SPAR

THE SPAR GROUP LTD

Annual Financial Statements

2025

Contents

Directors' approval of the financial statements

The Board of Directors (the Board) is responsible for the maintenance of adequate accounting records and the integrity and fair presentation of the financial statements of the Company and Group and related information. The financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of South Africa, 71 of 2008 (as amended). The Group's independent external auditor, PricewaterhouseCoopers Inc., have audited the financial statements and their unmodified report appears on pages 4 to 7.

The Board is also responsible for the system of internal controls which are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, adequately safeguard, verify and maintain accountability of the assets, record all liabilities, and prevent and detect material misstatement and loss. The system is implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties. Internal audit has performed a written assessment confirming the effectiveness of the Company's system of internal controls and risk management, including internal financial controls. The Board confirms that during the period under review the Group has maintained an efficient and effective process to manage key risks. The Board is not aware of any current or anticipated key risks that may threaten the sustainability of the business.

In preparing the financial statements, the Company and Group have used appropriate accounting policies, supported by reasonable judgements and estimates, and have complied with all applicable accounting standards. The Board is of the opinion that the financial statements fairly present the financial position of the Company and the Group as at 26 September 2025 and the results of their operations, changes in equity, and cash flows for the year under review.

The directors are responsible for controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The annual financial statements are prepared on the going concern basis. Nothing has come to the attention of the Board to indicate that the Company or the Group will not remain a going concern for the foreseeable future.

The annual financial statements were approved by the board of directors on 5 December 2025 and are signed on its behalf by:

MJ Bosman
Chairman

AP Swartz
Group Chief Executive Officer

5 December 2025

Responsibility statement

Each of the directors, whose names are stated below, hereby confirms that:

(a) the annual financial statements set out on pages 12 to 73, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries has been provided to effectively prepare the annual financial statements of the Group;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

AP Swartz
Group Chief Executive Officer

MR Isaacs
Group Chief Financial Officer

5 December 2025

Certificate by the Company Secretary

I, Maliga Chetty, in my capacity as the Group Company Secretary, certify that for the year ended 26 September 2025 the Company has, to the best of my knowledge and belief, lodged with the Companies and Intellectual Property Commission (CIPC) all returns and notices required of a public company in terms of the Companies Act (71 of 2008, as amended) of South Africa and that all such returns appear to be true, correct and up to date.

M Chetty
Group Company Secretary

5 December 2025

Independent Auditor's report

To the shareholders of The SPAR Group Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The SPAR Group Limited (the Company) and its subsidiaries (together the Group) as at 26 September 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

The SPAR Group Limited's consolidated and separate financial statements set out on pages 12 to 73 comprise:

- the group and company statements of financial position as at 26 September 2025;
- the group and company statements of profit or loss and other comprehensive income for the period then ended;
- the group and company statements of changes in equity for the period then ended;
- the group and company statements of cash flows for the period then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

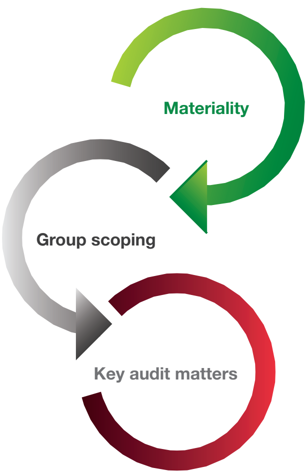
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview



Final materiality

Group: R657.3 million, which represents 0.5% of consolidated revenue from continuing operations.

Company: R457.4 million, which represents 0.5% of revenue from continuing operations.

