

18 March 2020

ASX Market Announcements Office
10 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Dear Sir/ Madam

ANNOUNCEMENT FOR RELEASE VIA MARKET ANNOUNCEMENTS PLATFORM

Please find **attached** an announcement entitled, "Collins Foods Limited – COVID-19 Update"
(Announcement) for release via the ASX Market Announcements Platform.

The Announcement sets out contact details for queries relating to the Announcement.

By Order of the Disclosure Committee



Frances Finucan

Company Secretary

ASX RELEASE

COLLINS FOODS LIMITED – COVID-19 UPDATE

Wednesday, 18 March 2020: Collins Foods Limited (ASX:CKF) provides the following update regarding the rapidly evolving COVID-19 (coronavirus) situation.

The health and wellbeing of the Company's employees and customers is paramount. As the number one priority for Collins Foods in these uncertain times, significant measures have already been taken to address the coronavirus issues faced in each of the communities in which we operate.

Collins Foods continues to closely monitor and follow all Government guidelines in the jurisdictions that it operates in, and is working closely with its franchisors and business partners.

Australia

To support efforts to slow the spread of coronavirus in the community, both Collins Foods and KFC are now taking the pro-active step of closing their in-restaurant dining areas in Australia. Collins Foods' KFC restaurants will immediately shift their focus to take-away, drive-thru, and delivery. These three channels account for approximately 80% of sales. Customers will be able to continue purchasing through multiple contactless options, including KFC's own app, as well as home delivery via multiple delivery service providers such as Menulog and Deliveroo.

In addition, the business is moving to contactless service in its restaurants and has already worked with delivery partners to ensure contactless delivery is an option for customers. Customers are also being encouraged to prepay through the KFC app and to use contactless payment rather than cash.

To date, the sales performance of Collins Foods' KFC Australia restaurants has been in line with original expectations. Continuing to sell through Collins Foods' alternative channels is expected to minimise any potential impact on sales while reinforcing KFC's place as a loved and trusted food brand amongst Australian consumers.

Commenting on these developments in its KFC Australia restaurants, Collins Foods' Managing Director & CEO Graham Maxwell said: "We believe the announcement of today's bold move to close in-restaurant dining areas and focus on take-away, drive-thru and delivery in the near term, to be strongly in the interest the public's well-being and of the KFC brand.

"The health and wellbeing of Collins Foods' employees and customers is the Company's number one priority, and never more so in these challenging and uncertain times".

Europe

Further to its initial response to close all restaurants (as announced by Collins Foods on 16 March 2020), the Dutch Government is now permitting restaurants to operate take-away, drive-thru and delivery channels. All of Collins Foods' KFC restaurants in the Netherlands provide take-away, two-thirds are drive-thru and over half provide a delivery service. In terms of delivery, plans are underway to add a third aggregator to the system within the next week.

Overnight, the German Government has announced a limitation on the hours that in-restaurant dining can trade during the day. However, take-away, drive-thru and delivery channels will continue to be allowed to trade without restriction.

Whilst there will be an impact to the in-restaurant dining business in both markets, Collins Foods expects a portion of this to be mitigated by an increase to sales through the take-away, drive-thru and delivery channels during this time.

In addition, the Governments of both the Netherlands and Germany have also announced measures to support lost wages due to the current coronavirus situation, which will assist employees and reduce potential cost burdens to businesses.

Collins Foods will continue to closely monitor the impact that these changes will have to the sales and performance of the respective business units and will keep the market informed as the situation develops and further information is known.

The health and wellbeing of Collins Foods' team members and customers is the Company's number one priority especially in these uncertain times. Management continues to work closely with the Government and health bodies in the various jurisdictions we operate in and following their guidelines. Collins Foods will continue to implement all measures to ensure the safety of its employees and customers.

ENDS

For further information, please contact:

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About us

Collins Foods Limited (ASX: CKF) is a KFC and Taco Bell franchisee in Australia and KFC franchisee in the Netherlands and Germany, the owner of Sizzler restaurants in Australia and the franchisor for Sizzler in Asia. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Establish Collins Foods as a leading restaurant holding company, which operates premier brands where people love to eat and are proud to work." For further information please visit www.collinsfoods.com