COLLINS FOODS LIMITED

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3 December 2024

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

APPENDIX 4D & FY25 HALF YEAR FINANCIAL REPORT

Attached for release to the market are the ASX Appendix 4D and the Half-Year Financial Report for the period ended 13 October 2024 for Collins Foods Limited.

Authorised for release by Collins Foods Limited's Board of Directors.

For further information, please contact:

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COLLINS FOODS LIMITED

INTERIM FINANCIAL REPORT

FOR THE REPORTING PERIOD ENDED 13 OCTOBER 2024

Collins Foods Limited ACN 151 420 781
Authorised for release by the board

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APPENDIX 4D

Half Year Financial Report
for the reporting period ended 13 October 2024

Reporting period: 24 weeks to 13 October 2024
Previous corresponding period: 24 weeks to 15 October 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and net profit

	Percentage change %	Period ended 13 October 2024 $000	Period ended 15 October 2023 $000
Revenue from ordinary activities	Up 1.2%	703,532	695,151
Profit from ordinary activities after tax attributable to members	Down 17.9%	24,120	29,367
Profit from discontinued operations after tax	Down 100.0%	–	21,084
Net profit for the period attributable to members	Down 52.1%	24,120	50,451

Brief explanation of the figures reported above

This report is based on the consolidated interim financial statements which have been reviewed by the auditor. The review report, which was unqualified, is included within the Company's Interim Financial Report for the 24 weeks ending 13 October 2024 which accompanies this Appendix 4D.

For an explanation of the figures above please refer to the Results Announcement for the period ended 13 October 2024 and the Directors' Report, which forms part of the Interim Financial Report.

Dividends

	Amount per security	Franked amount per security
Interim dividend for reporting period: - payable 6 January 2025 The record date for determining entitlements to the interim dividend: - 9 December 2024	11.0 cents	11.0 cents
Interim dividend for previous corresponding period (15 October 2023) - paid 28 December 2023	12.5 cents	12.5 cents
Final dividend at year end (28 April 2024) - paid 6 August 2024	15.5 cents	15.5 cents

An interim fully franked dividend of 11.0 cents per share was declared by the Board of Directors on 3 December 2024. In accordance with accounting standards, as the dividend was not declared prior to the reporting period end, no provision has been taken up for this dividend in the financial statements for the reporting period ended 13 October 2024.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) remains active and is applicable to the Interim ordinary dividend. Participation in the DRP is optional and offers eligible shareholders the opportunity to acquire fully paid ordinary shares in the Company rather than receiving dividends in cash. The allocation price will be the average of the daily volume-weighted average price of Collins Foods Limited ordinary shares traded on the ASX during the 10 consecutive trading days during the period 13 December 2024 to 30 December 2024 (inclusive). Election notices for participation in the DRP for the interim dividend to be paid on 6 January 2025 must be received by 11 December 2024 to be eligible.

Net tangible assets per security

	Current reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	$0.26	$0.03

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Collins Foods Limited (the Company) and the entities it controlled at the end of, or during, the period ended 13 October 2024, which the directors consider to be the first half (half year) of the Group's financial year to 27 April 2025.

Directors

The names of the Directors of the Company during or since the end of the financial period are as follows:

Name	Date of appointment
Robert Kaye SC	7 October 2014
Xavier Simonet (1)	4 November 2024
Nicki Anderson	13 January 2023
Nigel Clark	1 September 2023
Mark Hawthorne	23 December 2021
Christine Holman	12 December 2019
Kevin Perkins (2)	15 July 2011
Drew O'Malley (3)	29 June 2021

(1) Xavier Simonet appointed Managing Director and Chief Executive Officer, effective 4 November 2024.
(2) Kevin Perkins appointed Interim Managing Director and Chief Executive Officer effective 5 February 2024 to 4 November 2024. At completion of secondment, resumed duties as Non-executive Director.
(3) Drew O'Malley retired as Managing Director and Chief Executive Officer, effective 1 July 2024.

Operating and financial review

GROUP OVERVIEW

The Group's business is the management and operation of quick service restaurants, currently comprising the KFC and Taco Bell brands. Owned globally by Yum!, these brands are two of the world's largest restaurant chains. In Australia, Collins Foods is the largest franchisee of KFC restaurants.

At the end of the period, the Group operated 285 KFC and 27 Taco Bell restaurants in Australia, 58 KFC restaurants in the Netherlands, and 16 KFC restaurants in Germany.

REVENUE AND EXPENSES

Revenues from continuing operations for the half year were $703.5 million, up 1.2% on the previous corresponding period. Compared to the previous corresponding period, revenues in the Australian KFC restaurants segment were $536.8 million, up 2.7%. Revenues in the Europe KFC restaurants segment were $142.1 million, down 3.4% and Taco Bell revenues were $24.6 million, down 2.0%.

The growth in total revenues was due to modest growth in Australia offset by softness in Europe, with disposable income remaining a challenge for consumers. Underlying earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) for the half year was $102.7 million, down 6.6% compared to the previous corresponding period, with margins impacted by a combination of relatively flat sales and ongoing inflationary pressures in labour, energy and cost of sales inputs.

NET PROFIT

Statutory net profit was $24.1 million for the half year, down $26.3 million on the previous corresponding period, which included $20.2m profit on the sale of Sizzler Asia. Statutory net profit from continuing operations was $24.1 million for the half year, down $5.2 million on the prior corresponding period. Basic earnings per share from continuing operations were 20.5 cents compared to the previous corresponding period of 25.0 cents.

CASH FLOW AND BALANCE SHEET

Net cash flow from operations reflected in the statutory Consolidated Statement of Cash Flows of $75.3 million was $6.8 million lower than the prior comparable period, reflecting lower EBITDA; however, cash conversion remained strong.

