

ASX RELEASE

COLLINS FOODS ANNOUNCES ACCELERATED GERMAN EXPANSION, REFOCUSED NETHERLANDS CORPORATE FRANCHISE AGREEMENT AND ISSUES TRADING UPDATE

Wednesday, 11 March 2026: Collins Foods Limited (ASX: CKF) (**Collins Foods** or **Company**) is pleased to announce the following as it accelerates its German expansion:

- Asset Purchase Agreement (**APA**) signed to acquire eight KFC restaurants in Bavaria, centred around Munich, increasing its presence and scale in Germany.
- German Development Agreements (**German DAs**) to be expanded¹, targeting 45 to 90 new restaurants over four years².
- Refocused and extended Corporate Franchise Agreement (**CFA**) for the Netherlands signed with Yum! Brands.

Collins Foods is accelerating its plans to deliver greater scale in Germany and has signed a binding APA to acquire eight³ restaurants in the state of Bavaria, from JJ Restaurant GmbH & Co. This acquisition will facilitate the expansion of the German DAs, increasing the targeted number of restaurants planned for development.

The acquisition and expansion of the German DAs is consistent with the Company's previously announced strategy to establish Germany as its second strategic growth pillar. In the short term, the acquisition will deliver greater scale with a near 50% increase in the Company's German portfolio while increasing restaurant development opportunities through the state of Bavaria, one of the wealthiest and most populous states of Germany.

Collins Foods has also signed a revised CFA for the Netherlands, enabling the Company to sharpen its focus on operational performance and drive profit improvement in the Dutch market.

Xavier Simonet, Managing Director & CEO commented:

"There is a significant growth opportunity for Collins Foods in the German market, and we are pleased to be executing on our expansion in a disciplined manner. The KFC brand has substantial potential in Germany with approximately a fifth of the store footprint of the largest competitor, McDonald's. Despite lower restaurant density, KFC enjoys strong brand awareness and consumer appeal in Germany, supporting a compelling opportunity to expand our market presence."

"Pleasingly, the acquisition of a high-quality KFC portfolio in Bavaria, centred around Munich, will provide us with a platform to expand in one of Germany's most populated and wealthiest states. These restaurants will bring us immediate scale and importantly, create a strong foundation for accelerated development. The acquisition meets the financial hurdles that guide our investment decisions, with the network to be acquired operating at higher margins than our existing German restaurants."

"Further, the revised German DAs will support development in the states of North-Rhine Westphalia, including the cities of Düsseldorf and Cologne, and Baden-Württemberg, including the city of Stuttgart, as well as expansion in Bavaria. These three states together account for more than half of Germany's 83 million population and are amongst the most prosperous states."

"The updated Netherlands CFA brings our responsibilities into closer alignment with our other operating markets and will enable us to focus more sharply on improving sales and profitability across our network."

¹ Subject to completion of the Bavaria acquisition.

² 2026-2029.

³ Seven existing restaurants and one new restaurant in Freiham, a suburb of Munich, Bavaria, expected to open prior to completion.

Key terms of the APA and expanded German DAs

- Eight restaurants in Bavaria to be acquired for c.€31.1m plus working capital.
- Acquisition subject to satisfaction of standard conditions precedent, including lease assignments, business operating licences and execution of the agreed form expanded German DAs.
- Yum! Brands has provided conditional consent to the transaction.
- Completion expected to occur in May-June 2026.
- Anticipated revenues of the acquired restaurants c.€28.2m and restaurant level pre-AASB16 EBITDA c.€5.3m in the first 12 months of ownership post completion.
- Expanded German DAs targeting 45 to 90 new restaurant developments across Baden-Württemberg, North Rhine-Westphalia and Bavaria over four years.
- Conditional exclusivity and right of first refusal rights for the term of the German DAs in certain areas of Baden-Württemberg and North Rhine-Westphalia.

Dhruv Kaul, Managing Director EMEA at KFC (Yum! Brands) commented: "We are excited to extend our partnership in Germany with Collins Foods to the state of Bavaria. KFC sees immense opportunities in the German market where the brand is already very strong. Partnering with companies like Collins Foods, which has the financial and operational resources to accelerate the build-out of the German KFC network, is an essential part of our German growth strategy."

Key terms of the revised Netherlands CFA

- The CFA has been extended by three years to 31 December 2029.
- Yum! Brands will resume responsibility for marketing activities from 1 January 2027.
- Collins Foods will refocus on its core role as a restaurant operator while continuing to provide operational, IT, supply chain and sub-franchisee management services.
- Collins Foods' marketing-related employees will transfer to Yum! Brands by 1 January 2027.
- The service fee payable to Collins Foods has been adjusted to reflect the changes in responsibilities.
- As previously highlighted, Collins Foods' development targets have been moderated, allowing greater flexibility for the Company to optimise the existing restaurant portfolio.

These changes are not expected to materially impact the profitability of the Netherlands business.

Trading Update

The Company continued to deliver total sales growth through network development, and a focus on operational performance. Total sales accelerated slightly in H2 FY26 compared to H1 FY26 in Australia, with Germany sales growth continuing to show momentum. Total sales in the Netherlands continued to grow whilst same store sales were slightly lower in H2 FY26 to date vs H1 FY26; with the Company's continued focus being on returning the market to profitability.

	TOTAL SALES		SSSG	
FY26	YTD	H2 to date	YTD	H2 to date
Australia	5.6%	6.2%	2.7%	3.2%
Germany	8.7%	9.1%	4.5%	4.1%
Netherlands	4.4%	4.1%	0.1%	(0.3%)

Collins Foods reaffirms FY26 full year guidance of mid-to-high teens growth in Group Underlying NPAT (post AASB16) provided at the time of the H1 FY26 results.

Investor Call – Thursday 12 March

Management will hold a webinar at 8am AEST / 9am AEDT Thursday 12 March to run through these exciting developments in Europe. Investors and analysts will be given an opportunity to ask questions.

Participants can register for the briefing session via: <https://s1.c-conf.com/diamondpass/10053588-05epmg.html>

Please select either the "Teleconference" tab for audio participation only or "Webcast" to also view the slide presentation.

Please note that registered participants will receive a calendar invite once registration is complete. Registered participants for the Teleconference will also receive their dial in number upon registration.

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Authorised for release by the Board.

For further information, please contact:

Investors

Andreas Lundberg

Fortitude IR

+61 457 650 482

andreas.lundberg@fortitudeir.com.au

Steve Loxton

Fortitude IR

+61 412 595 133

steve.loxton@fortitudeir.com.au

Media

Max Hewett

Patterson Advisory

+61 432 332 215

mhewett@pattersonadvisory.com.au

About us

For further information please visit www.collinsfoods.com.