Group audit scope

The Group comprises the Company, 2 sub-groups and 23 legal entities. The Company itself consists of 15 divisions. The 2 sub-groups, 23 legal entities and 15 divisions are each considered to be components for our group scoping purposes. The group audit scope was determined based on the relative contribution of each component to consolidated assets, consolidated revenue from continued operations and consolidated profit before taxation. Full scope audits were performed over the 2 sub-groups and 6 divisions which were considered to be significant due to risk or size. We performed the audit of specific financial statement line items in 2 legal entities and 3 divisions to obtain sufficient coverage over the consolidated revenue, cost of sales and cash and cash equivalents. We identified a total of 16 additional non-significant components for which we performed targeted risk assessment analytics. The remaining 11 components were considered to be inconsequential.

Key audit matters

Key judgements and estimates relating to impairment of South African corporate owned retail store cash generating units (CGUs).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

	Consolidated financial statements	Separate financial statements
Final materiality	R657.3 million	R457.4 million
How we determined it	0.5% of consolidated revenue from continuing operations	0.5% of revenue from continuing operations
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the group is most commonly measured by users of the consolidated financial statements. It is the key driver of the group's financial results considering the Group operates in a high volume industry. We chose 0,5% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that would typically apply when using revenue as a benchmark for profit-orientated entities in this sector.	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the company is most commonly measured by users of the financial statements. It is the key driver of the company's financial results considering the company operates in a high volume industry. We chose 0,5% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that would typically apply when using revenue as a benchmark for profit-orientated entities in this sector.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the Company, 2 sub-groups and 23 legal entities. The Company itself consists of 15 divisions. The 2 sub-groups, 23 legal entities and 15 divisions are each considered to be a component for our group scoping purposes. The group audit scope was determined based on the relative contribution of each component to consolidated assets, consolidated revenue from continued operations and consolidated profit before taxation. Full scope audits were performed over the 2 sub-groups and 6 divisions which were considered to be significant due to risk or size. We performed the audit of specific financial statement line items in 2 legal entities and 3 divisions to obtain sufficient coverage over the consolidated revenue, cost of sales and cash and cash equivalents. We identified a total of 16 additional non-significant components for which we performed targeted risk assessment analytics. The remaining 11 components were considered to be inconsequential.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* / the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
Key judgements and estimates relating to impairment of South African corporate owned retail store cash generating units (CGUs) Refer to notes: • *1.20 'Key management judgements and estimates - Change in CGU for South African Corporate owned stores;'* • *3 'Net operating expenses- Impairment of assets;'* • *13 'Goodwill and Intangible Assets;' and* • *24 'Right-of-use-assets'*. During the current financial year, the Group reassessed the level at which goodwill arising from the acquisition of corporate-owned retail stores is monitored for internal management purposes. As a result, each corporate-owned store is treated as a separate CGU and management's annual impairment assessments were performed at this level. This represents a change in management judgement regarding the identification of CGUs and has been applied prospectively in accordance with IAS 8: *'Accounting policies, Change in Accounting Estimates and Errors'*. Management performed their annual impairment assessment by grouping retail stores into two categories: a) Profit-making stores; and b) Loss-making stores. a) Profit-making stores The value-in-use discounted cash flow model was applied in assessing the carrying value of goodwill for profit making stores. In determining the value-in-use of the CGU, the following key assumptions were used by management: • Pre-tax discount rate; • Sales growth rate; and • Terminal value growth rate. Cash flows were projected over the next five-year period based on financial budgets or forecasts approved by management. b) Loss-making stores Management determined that for loss-making stores, the recoverable amount is best represented by the carrying value of the tangible assets within the store, as these amounts approximate the fair value less costs of disposal. As at 26 September 2025 the Group's Statement of profit or loss and other comprehensive income included impairment charges relating to goodwill to the value of R350.3 million and right-of-use assets to the value of R232.0 million within the *Impairment of assets* line. Both of these impairments were as a result of the annual impairment assessment performed on the individual South African corporate owned retail store CGUs. The impairment assessment of the South African corporate owned retail store CGUs assets is considered to be a matter of most significance to the current year audit due to: • The significant judgement applied by management regarding the change in CGU for South African corporate owned stores, and • The judgement applied by management regarding the key assumptions and cash flows that are included in assessing the carrying amount of the CGUs.	***Change in CGU for South African corporate owned stores:*** We performed the following audit procedures: • We evaluated whether the changes in management, financing and reporting structures that took place during the year represented a reasonable basis for the change in the CGU determination when considering the requirements of IAS 36: "Impairment of assets," and did not raise any exceptions with respect to the CGU determination as a result. ***Key assumptions and cash flows included in assessing the carrying values of the CGUs:*** We performed the following audit procedures: For both profit- and loss-making stores, we • Assessed the reasonableness of the valuation methodology applied within the models used by management by comparing the valuation methodology to generally accepted valuation methodology, and noted no material deviations from standard methodology; • Tested the mathematical accuracy of the discounted cash flow model prepared by management, and noted no material exceptions; • Calculated an independent estimate of the key assumptions used in determining the recoverable amount by performing the following: » We compared the cash flow projections applied by management to historically achieved sales growth rates, margins and working capital rates to independently calculate expected cashflows for the next five-year period; » We independently calculated a terminal growth rate by obtaining long-term inflation rates from independent sources; and » Making use of our internal valuation expertise, we independently calculated a discount rate, taking into account market-related data as well as rates applied by comparable companies. • Using these independently determined cash flows and assumptions, we independently calculated a recoverable amount of each of the South African corporate owned retail store CGUs and compared this to the carrying amount of each CGU. » Where the recoverable amount was less than the carrying amount for the CGU, we independently calculated the impairment to be recognised against the goodwill allocated to the CGU and, where the impairment exceeded the value of the goodwill, we calculated the amount to be allocated to the right-of-use-asset allocated to the CGU. We compared the results of our independent impairment calculations for both goodwill and right-of-use-assets to the impairment expense recognised in the Group's Statement of profit or loss and other comprehensive income for these assets and found no material exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The SPAR Group Ltd Annual Financial Statements 2025", which include(s) the Directors' report, the Audit Committee report and the Certificate by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "The SPAR Group Ltd Integrated Annual Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of The SPAR Group Limited for 8 year(s).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: DH Höll
Registered Auditor
Waterfall City, South Africa
7 December 2025