Cash flow from investing activities was a net outflow of $34.9 million, reflecting investment in network and technology, including new restaurants, remodels, digital and sustainability investments and in asset renewal.

Cash flow from financing activities were lower by $21.4 million to $35.8 million, with the prior year including debt repayments. Strong cash flows continue supporting reinvestment in the business and dividend payments.

Cash and cash equivalents as at 13 October 2024 were $88.6 million, representing a $4.8 million increase when compared to 28 April 2024.

Total indebtedness (net of capitalised borrowing costs) at 13 October 2024 was $247.3 million, down $1.5 million from 28 April 2024, with undrawn facilities of $153.6 million within the Bank Loan Facility and $9.1 million under the Working Capital Facility. Net debt (excluding bank guarantee and net of cash and cash equivalents) was $158.9 million.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

The Group is not aware of any matters or circumstances that have arisen since the end of the reporting period which have significantly or may significantly affect the operations and results.

Dividends

The Directors declared a fully franked interim dividend of 11.0 cents per share, payable on 6 January 2025.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Australian Securities and Investments Commission Order

The Australian Securities and Investments Commission Order 11-0958 granted the Company relief under section 340 of the Act which permits the Company to publish a half year report which differs from that prescribed by the Act.

The first half of the year ending 27 April 2025, is the twenty-four-week period ended 13 October 2024. The comparative half year period commenced on 1 May 2023 and ended on 15 October 2023.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report are rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

Robert Kaye SC
Chair

Brisbane
3 December 2024

Auditor's Independence Declaration

As lead auditor for the review of Collins Foods Limited for the half-year ended 13 October 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Collins Foods Limited and the entities it controlled during the period.

Michael Crowe
Partner
PricewaterhouseCoopers

Brisbane
3 December 2024

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CONSOLIDATED INCOME STATEMENT

For the reporting period ended 13 October 2024

	Notes	Period ended 13 October 2024 $000	Period ended 15 October 2023 $000
Revenue	A3	703,532	695,151
Cost of sales		(346,720)	(342,381)
Gross profit		**356,812**	**352,770**
Selling, marketing and royalty expenses		(158,138)	(153,903)
Occupancy expenses		(41,642)	(38,181)
Restaurant related expenses		(58,399)	(53,953)
Administrative expenses		(40,973)	(41,154)
Other expenses		(8,502)	(7,150)
Other income		2,921	1,907
Other gains/(losses) – net		959	(362)
Profit from continuing operations before finance income, finance costs and income tax (EBIT)		**53,038**	**59,974**
Finance income		1,201	1,004
Finance costs		(18,199)	(18,017)
Profit from continuing operations before income tax		**36,040**	**42,961**
Income tax expense		(11,920)	(13,594)
Profit from continuing operations		**24,120**	**29,367**
Profit from discontinued operation (attributable to equity holders of the Company)	E2	–	21,084
Net profit attributable to members of Collins Foods Limited		**24,120**	**50,451**

	Cents per share	Cents per share
Basic earnings per share from continuing operations (cents)	20.5	25.0
Basic earnings per share from discontinued operations (cents)	–	18.0
Diluted earnings per share from continuing operations (cents)	20.3	24.7
Diluted earnings per share from discontinued operations (cents)	–	17.7

	Shares	Shares
Weighted average basic ordinary shares outstanding	117,723,631	117,423,650
Weighted average diluted ordinary shares outstanding	118,900,569	118,793,680

The above Consolidated Income Statement should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the reporting period ended 13 October 2024

	Notes	Period ended 13 October 2024 $000	Period ended 15 October 2023 $000
Net profit attributable to members of Collins Foods Limited		**24,120**	**50,451**
Items that may be reclassified to profit or loss			
Other comprehensive income/(expense):			
Exchange differences on translation of foreign operations		(332)	(64)
Exchange differences on translation of discontinued operations	E2	–	(5,778)
Cash flow hedges		(3,044)	116
Income tax relating to components of other comprehensive income		913	(35)
Other comprehensive expense for the period, net of tax		**(2,463)**	**(5,761)**
Total comprehensive income for the reporting period		**21,657**	**44,690**
Total comprehensive income for the period is attributable to:			
Owners of the parent		**21,657**	**44,690**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

CONSOLIDATED BALANCE SHEET

As at 13 October 2024

	Notes	13 October 2024 $000	28 April 2024 $000
ASSETS			
Current assets:			
Cash and cash equivalents		88,575	83,822
Receivables		4,573	8,205
Inventories		9,733	9,464
Derivative financial instruments		837	3,025
Other assets		6,696	5,080
Total current assets		**110,414**	**109,596**
Non-current assets:			
Property, plant and equipment	F2	256,276	255,302
Intangible assets	F3	500,598	502,832
Right-of-use assets		490,807	489,098
Deferred tax assets		62,019	60,201
Derivative financial instruments		–	687
Other financial assets		295	291
Other assets		133	219
Total non-current assets		**1,310,128**	**1,308,630**
Total assets		**1,420,542**	**1,418,226**
LIABILITIES			
Current liabilities:			
Trade and other payables		122,804	129,204
Lease liabilities		47,147	47,844
Current tax liabilities		6,756	7,482
Provisions		15,152	15,195
Total current liabilities		**191,859**	**199,725**
Non-current liabilities:			
Borrowings	C	247,310	248,847
Lease liabilities		543,651	537,851
Derivative financial instruments		268	–
Provisions		5,977	5,360
Total non-current liabilities		**797,206**	**792,058**
Total liabilities		**989,065**	**991,783**
NET ASSETS		**431,477**	**426,443**
EQUITY			
Contributed equity	D	302,325	300,157
Reserves		10,451	13,472
Retained earnings		118,701	112,814
TOTAL EQUITY		**431,477**	**426,443**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the reporting period ended 13 October 2024

