

ASX RELEASE

COLLINS FOODS RETURNS JOBKEEPER PAYMENTS

Tuesday, 16 February 2021: Collins Foods Limited (ASX: CKF) today advised that it will be returning Job Keeper payments of \$1.8 million received during FY21 for Sizzler Australia operations.

Collins Foods received that amount in JobKeeper subsidies from the Australian Government following a decline of more than 30 per cent in revenue in its Sizzler Australia division's nine remaining restaurants early in the pandemic - the threshold for access to the Federal Government's stimulus program designed to keep people in jobs.

Of the three restaurant brands that Collins Foods operates, Sizzler was hardest hit during the COVID-19 pandemic. Based around a casual dine-in concept, and unlike Collins Foods' KFC and Taco Bell restaurants, Sizzler revenues and earnings were slow to recover from peak COVID-19 impacts, and the Sizzler business continued operating at a loss.

After careful monitoring of performance during subsequent months, it became apparent that with reduced seating capacity and the inability to provide its signature buffets for the foreseeable future, the Sizzler business model faced insurmountable obstacles to re-attaining viability in Australia. Accordingly, the Board decided in October 2020 to close the remaining Sizzler restaurants in Australia over the following months.

Even though Sizzler employees would continue to be entitled to JobKeeper until their restaurant closures, Collins Foods decided from the date of the closure decision that it would not continue to seek the JobKeeper allowance from the Australian Federal Government. Instead, it 'topped up' payments to the equivalent JobKeeper payment they would have received as part of the Government program.

Collins Foods' CEO, Drew O'Malley said, "With the onset of the pandemic many activities that we all hold dear, like eating together in restaurants, faced an uncertain future. We claimed JobKeeper payments for our Sizzler business in the spirit of the program's intent, which was to help support the job security of our 600 dedicated Sizzler employees during a time where sales were down well over 50%.

"Once we had made the difficult decision to close the nine remaining Sizzler stores in Australia based on a projection of extended sales declines, we decided that we would not continue to draw the Jobkeeper allowance from the Government, but would top up the payments to staff to the equivalent amount.

"Our additional decision, announced today, to return the initial \$1.8 million in JobKeeper payments as outlined in our half-yearly results, is an extension of this approach, and in line with one of our corporate values of "Positive Impact". We were also pleased to be able to redeploy over 90 Sizzler employees into our KFC and Taco Bell restaurants.

"We are fortunate that our other restaurant brands in Australia, KFC and Taco Bell, have successfully navigated this difficult period. Both brands have successfully adapted to contactless channels like drive-thru and delivery and facilitated strong overall sales growth for the first half of the financial year for the Company. And of course, we thank the Australian public for their continued support during these challenging times."

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