Directors' report

The directors of the Company have the pleasure in submitting their report on the audited annual financial statements of the Company for the year ended 26 September 2025.

Nature of business

SPAR is a warehousing and distribution business listed on the JSE Limited (JSE) in the food and drug retail sector. The Group owns several country licences for the SPAR retail brand, which is used by a network of independent retailers who trade under our brand and are supplied on a voluntary basis through our distribution centres. There were no material changes to the nature of the Group's business for the 2025 financial year.

Directorate and Company Secretary

During the financial year under review, the following changes to the composition of the Board occurred:

- Mr Mark Godfrey resigned as executive director and the Chief Financial Officer effective 31 December 2024. Mr Moegamat Reeza Isaacs was appointed as executive director and Chief Financial Officer effective 1 January 2025;
- Ms Gertrude Makhaya resigned as independent non-executive director with effect from 31 December 2024;
- Mr Neill O'Brien resigned as the interim Group Company Secretary effective 31 August 2025. Ms Maliga Chetty was appointed as the Group Company Secretary effective 1 September 2025.

Particulars relating to the directors' remuneration and interests and directors' share scheme interests are set out in notes 36 and 37.

Corporate governance

The directors are the custodians of corporate governance and subscribe to King IV. Refer to our governance structures, composition and functioning in the integrated report. Committee reports are disclosed as follows:

- Audit Committee report
- Nominations Committee report
- Remuneration Committee report
- Risk Committee report
- Social Ethics and Sustainability Committee report
- Business Transformation Committee report

The directors are not aware of any material non-compliance with statutory or regulatory requirements. The directors confirm that the Company is in compliance with the provisions of the Companies Act, No. 71 of 2008, as amended, the Listings Requirements of the JSE Limited and the relevant laws governing its establishment, specifically relating to its incorporation; and operating in conformity with its Memorandum of Incorporation.