	Notes	Period ended 13 October 2024 $000	Period ended 15 October 2023 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		774,035	766,598
Payments to suppliers and employees (inclusive of GST and VAT)		(635,126)	(620,271)
Goods and services taxes (GST) and Value added taxes (VAT) paid		(33,390)	(33,245)
Interest received		1,201	1,004
Interest and other borrowing costs paid		(4,875)	(5,267)
Interest paid on leases		(12,921)	(11,761)
Income tax paid		(13,580)	(14,898)
Net operating cash flows		**75,344**	**82,160**
Cash flows from investing activities			
Proceeds from sale of subsidiary, net of cash disposed and operating cash		–	22,758
Proceeds received from wind-up of Joint Venture		–	2,742
Proceeds on acquisition, working capital adjustment received		–	3,390
Payments for property, plant and equipment		(34,100)	(32,815)
Payments for intangible assets		(835)	(2,709)
Net investing cash flows		**(34,935)**	**(6,634)**
Cash flows from financing activities			
Refinance fees paid		–	(124)
Repayment of borrowings and other obligations		–	(22,012)
Payments for lease principal		(18,939)	(18,715)
Dividends paid		(16,854)	(16,375)
Net financing cash flows		**(35,793)**	**(57,226)**
Net increase in cash and cash equivalents		4,616	18,300
Cash and cash equivalents at the beginning of the reporting period		83,822	80,236
Effects of exchange rate changes on cash and cash equivalents		137	(392)
Cash and cash equivalents at end of reporting period		**88,575**	**98,144**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the reporting period ended 13 October 2024

13 October 2024	Notes	Contributed equity $000	Reserves $000	Retained earnings $000	Total equity $000
Balance as at 28 April 2024		**300,157**	**13,472**	**112,814**	**426,443**
Profit for the reporting period		–	–	24,120	24,120
Other comprehensive expense		–	(2,463)	–	(2,463)
Total comprehensive income /(expense) for the reporting period		**–**	**(2,463)**	**24,120**	**21,657**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	D	1,379	–	–	1,379
Share based payments		–	231	–	231
Dividends provided for or paid	B2	–	–	(18,233)	(18,233)
Performance rights vested	D	789	(789)	–	–
Balance as at 13 October 2024		**302,325**	**10,451**	**118,701**	**431,477**

15 October 2023	Notes	$000	$000	$000	$000
Balance as at 30 April 2023		**297,372**	**18,741**	**68,385**	**384,498**
Profit for the reporting period		–	–	50,451	50,451
Other comprehensive expense		–	(5,761)	–	(5,761)
Total comprehensive income /(expense) for the reporting period		**–**	**(5,761)**	**50,451**	**44,690**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	D	1,230	–	–	1,230
Share based payments		–	1,049	–	1,049
Dividends provided for or paid	B2	–	–	(17,605)	(17,605)
Performance rights vested	D	387	(387)	–	–
Balance as at 15 October 2023		**298,989**	**13,642**	**101,231**	**413,862**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A: FINANCIAL OVERVIEW

This section provides information relevant to explaining the Group's performance during the reporting period, and the accounting policies which have been applied and significant estimates and judgements made.

A1: Segment Information

A2: Business combinations

A3: Revenue

A1: Segment Information

Operating segments have been reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker for the reporting period ended 13 October 2024 is responsible for allocating resources and assessing the performance of the operating segments, and has been identified as the Interim Managing Director & Chief Executive Officer.

DESCRIPTION OF SEGMENTS

Three reportable segments have been identified: KFC Australia, KFC Europe and Taco Bell Australia, all competing in the quick service restaurant market.

Other represents Shared Services, which are administrative and management functions supporting the Group's restaurants and other stakeholders. This segment is not separately reportable due to its relative size.

SEGMENT INFORMATION PROVIDED TO THE MANAGING DIRECTOR & CEO

The following is an analysis of the results by reportable operating segment for the periods under review:

	KFC Australia	KFC Europe	Taco Bell Australia	Other	Total
Period ended 13 October 2024	**$000**	**$000**	**$000**	**$000**	**$000**
Total segment revenue	536,825	142,143	24,564	–	703,532
Underlying EBITDA (1)	102,151	17,091	(901)	(15,672)	102,669
Number of restaurants (2)	285	74	27	–	386
Period ended 15 October 2023	**$000**	**$000**	**$000**	**$000**	**$000**
Total segment revenue	522,928	147,154	25,069	–	695,151
Underlying EBITDA (1)	105,457	20,152	(126)	(15,590)	109,893
Number of restaurants (2)	275	72	27	–	374

(1) Refer below for a description and reconciliation of Underlying EBITDA.
(2) Number of restaurants refers to Group owned restaurants.

OTHER SEGMENT INFORMATION

Segment revenue

There are no sales between segments. Revenue from external parties reported to the Board is measured in a manner consistent with the Consolidated Income Statement.

Revenue from external customers is derived from the sale of food and related services in KFC and Taco Bell restaurants, both in Australia and Europe, as well as revenue derived from the Corporate Franchise Agreement (CFA) in the Netherlands.

Underlying EBITDA from continuing operations

The Board assesses the performance of operating segments based on a measure of Underlying EBITDA. This measurement basis excludes the effects of costs associated with acquisitions. It also excludes impairment of property, plant, equipment, franchise rights, brand assets, goodwill and leases to the extent they are isolated non-recurring events plus any other non-recurring items. Net finance costs (including the impact of derivative financial instruments) are not allocated to segments as this type of activity is managed by a central treasury function.

