

ASX RELEASE

COLLINS FOODS SIGNS CORPORATE FRANCHISE AGREEMENT FOR KFC NETHERLANDS

Thursday, 7 October 2021: Collins Foods Limited (ASX: CKF or the 'Company') is pleased to announce that one of its wholly owned Dutch subsidiaries, Collins Foods Netherlands Management B.V. ('Collins Foods') has signed an agreement with KFC Europe S.à r.l. ('KFC'), a wholly owned subsidiary of Yum! Brands Inc., for the appointment of Collins Foods as KFC's corporate franchisee in the Netherlands under a corporate franchise agreement ('CFA').

Under the CFA, Collins Foods will develop, manage, market, support and operate the KFC business in the Netherlands, including the introduction, management and oversight of existing and future franchisees.

The CFA sets out a framework for the development of up to 130 net new KFC restaurants in the Netherlands over the next 10 years. These new restaurants will be a mix of independent franchisees and Company owned restaurants. The Company's current Netherlands Development Agreement will be superseded by the CFA.

The CFA puts in place an innovative franchising model whereby Collins Foods will receive a fee from KFC towards their costs of running the market. Collins Foods can also earn various incentives over the term of the CFA through meeting various objectives including those relating to development and other performance measures. The variable nature of these incentives means the economic materiality of the CFA cannot be precisely estimated but is below the threshold of materiality for the Company.

Other terms of the CFA include:

- Effective Date of 31 December 2021 subject to satisfaction of conditions precedent based on meeting various contractual requirements;
- An initial term of five years from the Effective Date, with a conditional option for Collins Foods to extend the term by a further five years;
- Acquisition by Collins Foods of all relevant assets, contracts and employees of KFC required to run KFC Netherlands.

Commenting on the corporate franchise agreement, CKF Managing Director & CEO Drew O'Malley said: "Today's announcement marks a true milestone in the progression of Collins Foods' strategy in Europe. The corporate franchise agreement in the Netherlands is an exciting opportunity that allows us to more fully leverage our scale, experience, and operational capabilities in Europe for the benefit of both the Company and the KFC brand. We believe there is substantial opportunity for restaurant growth in the Netherlands, given KFC's low penetration rate relative to developed markets and other Quick Service Restaurant brands. Further, our current management team for Europe has an excellent track record in the QSR sector and with KFC, and this is a natural extension for them and our business. We enjoy a strong partnership with KFC in Europe and globally, and this agreement is testament to the quality of that relationship. We look forward to working closely with KFC to make this a success."

KFC's MD for Europe, Oleg Pisklov, said: "We are delighted to put in place a corporate franchise agreement with Collins Foods covering the Netherlands. We have full confidence that Collins Foods will be able to drive rapid growth of the KFC Netherlands restaurant network, rolling out new restaurants that they will operate, while supporting existing and new franchisees. We look forward to partnering with Collins Foods to provide more Dutch consumers with the opportunity to enjoy KFC's craveable chicken in a variety of convenient formats."

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Authorised for release by the Board.

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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, and the franchisor for Sizzler in Asia. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Restaurants Done Better." For further information please visit www.collinsfoods.com