Financial results

The results for the year are detailed in the annual financial statements that follow.

Going concern

The Board believes that the Company and Group have adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company.

Stated capital

Details of the authorised and issued share capital of the Company and the movements during the year are disclosed in note 25 of the annual financial statements.

Details of the treasury shares of the Company are disclosed in note 26 of the annual financial statements.

Dividends

Recognising the challenges facing the Group, the Board believed it was prudent not to declare a final dividend for the year ended 26 September 2025 (2024: No dividend was paid). The Board will reconsider this decision, depending on the prevailing macro and operating conditions going forward. Returning capital to shareholders in the form of dividends and responsible capital allocation remains a priority for the Board.

Share scheme

Particulars relating to the Company's share-based payments are set out in note 38 of the annual financial statements.

Subsidiaries

The interest of the Company in the aggregate net profit/loss after taxation of subsidiaries was a loss of R4 321.3 million (2024: loss of R133.9 million). Details of the Company's principal subsidiaries are set out in note 14 of the annual financial statements.

Special resolutions

The Company passed the following special resolutions at the annual general meeting held on 28 February 2025:

- Special Resolution number 1 – Financial assistance to related or inter-related companies
- Special Resolution number 2 – Non-executive directors' fees

Litigation statement

The Company becomes involved from time to time in various claims and litigation proceedings incidental to the ordinary course of business. Refer to note 41 for further detail.

Events after the reporting date

Matters or circumstances arising since the end of the 2025 financial year, which have or may significantly affect the financial position of the Company, or the results of its operations are disclosed in note 40 of the annual financial statements.

Audit Committee report

Strengthening oversight through transition and transformation

The Audit Committee (the committee) presents its report for 2025 as required by section 94(7)(f) of the Companies Act. The committee maintained rigorous oversight of financial reporting, internal control and assurance processes. The committee's focus was on upholding integrity, transparency and accountability as the Group completed international business disposals, restructured banking facilities, adopted the international retail 52-week financial reporting calendar and continued to strengthen governance and financial management frameworks.

Committee governance

Role and responsibilities

The committee has specific statutory responsibilities to the Group's shareholders in terms of the Companies Act. It supports the Board by advising on financial reporting, internal controls, internal and external audit, combined assurance, and regulatory compliance, as defined by its annually reviewed terms of reference. There were no changes to the terms of reference during the year. The committee also receives feedback from the Risk Committee, the Social, Ethics and Sustainability Committee, and the Audit Committees of local and foreign subsidiaries.

Composition

As at 26 September 2025, the members of the committee were independent non-executive directors:

- Funke Ighodaro (Chairperson)
- Lwazi Koyana
- Sundeep Naran

Permanent invitees include the Group CEO, CFO, COO, Chairman of the Board, outsourced internal auditor, external auditor and Group Company Secretary, who also acts as secretary to the committee.

Evaluation

A self-evaluation of the committee was conducted as part of the Board's annual assessment, covering seven performance areas. The review concluded that the committee was functioning effectively, with no material recommendations. The committee's composition was stable throughout the year, despite changes in the broader Board membership. The next independent performance assessment is scheduled for 2026.

Meetings

The committee met 4 times during the year, which included 1 special committee meeting. These meetings provided the necessary platform to evaluate financial reporting, oversight processes, and the accounting and financial reporting implications of the following matters:

- Strategic international business disposals and the related accounting classifications and impairment assessments
- The adoption of the 52-week retail calendar for financial reporting
- The assessment of the change in cash-generating units related to the corporate stores and the associated impairment assessments thereof
- The assessment of the impact of changes to accounting standards and findings from the JSE proactive monitoring of financial statements programme
- The compliance with JSE Listings Requirements as well as the continued implementation of King IV recommendations

In addition, the committee oversaw the transition of the external audit partners.