A1: Segment Information continued

A reconciliation of Underlying EBITDA to profit from continuing operations before income tax is provided as follows:

	Period ended 13 October 2024 $000	Period ended 15 October 2023 $000
Underlying EBITDA	102,669	109,893
Finance costs - net	(16,998)	(17,013)
Acquisition and operational integration costs expensed	–	(1,172)
Depreciation	(48,667)	(46,463)
Amortisation	(1,392)	(1,898)
Impairment [1]	(128)	(2,036)
Fair value loss on debt modification	–	(363)
Reversal for onerous contract and store closure costs	856	2,013
Other non-trading items	(300)	–
Profit before income tax from continuing operations	**36,040**	**42,961**

(1) Impairment includes Property, plant and equipment, intangible assets, right-of-use assets and smallwares.

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A2: Business combinations

PRIOR PERIOD

On 2 May 2023, Collins Foods Netherlands Operations B.V., a wholly owned subsidiary of Collins Foods Limited, completed the acquisition of eight KFC restaurants. Details of this business combination was disclosed in Note A2 of the Group's annual financial statements for the year ended 28 April 2024. No changes to the provisional acquisition accounting disclosed were made since that time.

Contingent consideration

As at 13 October 2024, there were no changes to the estimated range of the second EBITDA target, therefore no changes to the contingent consideration liability calculated on acquisition date. The liability is presented within Trade and other payables in the Group's Consolidated Balance Sheet.

A3: Revenue

Revenue is recognised when performance obligations under relevant customer contracts are completed. Performance obligations may be completed at a point in time or over time.

In the following table, revenue is disaggregated by type and by timing of revenue recognition. No single customer amounts to 10% or more of the consolidated entity's total external revenue.

Revenue type	KFC Australia $000	KFC Europe $000	Taco Bell Australia $000	Total $000
Period ended 13 October 2024				
Sale of goods	536,825	140,433	24,564	701,822
CFA revenue	–	1,710	–	1,710
Total revenue	**536,825**	**142,143**	**24,564**	**703,532**
Period ended 15 October 2023				
Sale of goods	522,928	145,597	25,069	693,594
CFA revenue	–	1,557	–	1,557
Total revenue	**522,928**	**147,154**	**25,069**	**695,151**

Timing of revenue recognition	KFC Australia $000	KFC Europe $000	Taco Bell Australia $000	Total $000
Period ended 13 October 2024				
At a point in time	536,825	140,450	24,564	701,839
Over time	–	1,693	–	1,693
Total revenue	**536,825**	**142,143**	**24,564**	**703,532**
Period ended 15 October 2023				
At a point in time	522,928	145,612	25,069	693,609
Over time	–	1,542	–	1,542
Total revenue	**522,928**	**147,154**	**25,069**	**695,151**

B: CASH MANAGEMENT

Collins Foods Limited has a focus on maintaining a strong balance sheet to fund investment activity and provide shareholders with dividends.

B1: Borrowings

B2: Dividends

B1: Borrowings

A subsidiary of the Company, CFG Finance Pty Limited, is the primary borrower under a Syndicated Facility Agreement. The Syndicated Facility Agreement includes bank loan facilities (Syndicated Facility) and a Working Capital Facility Agreement (Working Capital Facility). On 12 October 2023, the Group entered into a new Syndicated Facility Agreement for a total of $180 million and €145 million, which includes both the bank loan facilities and working capital facilities. The term of the facility is a blend of maturities with $110 million and €90 million maturing on 31 October 2026 and the remaining $70 million and €55 million expiring on 31 October 2028.

The Syndicated Facility and Working Capital Facility are subject to certain financial covenants and restrictions such as net leverage ratios, interest cover ratios and others which are customary for these types of loans. There have been no changes to the covenants as a result of entering into the new Syndicated Facility Agreement. During the reporting period ended 13 October 2024, the Group complied with the financial covenants and restrictions relating to these facilities. The Company and its Australian subsidiaries (other than subsidiaries outside of the Closed Group) and the European subsidiaries were registered guarantors of all the obligations in respect of these loan facilities.

As at 13 October 2024, the Group's available financing facilities were as follows:

AVAILABLE FINANCING FACILITIES

	13 October 2024		28 April 2024	
	Working Capital Facility	Bank Loan Facility	Working Capital Facility	Bank Loan Facility
	$000	$000	$000	$000
Used [1]	17,073	235,289	17,097	236,982
Unused	9,142	153,618	9,307	154,475
Total	**26,215**	**388,907**	**26,404**	**391,457**

(1) $4,911,000 (2024: $4,794,000) of the working capital facility has been used for bank guarantees rather than drawn down cash funding. In addition, an amount of $141,000 (2024: $438,000) relating to capitalised fees is not included in the above figures, but included in the total Borrowings amount on the Balance Sheet.

B2: Dividends

Dividends	Period ended 13 October 2024	Period ended 15 October 2023
	$000	$000
Ordinary shares Dividends provided for or paid during the half year	[1] 18,233	[1] 17,605
Dividends not recognised at the end of the half year In addition to the above dividends, since the end of the reporting period, the directors have recommended the payment of an interim dividend of 11.0 cents per fully paid ordinary share (prior reporting period: 12.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 6 January 2025 out of retained earnings at 13 October 2024, but not recognised as a liability at the end of the reporting period, is $12,959,540	12,960	14,686

(1) Includes $1,379,363 (HY24: $1,229,514) relating to the Dividend Reinvestment Plan.

During FY23, the Group introduced a Dividend Reinvestment Plan (DRP), allowing shareholders with a registered address in Australia and New Zealand to reinvest all or part of their dividends into fully paid Collins Foods Limited shares.

During the half year to 13 October 2024, 154,360 shares were issued to eligible shareholders (HY24: 121,652) with a value of $1,379,363 (HY24: $1,229,514).

C: RECOGNISED FAIR VALUE MEASUREMENTS

This Note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

FAIR VALUE HIERARCHY

To provide an indication of the reliability of inputs used in determining fair value, the Group has classified such assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements is approximate to their fair values.

As at the end of the current reporting period and the prior reporting period, the Group had derivative financial instruments classified as Level 2 financial instruments. There are no Level 1 or Level 3 financial instruments.

