, including flower, pre-rolls, concentrates and vapouriser products in select North American and Australian markets.

Unlike many celebrity-associated cannabis initiatives that rely primarily on endorsement arrangements, Fryday Kush has evolved into a recognised cannabis brand platform supported by licensing, product development and retail distribution partnerships. The brand draws upon decades of cultural relevance and broad consumer awareness, creating an authentic connection with cannabis consumers while providing a strong foundation for expansion into adjacent product categories.

Importantly, the Agreement relates specifically to the Fryday Kush THC beverage portfolio, a product category distinct from traditional cannabis products. THC beverages are among the faster-growing segments of the US cannabinoid market, offering consumers a familiar, social and an increasingly mainstream alternative to alcohol. Peak's role is to manufacture these beverages under the Fryday Kush brand, using its proprietary Envision™ emulsion technology, for distribution across the 13 designated states under the Agreement.

Managing Director & CEO, Barry Katzman, said:

"This is a landmark moment for Peak USA. As Canada's leading co-manufacturer of THC beverages, we are excited to extend our successful Canadian partnership with BTAB Solutions into the United States through one of the industry's most recognised and culturally significant cannabis brands.

"The Agreement represents an important validation of our asset-light, scalable US strategy. It establishes our first dedicated US brand manufacturing partnership and demonstrates how we intend to create value by combining Peak's proprietary technology and manufacturing expertise with an established consumer brand seeking to expand within the rapidly developing THC beverage category. It also delivers on our strategy of expanding into the US alongside existing Canadian partners while continuing to attract additional brands of this calibre."

Non-Executive Chairman, Manik Pujara, added:

"This marks an important milestone in Peak's expansion into the United States, a market the Board believes represents the Company's largest long-term growth opportunity. Securing a partnership centred on an established and recognised brand such as Fryday Kush, together with the momentum the team has already demonstrated in Canada, reinforces our confidence in both management's execution and the Company's broader growth strategy."

Commercial & Strategic Significance

The Agreement represents Peak's first US brand-partner manufacturing contract and aligns the Company's proven manufacturing capability with one of the cannabis sector's most recognised lifestyle brands in one of the fastest-growing segments of the US cannabinoid market.

The Agreement has the potential to contribute to future production volumes and strengthen Peak USA's commercial position as the US cannabinoid beverage market continues to develop. The combination of an established consumer brand, Peak's manufacturing capability and ongoing distribution discussions provides a strong commercial framework from which the parties intend to build the business over the term of the Agreement.

Agreement Key Terms

Term & Territory

- Initial term of three years, with provisions for renewal.

- Exclusive manufacturing of designated THC beverage products.
- Territory comprises 13 US states: Pennsylvania, Illinois, Virginia, Ohio, Massachusetts, New Jersey, Nevada, New York, Michigan, Maine, Vermont, Connecticut and Rhode Island.

Operational Provisions

- Counterparty: BTAB Solutions Inc.; contracting entity: Peak USA Inc., a wholly owned subsidiary of Peak Processing Limited.
- Products will be manufactured through Peak's established Florida production arrangement using the Company's proprietary Envision™ emulsion technology.
- Branding will incorporate approved Fryday Kush® licensed intellectual property, including applicable name, image and likeness rights where authorised under the licensing arrangements.
- The Agreement became binding and effective upon execution and contains no material conditions precedent to its operation.

This announcement was authorised for lodgement with the ASX by the board.

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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.

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