Further, the committee observed the strengthening of the finance function, through the appointment of experienced individuals, the ongoing implementation and automation of financial reporting systems as part of the broader finance transformation initiative as well as the establishment of a group treasury function. This has facilitated an improvement in the quality and transparency of reporting to the committee as well as the Board.

Committee focus areas

- Oversaw the classification and accounting treatment in respect of the held for sale and discontinued operations following the decision to dispose of multiple international businesses, including Poland, Switzerland and the United Kingdom. This included all financial impacts related to the disposals as well as the assessment of any related impairments of these operations.
- Considered the restructuring of the Group's banking facilities in South Africa, Ireland and Switzerland, including the absorption of debts from the disposed Polish business, while maintaining liquidity and covenant compliance across all facilities within the Group.
- Approved the adoption of a new 26/52-week retail calendar reporting framework, aligning the Group's reporting cycle with international retail best practice.
- Evaluated and recommended adjusted headline earnings as an additional performance measure to reflect the sustainable performance of the Group's businesses.
- Oversaw acquisitions in South Africa, including the launch of Pet Storey, confirming that the acquisitions and related financial implications were appropriately classified and accounted for.
- Exercised strong oversight of internal financial reporting controls, including the close monitoring of remediation plans for weaknesses identified by internal and external auditors.
- Observed the ongoing implementation and automation of financial reporting systems as part of the broader finance transformation initiative, as well as the establishment of a group treasury function to strengthen the governance and internal control environment.
- Focused on rebuilding capacity and skills within the Group finance function following senior management turnover.

External audit

The committee satisfied itself that the external auditor, PwC, and its audit partner, complied with the suitability criteria for appointment as required in terms of paragraph 3.84(g)(iii) read with paragraphs 3.86 and 3.87 of the JSE Listings Requirements.

Audit partner transition

PwC continued as the Group's external auditor. During the year, two designated audit partner changes occurred. The previous designated partner rotated off after completing his mandatory term, and his replacement subsequently resigned from PwC. Consequently a third partner, with appropriate industry experience and knowledge, was appointed as the designated audit partner.

The committee confirmed that PwC and the designated audit partner were independent and competent, with no concerns regarding audit quality, independence, or objectivity. All non-audit services were approved under the Group's delegated authority framework, and related fees were reviewed in line with the Group's non-audit services policy.

The Chairperson and committee periodically meet with the external auditor independently of management. The committee has recommended PwC's reappointment for the 2026 financial year.

The committee confirms that the appointment of the auditor and designated individual audit partner is presented and included as a resolution for approval at the 2026 AGM in line with section 61(8)(c)(i) of the Companies Act and paragraph 3.84(g)(iv) of the JSE Listings Requirements.

Key audit matters

Key audit matters identified by the external auditor are disclosed in the annual financial statements. These matters were discussed by the committee with management and the external auditor, and are appropriately addressed in the consolidated and separate financial statements.

Internal audit

The Group's internal audit function for the Southern Africa businesses is outsourced to EY, while that of the Irish business is outsourced to Deloitte. During the year, EY's scope of work was expanded to include oversight of internal audit functions at the international subsidiaries. The committee approved the 2025 internal audit plan and received regular updates on progress against the annual work plan.

EY conducted comprehensive reviews of several distribution centres and retail operations, with findings tabled to the committee. Management's action plans and timelines to address identified weaknesses are tracked closely.

The committee confirms that the internal audit functions operated effectively, independently and in line with the approved charter during the year.

Internal controls and risk management

Management is responsible for the Group's system of internal financial controls, designed to provide reasonable assurance of reliable financial reporting and asset protection. The committee reviewed the results of internal and external audits and considered management's responses and remediation plans. Whilst progress was evident, management have initiated a coordinated program to strengthen internal control weaknesses identified during the year, including a structured issue-tracking and escalation mechanism to oversee remediation, enforce accountability, and address any delays or recurring findings in accordance with the Combined Assurance model.