LEVEL 2 FINANCIAL INSTRUMENTS

The fair values of derivative instruments were determined as the estimated amount that the Group would receive or pay to terminate the interest rate swap at the end of the reporting period, taking into account the current interest rate.

There were no transfers between the levels of fair value hierarchy in the half year to 13 October 2024. There were also no changes made to any of the valuation techniques applied as of 28 April 2024.

VALUATION PROCESSES

The Group engages a third-party expert valuer to value derivative financial instruments which are required to be measured, recognised and disclosed in the financial statements, at fair value. This includes Level 2 fair values. Outcomes of valuations are reported to the Group Chief Financial Officer (CFO) and the Audit and Risk Committee (ARC). Discussions regarding valuation processes and results are held at least every six months, in line with the Group's reporting periods.

The main Level 2 inputs used by the Group are derived and evaluated as follows:

- discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate reflecting current market assessments of the time value of money and the risk specific to the asset.

Changes in Level 2 fair values are reviewed at the end of each reporting period, including reasons for movements in fair value.

DISCLOSED FAIR VALUES

The Group also has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes to the Consolidated Financial Statements.

Receivables

Due to the short term nature of current receivables, their carrying amount is assumed to be the same as their fair value. For most non-current receivables, the fair values are not materially different to their carrying amounts, since the interest on those receivables approximate current market rates.

Trade and other payables

Due to the short term nature of trade and other payables, their carrying amount is assumed to be the same as their fair value.

Borrowings

The fair value of borrowings is as follows:

	13 October 2024			28 April 2024		
	Carrying amount	Fair value	Discount rate	Carrying amount	Fair value	Discount rate
	$000	$000	%	$000	$000	%
Bank Loan (net of borrowing costs)	247,310	230,904	4.9%	248,847	234,209	5.1%

The fair value of non-current borrowings is based on discounted cash flows using the rate disclosed in the table above. They are classified as Level 2 values in the fair value hierarchy due to the use of observable inputs, including the credit risk of the Group.

For further details on Borrowings, refer to Note B1.

D: CONTRIBUTED EQUITY

RECONCILIATION OF ORDINARY SHARE CAPITAL

The following reconciliation summarises the movements in issued capital during the period. Detailed information on each issue of shares is publicly available via the ASX.

EQUITY OF PARENT COMPANY

	13 October 2024		15 October 2023	
	Shares (thousands)	Share capital $000	Shares (thousands)	Share capital $000
Issues of ordinary shares during the half year:				
Balance at beginning of the period	117,581	300,157	117,323	297,372
Dividend reinvestment plan	154	1,379	122	1,230
Senior executive performance rights plan	25	319	–	–
Employee ownership share plan	54	470	45	387
Balance at the end of the period	**117,814**	**302,325**	**117,490**	**298,989**

E: DISCONTINUED OPERATIONS

E1: Description

E2: Financial performance and cash flow information

E3: Details of the sale of the subsidiary

E1: Description

On 30 April 2023, the Group signed a Letter of Intent to sell the 100% owned subsidiary SingCo Trading Pte. Ltd Group (SingCo) for SGD20.2 million. The associated SingCo assets and liabilities were consequently presented as held for sale in the 2023 annual financial statements.

The subsidiary was sold on 11 July 2023 and reported in the prior period as a discontinued operation. Financial information relating to the discontinued operation for the prior period to the date of disposal is set out below.

E2: Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 11 July 2023 (date of disposal).

	11 July 2023 $000
Revenue	821
Cost of Sales	–
Gross profit	**821**
Other Expenses	–
Administration expenses	(150)
Other income	290
Profit from discontinued operations before income tax (EBIT)	**961**
Income tax expense	(135)
Gain on sale of the subsidiary after income tax	20,258
Profit from discontinued operations	**21,084**
Exchange differences on translation of discontinued operations	5,778
Other comprehensive income from discontinued operations	**5,778**

	11 July 2023 $000
Net cash outflow from operating activities	(445)
Net cash inflow from investing activities (includes an inflow of $22,757,632 from the sale of the subsidiary, net of cash disposed)	25,499
Net cash outflow from financing activities	(4,415)
Net increase in cash generated by the discontinued operations	**20,639**

E3: Details of the sale of the subsidiary

The details of the consideration received from the sale of the subsidiary are set out below.

	11 July 2023 $000
Consideration received	
Cash	23,506
Total disposal consideration received	**23,506**
Carrying amount of net assets sold	(8,791)
Gain on sale before income tax and reclassification of foreign currency translation reserve	**14,715**
Reclassification of foreign currency translation reserve	5,543
Income tax expense on gain	–
Gain on sale after income tax	**20,258**

E3: Details of the sale of the subsidiary continued

The carrying amounts of the assets and liabilities as at the date of sale (11 July 2023) were:

	11 July 2023 $000
Cash and cash equivalents	748
Trade and other receivables	515
Other assets	112
Intangible assets [1]	9,402
Total assets	**10,777**
Trade and other payables	626
Deferred tax liabilities	1,360
Total liabilities	**1,986**
Net Assets	**8,791**

(1) Includes recognised Goodwill of $1,405,000.

F: OTHER INFORMATION

F1: Commitments

CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities were as follows:

	13 October 2024 $000	28 April 2024 $000
Right-of-use assets [1]	53,301	45,427
Property, plant and equipment	1,804	4,876
Land and buildings	11,528	9,556
Total commitments	**66,633**	**59,859**

(1) This represents any agreements for leases the Group signed before the period end date, which have not yet proceeded to an executed lease agreement. This is the value repayable over the primary term of the lease. As there was not yet a commencement date, the values have not been discounted to present value.

