Peak signs first direct medical cannabis supply agreement with Mendo Medical, establishing a template for broader medical distribution

- **First direct medical supply agreement establishes a national, direct-to-patient route-to-market alongside Peak's established provincial adult-use channels**
- **Mendo Medical is one of Canada's largest independent medical cannabis platforms, serving civilian and veteran patients nationwide with access to one of the country's broadest ranges of products**
- **Mendo holds a federal licence from Health Canada to sell cannabis for medical purposes, enabling direct sales to registered patients nationwide**
- **14 SKUs approved for supply across beverages and topicals, comprising eight Peak proprietary products and six products manufactured by Peak for existing brand partners**
- **Veterans Affairs Canada reimbursed C$307.2m of medical cannabis across 32,106 clients in 2025-26, with its maximum reimbursement rate reduced from C$8.50 to C$6.00 per gram from 1 April 2026**
- **Non-exclusive agreement provides a template for Peak to advance discussions with other medical cannabis providers, with further product opportunities also being explored with Mendo**
- **Initial purchase order of C$22,125 shipped in October 2026, with reorders expected approximately every six weeks, subject to patient demand**

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Peak Processing Limited (ASX: PKP) ('PKP', 'Peak' or 'the Company'), a leading manufacturer of THC-infused beverages, is pleased to advise that it has entered into a non-exclusive supply agreement with Mendo Medical ('Mendo'), its first direct agreement in the medical cannabis channel. Under the agreement, Peak will supply medical cannabis patients across Canada through Mendo's national online platform.

The agreement broadens Peak's potential revenue channels beyond its established province-by-province distribution network and provides an additional route through which the Company can commercialise both proprietary products and products manufactured for existing brand partners. Peak's first products under the agreement shipped in October 2026 and are available to patients on the Mendo platform.

Canadian medical cannabis opportunity

Canada maintains a federally regulated medical cannabis framework alongside the adult-use market, providing authorised patients with access to cannabis products through federally licensed sellers independently of provincial adult-use retail channels.

Health Canada reported 161,267 medical client registrations with federally licensed sellers as at March 2025, the most recent period published. Veterans are a growing part of the channel. Veterans Affairs Canada ('VAC') reimbursed C$307.2m of medical cannabis for 32,106 clients in its 2025-26 financial year (to 31 March 2026), up ~26% and ~16% respectively on 2024-25. From 1 April 2026, VAC reduced its maximum reimbursement rate from C$8.50 to C$6.00 per gram of dried cannabis or its equivalent in other forms. The three-gram daily limit is unchanged.

Mendo is one of Canada's largest independent medical cannabis platforms, serving civilian and veteran patients nationwide with products from Canadian licensed producers. The platform has a particular focus on the veteran community, including direct billing to Medavie Blue Cross so eligible VAC clients can order without paying upfront, and dedicated reimbursement and patient-support services.

With VAC reimbursement extending to edible cannabis and topicals, Mendo's veteran program provides a direct route for Peak's beverage and topical formats to reimbursed patients.

Mendo supply agreement and product portfolio

The 14 SKUs approved for supply comprise eight products from Peak's proprietary brands and six beverage and topical products manufactured by Peak for its existing brand partners.

The initial purchase order of C$22,125, comprising brand partner beverage and topical products, was received in September and shipped in October 2026.

The initial order represents the commencement of the commercial relationship rather than a forecast of total contract value. Future revenue will depend on patient demand, product availability and subsequent orders.

The agreement is non-exclusive and establishes a direct medical channel for Peak through a leading independent platform. It also provides a template that Peak can use to advance discussions with other medical cannabis providers, while further product opportunities are explored with Mendo as the relationship develops.

The medical channel provides an opportunity to generate additional revenue from Peak's existing product portfolio, brand relationships and Canadian manufacturing infrastructure. Products will be supplied from Peak's existing Windsor, Ontario facility, with no additional capital expenditure required. Peak's ability to manufacture in flexible batch sizes suits the medical channel, where platforms carry broad ranges at lower volumes per product.

Managing Director and CEO, Barry Katzman, said: *"The medical market provides another channel through which we can generate value from the products, customer relationships and manufacturing capabilities already established across Peak's Canadian platform.*

Mendo gives us national reach into an established patient market, and our first order has already shipped. Medical patients tend to be loyal, regular consumers who stay with products they trust, which makes consistent quality and supply essential, and that plays to our strengths.

This is our first direct step into the medical channel, and partnering with an established national medical platform gives us a strong foundation to build on. The agreement gives us a template we can take to other medical providers, and together with further product opportunities with Mendo, we see medical becoming a growing channel for Peak over time."

Sources: Health Canada, 'Data on cannabis for medical purposes' (medical client registrations as at March 2025).
Veterans Affairs Canada, 'Cannabis for Medical Purposes' statistics (FY2024-25 and FY2025-26) and current reimbursement policy.
Mendo Medical website, including 'About Mendo Medical' and veteran support information, accessed September 2026.

-ENDS-

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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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