Further, the committee observed the ongoing implementation and automation of financial reporting systems and associated processes as part of the broader finance transformation initiative to strengthen overall financial reporting internal controls. This has facilitated an improvement in the quality and transparency of reporting to the committee as well as the Board.

The committee is of the opinion that, based on the work performed by internal and external audit, management representations and discussions held, the Group's internal financial controls are effective.

Finance function

The Group's finance function underwent significant change during the year, including the appointment of a new CFO, with extensive industry experience and knowledge, and turnover among senior finance personnel. As required by paragraph 3.84(g)(i) of the JSE Listings Requirements, the committee is satisfied that the CFO has the necessary expertise and experience for the role.

Committee priorities for 2026

- Completion of the remaining business disposals and the accounting and reporting thereof
- Tracking performance of restructured banking facilities and compliance with the associated covenants, cash flow and liquidity management
- Continued oversight of internal controls and remediation of internal and external audit findings
- Monitoring post-acquisition performance of South African bolt-on acquisitions including Pet Storey
- Ensuring greater depth and resilience within the finance function
- Supporting the Board's oversight of a streamlined, regionally focused Group with a disciplined acquisition and capital allocation strategy

The Group's finance function has further been improved through the establishment of a treasury function and the appointment of an experienced Group Head: Treasury. In addition, the Group CFO has appointed a Group Head: Reporting and Financial Planning and Analysis to further strengthen the Group's reporting capabilities. This is underpinned by the ongoing finance transformation initiatives, which provide a foundation of enhanced governance and transparency in reporting.

The committee acknowledged the ongoing need to build depth and stability within the broader finance team and notes management's continued actions in this area. The finance function's composition, experience and skill set were reviewed and considered adequate to support the Group's financial management and reporting obligations, to ensure that SPAR has access to all of the financial information necessary to allow for the effective preparation of and reporting on the financial statements of SPAR.

The committee confirms that appropriate financial reporting procedures are in place and operating effectively for all entities included in the consolidated financial statements.

Based on the reviews performed and information received from management, the external auditor, and the internal auditors, the committee is satisfied that the financial statements for the year ended 26 September 2025 comply with IFRS and the requirements of the Companies Act.

Funke Ighodaro
Audit Committee Chairperson

5 December 2025

> ***"The committee believes that the Group is resilient and well positioned to consolidate its progress following a year of continued change.***