F2: Property, plant and equipment

	Land and buildings $000	Leasehold improvements $000	Plant and equipment $000	Construction in progress $000	Total $000
At 29 April 2024					
Cost	29,843	373,010	249,330	16,014	668,197
Accumulated depreciation & impairments	(2,303)	(238,523)	(172,069)	–	(412,895)
Net book amount at 29 April 2024	**27,540**	**134,487**	**77,261**	**16,014**	**255,302**
Additions	–	–	–	25,945	25,945
Transfers	2,499	14,888	16,550	(34,029)	(92)
Depreciation charge	(321)	(11,461)	(11,883)	–	(23,665)
Disposals	–	(25)	(127)	(453)	(605)
Exchange differences	–	(452)	(116)	(41)	(609)
Net book amount at 13 October 2024	**29,718**	**137,437**	**81,685**	**7,436**	**256,276**
At 13 October 2024					
Cost	32,343	386,333	263,215	7,436	689,327
Accumulated depreciation & impairments	(2,625)	(248,896)	(181,530)	–	(433,051)
Net book amount at 13 October 2024	**29,718**	**137,437**	**81,685**	**7,436**	**256,276**

	$000	$000	$000	$000	$000
At 1 May 2023					
Cost	26,639	334,424	220,056	10,688	591,807
Accumulated depreciation & impairments	(1,708)	(215,802)	(149,777)	–	(367,287)
Net book amount at 1 May 2023	**24,931**	**118,622**	**70,279**	**10,688**	**224,520**
Additions	–	–	–	77,420	77,420
Acquisitions through controlled entity purchased	–	3,133	2,494	–	5,627
Transfers	3,203	38,436	29,893	(71,867)	(335)
Depreciation charge	(594)	(24,905)	(24,418)	–	(49,917)
Impairment charge [1]	–	(235)	(538)	–	(773)
Disposals	–	(9)	(84)	(317)	(410)
Exchange differences	–	(555)	(365)	90	(830)
Net book amount at 28 April 2024	**27,540**	**134,487**	**77,261**	**16,014**	**255,302**

F2: Property, plant and equipment continued

	Land and buildings $000	Leasehold improvements $000	Plant and equipment $000	Construction in progress $000	Total $000
At 28 April 2024					
Cost	29,843	373,010	249,330	16,014	668,197
Accumulated depreciation & impairments	(2,303)	(238,523)	(172,069)	–	(412,895)
Net book amount at 28 April 2024	**27,540**	**134,487**	**77,261**	**16,014**	**255,302**

(1) Included in Note F4 is the breakdown of impairment charge.

F3: Intangible assets

	Goodwill $000	Franchise rights $000	Brand names $000	Software $000	Other $000	Total $000
At 29 April 2024						
Cost	511,810	26,772	–	14,650	2,902	556,134
Accumulated amortisation & impairments	(28,070)	(13,307)	–	(11,650)	(275)	(53,302)
Net book amount at 29 April 2024	**483,740**	**13,465**	**–**	**3,000**	**2,627**	**502,832**
Additions	–	465	–	370	–	835
Transfers	–	–	–	92	–	92
Amortisation charge	–	(824)	–	(459)	(109)	(1,392)
Disposals	–	–	–	(2)	–	(2)
Exchange differences	(1,666)	(29)	–	(42)	(30)	(1,767)
Net book amount at 13 October 2024	**482,074**	**13,077**	**–**	**2,959**	**2,488**	**500,598**
At 13 October 2024						
Cost	510,144	27,181	–	15,050	2,868	555,243
Accumulated amortisation & impairments	(28,070)	(14,104)	–	(12,091)	(380)	(54,645)
Net book amount at 13 October 2024	**482,074**	**13,077**	**–**	**2,959**	**2,488**	**500,598**

	$000	$000	$000	$000	$000	$000
At 1 May 2023						
Cost	499,132	23,916	11,261	13,937	5,302	553,548
Accumulated amortisation & impairments	(28,070)	(11,816)	(11,261)	(10,031)	(78)	(61,256)
Net book amount at 1 May 2023	**471,062**	**12,100**	**–**	**3,906**	**5,224**	**492,292**
Additions	–	2,696	–	540	–	3,236
Acquisitions through controlled entity purchased	14,724	719	–	–	–	15,443
Transfers	–	–	–	335	–	335
Amortisation charge	–	(1,814)	–	(1,709)	(240)	(3,763)
Impairment charge (1)	–	(198)	–	(3)	–	(201)
Disposals	–	(2)	–	(58)	(2,317)	(2,377)
Exchange differences	(2,046)	(36)	–	(11)	(40)	(2,133)
Net book amount at 28 April 2024	**483,740**	**13,465**	**–**	**3,000**	**2,627**	**502,832**
At 28 April 2024						
Cost	511,810	26,772	–	14,650	2,902	556,134
Accumulated amortisation & impairments	(28,070)	(13,307)	–	(11,650)	(275)	(53,302)
Net book amount at 28 April 2024	**483,740**	**13,465**	**–**	**3,000**	**2,627**	**502,832**

(1) Included in Note F4 is the breakdown of impairments.

F4: Impairment of assets

IMPAIRMENT

All cash-generating units (CGUs) disclosed in the 2024 Annual Report, were assessed for impairment indicators at the end of the reporting period. If impairment indicators were present, an impairment assessment was performed. The assessments performed were consistent with the methods and assumptions disclosed in the 2024 Annual Report, Note G7, except for those outlined below.

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F4: Impairment of assets continued

During the reporting period ended 13 October 2024, the KFC Australia and KFC Europe restaurants, where indicators of impairment were identified, were tested for impairment in accordance with AASB 136 *Impairment of Assets*. In the event that the carrying value of these assets was higher than the recoverable amount (measured as the higher of fair value less costs to sell or value in use) an impairment charge was recognised in the Consolidated Income Statement as set out in the table below.

