



COLLINS FOODS LIMITED

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ASX RELEASE

COLLINS FOODS FURTHER EXPANDS ITS KFC NETHERLANDS NETWORK, ACQUIRING EIGHT ADDITIONAL RESTAURANTS

Monday, 13 February 2023: Collins Foods Limited (ASX: CKF or 'Collins Foods') is pleased to announce that its wholly owned Dutch subsidiary, Collins Foods Netherlands Operations B.V., has entered into a share purchase agreement to acquire eight KFC restaurants in the Netherlands¹ from R. Sambo Holding B.V. (Seller).

Once completed, this acquisition will increase Collins Foods' KFC network in the Netherlands to 56 restaurants, or 64% of this market. It further builds on the Corporate Franchise Agreement (CFA) with the franchisor, covering KFC Netherlands, delivering additional scale and supporting Collins Foods to fully leverage its experience and operational capabilities for the benefit of both Collins Foods and the KFC brand in the Netherlands.

The eight restaurants being acquired will not count towards the CFA's target of up to 130 net new KFC restaurants by 2031.

Commenting on the acquisition, Collins Foods' Managing Director & CEO Drew O'Malley said:

"Today's acquisition is another step forward for Collins Foods' European growth strategy. The eight restaurants we are acquiring in the Netherlands add another quality network of restaurants to our portfolio, as well as enhance our people capability as we continue to grow and increase our operational scale in the Netherlands."

The purchase price under the share purchase agreement will be funded from Collins Foods' existing debt facilities. It has been structured as an initial payment of €8.0 million (subject to certain adjustments for net debt and working capital) with up to an additional €4.6 million via up to two potential earn out payments tied to the restaurants' EBITDA over the next two years.

Completion of the purchase is subject to satisfaction of various standard conditions precedent including obtaining all relevant government permits to operate the restaurants and obtaining the franchisor's consent to the purchase. Subject to satisfaction of conditions precedent, completion is anticipated to occur in or around May 2023.

ENDS

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. Collins Foods 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

¹ Each restaurant is owned by a separate wholly owned subsidiary of the Seller each of which is a private company with limited liability incorporated under Dutch law.