Statement of profit or loss and other comprehensive income

for the year ended 26 September 2025

Rmillion	Notes	GROUP 26 September 2025	GROUP 30 September 2024 Restated*[(1)]	COMPANY 26 September 2025	COMPANY 30 September 2024 Restated[(1)]
Continuing operations					
Revenue – sale of merchandise	2	**131 457.7**	130 986.6	**91 471.4**	91 007.3
Cost of sales		**(117 312.9)**	(117 141.8)	**(83 445.0)**	(83 182.9)
Gross profit		**14 144.8**	13 844.8	**8 026.4**	7 824.4
Revenue – other	2	**1 950.6**	1 678.1	**1 406.8**	1 122.8
Other income	4	**171.8**	204.5	**251.9**	470.8
Net operating expenses	3	**(14 283.7)**	(13 069.8)	**(12 004.8)**	(9 405.2)
Warehousing and distribution expenses		**(4 939.4)**	(5 034.2)	**(2 779.9)**	(2 820.8)
Marketing and selling expenses		**(5 174.3)**	(4 576.1)	**(3 274.8)**	(2 824.4)
Administration and information technology expenses		**(3 464.4)**	(3 257.1)	**(2 374.7)**	(1 935.8)
Impairment of assets	3	**(675.6)**	(69.7)	**(3 574.9)**	(1 695.6)
Net ECL movement on financial assets		**(30.0)**	(132.7)	**(0.5)**	(128.6)
Operating profit/(loss)		**1 983.5**	2 657.6	**(2 319.7)**	12.8
Other non-operating items	5	**(8.9)**	1.5	**(178.4)**	–
Finance income	6.1	**613.8**	586.5	**564.0**	542.4
Finance costs	6.2	**(1 304.8)**	(1 173.7)	**(1 086.4)**	(908.9)
Share of equity-accounted associate profits	15	**4.2**	6.3	**–**	–
Profit/(loss) before taxation		**1 287.8**	2 078.2	**(3 020.5)**	(353.7)
Taxation	7	**(468.0)**	(471.5)	**(195.8)**	(230.9)
Profit/(loss) after taxation from continuing operations		**819.8**	1 606.7	**(3 216.3)**	(584.6)
Discontinued operations	42	**(5 647.9)**	(1 254.8)	**–**	–
(Loss)/profit after taxation for the year		**(4 828.1)**	351.9	**–**	–
Attributable to:					
Equity holders of the Company		**(4 828.1)**	351.9	**–**	–
(Loss)/profit after taxation attributable to owners:		**(4 828.1)**	351.9	**–**	–
Continuing operations		**819.8**	1 606.7	**–**	–
Discontinued operations		**(5 647.9)**	(1 254.8)	**–**	–
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of employee benefits		**10.0**	(6.8)	**10.0**	(6.8)
Deferred tax relating to remeasurement of employee benefits		**(2.7)**	1.8	**(2.7)**	1.8
Remeasurement of retirement funds	27.1	**33.6**	81.9	**–**	–
Deferred tax relating to remeasurement of retirement funds		**(4.0)**	(9.9)	**–**	–
Items that may be reclassified subsequently to profit or loss:		**–**	–	**–**	–
Loss on cash flow hedge		**(10.7)**	–	**(10.7)**	–
Reclassification of FCTR to profit or loss		**(591.6)**	–	**–**	–
Exchange rate differences from translation of foreign operations		**314.2**	(260.9)	**–**	–
Other comprehensive loss		**(251.2)**	(193.9)	**(3.4)**	(5.0)
Total comprehensive (loss)/income		**(5 079.3)**	158.0	**(3 219.7)**	(589.6)
Attributable to:					
Equity holders of the Company		**(5 079.3)**	158.0	**(3 219.7)**	(589.6)
Total comprehensive income attributable to owners:					
From:		**(5 079.3)**	158.0	**–**	–
Continuing operations		**1 101.4**	1 539.4	**–**	–
Discontinued operations	42	**(6 180.7)**	(1 381.4)	**–**	–
Earnings per share from continuing operations attributable to owners (cents):					
Basic		**425.7**	834.3	**–**	–
Diluted		**425.4**	834.0	**–**	–
Earnings per share from discontinued operations attributable to owners (cents):					
Basic		**(2 932.7)**	(651.6)	**–**	–
Diluted		**(2 931.0)**	(651.3)	**–**	–
Earnings per share (cents)					
Basic	8	**(2 507.0)**	182.7	**–**	–
Diluted	8	**(2 505.5)**	182.7	**–**	–

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

[(1)] *During the current year management identified certain credits to retailers incorrectly recognised within cost of sales in the prior period, which should have been recorded as deductions against revenue. Consequently, revenue for the prior period has decreased by R27 million and R82 million (previously stated as R131 013.6 million and R91 089.3 million) for Group and Company respectively, with cost of sales for the period (previously stated as R117 168.8 million and R83 264.9 million) for Group and Company respectively decreasing by the same amounts. The adjustment has no impact on gross profit, operating profit or retained earnings.*