	KFC Australia restaurants		KFC Europe restaurants		Taco Bell restaurants		Total	
	13 Oct 2024 $000	28 Apr 2024 $000	13 Oct 2024 $000	28 Apr 2024 $000	13 Oct 2024 $000	28 Apr 2024 $000	13 Oct 2024 $000	28 Apr 2024 $000
Leasehold improvements	–	–	–	457	–	(222)	–	235
Plant and equipment	–	–	–	143	–	395	–	538
Franchise rights	–	–	–	–	–	198	–	198
Software	–	–	–	3	–	–	–	3
Right-of-use assets	–	–	128	1,099	–	2,003	128	3,102
Total	**–**	**–**	**128**	**1,702**	**–**	**2,374**	**128**	**4,076**

KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

	KFC Australia		KFC Europe		Taco Bell	
	13 Oct 2024	28 Apr 2024	13 Oct 2024	28 Apr 2024	13 Oct 2024	28 Apr 2024
Post-tax discount rate segment	8.0 %	8.0%	8.0 %	8.0%	N/A	(1) N/A
Post-tax discount rate restaurant	7.3 - 8.0%	7.5 - 8.0%	6.3 - 9.0%	7.0 - 8.8%	N/A	(1) N/A
Growth rates:						
Revenue for Yr 1 - Yr 5 (2)	*2.8 %	*4.6%	*4.0 %	*4.1%	N/A	(1) N/A
Revenue for Yr 6 - Yr 20	2.5 %	2.5%	2.2 %	2.2%	N/A	(1) N/A
Annual growth for terminal value	2.5 %	2.5%	**2.2 %	2.2%	N/A	(1) N/A

(1) Model was prepared for Taco Bell Underwood impairment which was recognised at 30 April 2023 and fully realised during FY24.
(2) The revenue growth rates applied from Yr 1 - Yr 5 relate specifically to restaurant assets where detailed impairment models were prepared.
* Restaurant specific plans with average annual growth rate.
** In-line with updated long term GDP growth and inflation forecasts for this segment.

Value in use recoverable amount valuations were performed at the cash generating unit level and at the individual restaurant level. Restaurant assets include Property, Plant & Equipment and Right-of-use assets. Detailed impairment models were prepared for the cash generating unit and for some of the KFC Australia and KFC Europe restaurants where indicators of impairment were identified. These impairment tests resulted in no impairments being recognised for either KFC Australia or Europe restaurants.

KFC Australia restaurants

The impairment models were prepared as follows:

- Cash flow estimates for the cash generating unit were prepared based on a period of five years.
- Annual growth rates applied in the first five years averaged 2.8% (2024: 4.6%) for the restaurants modelled. The year one projections were aligned to the division's specific cash flows.
- Annual growth rates of 2.5% (2024: 2.5%) were applied from year six onward, which does not exceed the long term average growth for the industry segment in which the restaurants operate.

Management believes that these growth rates were reasonable considering growth rates in this operating segment during HY25, in prior reporting periods and since period end.

- Cost of sales and cost of labour percentages were projected over the 5-year cash flow period relative to movements in sales and other cyclical factors.
- A post-tax discount rate of 8.0% was applied for the KFC Australia segment (2024: 8.0% post tax). The change in the post-tax discount rate applied to certain restaurant assets is the result of the discount rates applied to each individual restaurant adjusted by the incremental borrowing rate (IBR) for each AASB 16 lease. This resulted in post-tax discount rates in the range 7.3 - 8.0% for the individual restaurants assessed for impairment (2024: range 7.5 - 8.0%).

SIGNIFICANT ESTIMATE: IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

Management recognises that changes in the assumptions applied to discount rates or growth rates could result in the impairment of some of the Group's KFC Australia restaurant assets.

However, management considered the likelihood of these possible changes and believes that the assumptions are reasonable based on those applying historically, during the current financial period and since half year end.

Management does not consider that a reasonable change in any of the key assumptions would cause their carrying values to significantly exceed their recoverable amounts.

F4: Impairment of assets continued

KFC Europe restaurants

The impairment models were prepared as follows:

- Cash flow estimates for the cash generating unit were prepared based on a period of five years.
- Annual growth rates applied in the first five years averaged 4.0% (2024: 4.1%). for the restaurants modelled. The year one projections were aligned to the division's specific cash flows.
- Cost of sales and cost of labour percentages were projected over the 5-year cash flow period relative to movements in sales and other cyclical factors.
- Annual growth rates of 2.2% were applied from year six onwards (2024: 2.2%).

Management believes that these assumptions were reasonable considering the growth rates in this operating segment in prior reporting periods.

- A post-tax discount rate of 8.0% was applied for the KFC Europe segment (2024: 8.0% post tax). Restaurant specific discount rates were applied to restaurant assets to account for the different post-tax discount rates applied to each individual restaurant after being adjusted by the IBR for each AASB 16 lease. This resulted in post-tax discount rates in the range of 6.3 - 9.0% for the individual restaurants assessed for impairment (2024: range 7.0 - 8.8%).

SIGNIFICANT ESTIMATE: IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

Management recognises that changes in the assumptions applied to discount rates or growth rates could result in the impairment of some of the Group's KFC Europe restaurant assets.

However, management considered the likelihood of these possible changes and believes that the assumptions are reasonable based on those applying historically, during the current financial period and since half year end.

Management does not consider that a reasonable change in any of the key assumptions would cause their carrying values to significantly exceed their recoverable amounts.

F5: Contingencies

The parent entity and certain controlled entities entered into a Deed of Cross Guarantee (Amended and Restated) under which the parent entity guaranteed any deficiencies of funds on winding up of the controlled entities which are party to the Deed. At the date of these statements, there were reasonable grounds to believe that the Company will be able to meet any obligations or liabilities to which it is, or may become, subject by virtue of the Deed.

As described in Note B1, CFG Finance Pty Limited (a wholly owned subsidiary) and several other related entities entered into Syndicated and Working Capital credit facilities. As a consequence, the Company and its subsidiaries became registered guarantors of all the obligations in respect of these loan facilities.

REST BREAK CLASS ACTION

Certain members of Collins Foods Group are Respondents (the Collins Group respondents) to two class action proceedings commenced in the Victorian registry of the Federal Court of Australia, namely:

1. *Singh & Ors v Kentucky Fried Chicken Pty Ltd & Ors* (Proceeding VID887 of 2023); and
2. *Westgarth & Ors v Kentucky Fried Chicken Pty Ltd & Ors* (Proceeding VID1061 of 2023).

On 30 April 2024, the Court ordered that these two proceedings be consolidated into a single consolidated proceeding known as *Roshanpal Singh & Ors v Kentucky Fried Chicken Pty Ltd (ACN 000 587 780) & Ors* under Court file VID887/2023 (Consolidated Proceeding). The Consolidated Proceeding is brought by 11 named applicants (including the Shop, Distributive and Allied Employees Association) on their own behalf and on behalf of all persons (the Class) who were:

- employed by any of the 85 respondents (including the Collins Group respondents) and who worked at a KFC restaurant in a period commencing in October 2017 or December 2017; and
- who, during their employment, did not receive one or more 10-minute rest breaks or rest pauses (as the case may be) (Rest Break) to which they were entitled under then prevailing industrial agreements and awards (the Industrial Instruments).

The Consolidated Proceeding seeks on behalf of the Applicants and the Class declarations that the Respondents breached applicable Industrial Instruments and recovery of pecuniary penalties and compensation under the Fair Work Act for loss and damage caused by any requirement to work during periods when they were entitled to a Rest Break, and interest (the Claims). The amount of the loss and damage sought in the Claims is: the monetary amounts they ought to have been paid (corresponding to the time that ought to have been given for the missed Rest Breaks): and any consequent loss of amenity (which is unquantified).

F5: Contingencies continued

The Consolidated Proceeding and the Claims are complex and at an early stage. It is not yet possible to reliably estimate the liability, if any, of respondents, including the Collins Group respondents. Any such liability will depend on, among other things:

- the Court's (or other) determination of:
  - the criteria to be applied to determine an employee's eligibility to be included in the Class (eligible Class members) (and therefore the total potential number of Class members who may claim against the Collins Group respondents);
  - the circumstances under which an employee is entitled to a Rest Break under the applicable Industrial Instrument(s);
  - the actions of the Collins Group respondents required to meet any obligation under an applicable Industrial Instrument to provide a Rest Break;
  - the circumstances under which a Collins Group respondent shall be deemed to have failed to meet such obligations;
  - the amount and/or manner of calculation of compensation (if any) payable to eligible Class members who establish a Claim; and
  - the manner of establishing any such entitlement.
- the number, if any, of Rest Breaks not provided to eligible Class members while employed by one or more of the Collins Group respondents in the six-year period commencing in December 2017;
- the number, if any, of eligible Class members who were employed by one or more of the Collins Group respondents and who choose to opt-out of the Consolidated proceeding or are unable or unwilling to establish a Claim.

F6: Income tax expense

Income tax expense was recognised based on management's estimate of the weighted average effective annual income tax expense for the full financial year. The effective tax rate of continuing operations during the current period was 33.1% compared with the corresponding period of 31.6% for continuing operations.

G: BASIS OF PREPARATION OF HALF YEAR REPORT

G1: Basis of preparation of half year report

This condensed consolidated interim financial report is for the half year reporting period 29 April 2024 to 13 October 2024. This report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial information provided does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the period ended 28 April 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in this interim financial report were the same as those applied in the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

Certain amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

GOING CONCERN

The financial report was prepared on a going concern basis. The directors were of the opinion that the Group will be able to operate as a going concern having regard to available non-current debt facilities and the Group's internally generated cash resources.

In the current reporting period, the Group had a net current liability position of $81.4 million. The predominant reason for this net current liability position was the application of AASB16, with lease payments due in the next financial year recognised as current liabilities. Excluding lease liabilities would result in a net current liability position of $34.3 million, resulting from a reduction in trade and other receivables and derivative financial assets. The Group had undrawn bank facilities of $153.6 million and undrawn working capital facilities of $9.1 million, thus did not consider this to be a risk to its' going concern basis. The Group's loan covenants were based on results excluding the impact of AASB16. Current covenant ratios left significant headroom at current performance and there were sufficient undrawn facilities available, both within the Working Capital Facility and Bank Loan Facility, should the Group require access to additional funds, all repayable beyond 12 months (refer to Note B1).

G2: Changes in accounting policies

The accounting policies adopted in this report were consistently applied to each entity in the Group and are consistent with those of the prior reporting period.

H: SUBSEQUENT EVENTS

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

The Group is not aware of any matters or circumstances that have arisen since the end of the reporting period which have significantly or may significantly affect the operations and results.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the financial statements and notes set out on pages 4 to 22 are in accordance with the Corporations Act 2001, including:
  - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - giving a true and fair view of the consolidated entity's financial position as at 13 October 2024 and of its performance for the half year ended on that date;
- there are reasonable grounds to believe that Collins Foods Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

This report is made in accordance with a resolution of Directors.

Robert Kaye SC
Chair

Brisbane
3 December 2024

Independent auditor's review report to the members of Collins Foods Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Collins Foods Limited (the Company) and the entities it controlled from time to time during the half-year (together the Group), which comprises the consolidated balance sheet as at 13 October 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement for the half-year from 29 April 2024 to 13 October 2024, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Collins Foods Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 13 October 2024 and of its performance for the half-year from 29 April 2024 to 13 October 2024,

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 13 October 2024 and of its performance for the half-year from 29 April 2024 to 13 October 2024, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Michael Crowe

Michael Crowe
Partner

Brisbane
3 December 2024