Statement of financial position

as at 26 September 2025

		GROUP			COMPANY		
Rmillion	Notes	26 September 2025	30 September 2024 Restated*	01 October 2023 Restated*	26 September 2025	30 September 2024 Restated*	01 October 2023 Restated*
ASSETS							
Non-current assets		**19 763.6**	31 416.6	33 517.6	**10 707.1**	12 349.5	12 351.7
Property, plant and equipment	12	**5 071.7**	9 602.8	10 378.1	**2 377.2**	2 581.5	2 635.9
Right-of-use assets	24	**2 644.9**	8 004.4	9 023.1	**481.3**	666.1	764.8
Lease receivable	24	**4 194.7**	4 215.1	4 656.3	**4 048.7**	4 149.0	4 147.0
Goodwill and intangible assets	13	**6 424.1**	8 165.0	8 241.3	**1 726.1**	1 947.0	1 857.9
Investment in subsidiaries	14	**–**	–	–	**1 478.6**	2 165.1	2 158.2
Investment in associates and joint ventures	15	**149.9**	159.2	150.2	**137.9**	137.9	137.9
Other investments	16	**19.8**	19.1	17.8	**19.8**	18.2	16.9
Operating lease receivable		**–**	0.1	5.9	**–**	–	–
Loans and other receivables	18	**406.3**	771.4	807.9	**302.9**	596.1	464.2
Block discounting loan receivable	17	**–**	1.4	18.3	**–**	1.4	18.3
Prepayments		**494.0**	235.9	–	**–**	–	–
Deferred taxation asset	19	**177.8**	132.8	218.7	**134.6**	87.2	150.6
Employee benefit asset	27.1	**180.4**	109.4	–	**–**	–	–
Current assets		**24 985.6**	25 968.3	27 970.6	**16 082.2**	14 746.6	15 179.7
Inventories	20	**4 653.1**	6 364.3	6 760.2	**2 793.5**	2 800.5	2 727.3
Trade and other receivables*	21	**16 107.3**	16 619.5	17 919.0	**11 148.2**	10 770.0	11 111.4
Prepayments		**445.7**	340.8	282.8	**204.3**	137.5	132.8
Loans and other receivables	18	**63.2**	118.7	146.0	**64.4**	93.4	97.9
Current portion of block discounting loan receivable	17	**1.8**	2.3	14.0	**1.8**	2.3	14.0
Income tax receivable	22	**1.6**	11.6	38.3	**–**	–	38.5
Current portion of lease receivable	24	**960.3**	888.9	950.0	**941.4**	880.3	853.4
Cash and cash equivalents – SPAR*	23	**2 327.3**	1 276.2	1 574.0	**928.6**	62.6	204.4
Cash and cash equivalents – Guilds and trusts	23	**425.3**	346.0	286.3	**–**	–	–
Assets held for sale	42	**1 472.2**	1 257.1	11.7	**91.4**	27.5	–
Total assets		**46 221.4**	58 642.0	61 499.9	**26 880.7**	27 123.6	27 531.4
EQUITY AND LIABILITIES							
Capital and reserves		**5 312.3**	10 373.7	10 221.6	**1 626.8**	4 828.6	5 406.8
Stated capital	25	**2 231.5**	2 231.5	2 231.5	**2 231.5**	2 231.5	2 231.5
Treasury shares	26	**(1.5)**	(1.5)	(1.5)	**–**	–	–
Reserves		**742.7**	1 014.4	1 213.7	**(48.0)**	(53.7)	(88.5)
Non-controlling interests		**–**	–	6.5	**–**	–	–
Retained earnings/(accumulated loss)		**2 339.6**	7 129.3	6 771.4	**(556.7)**	2 650.8	3 263.8
Non-current liabilities		**14 111.9**	17 835.8	21 532.1	**9 388.3**	5 068.6	5 154.6
Deferred taxation liability	19	**235.1**	533.5	545.4	**–**	–	–
Employee benefit obligations	27	**277.4**	297.9	254.2	**277.4**	269.1	255.5
Financial liabilities	28	**9.3**	–	7 318.2	**9.3**	–	–
Long-term borrowings	29	**6 514.5**	5 071.3	–	**4 361.7**	–	–
Block discounting loan payable	17	**–**	1.5	18.7	**–**	1.5	18.7
Lease liability	24	**7 075.6**	11 931.6	13 395.6	**4 739.9**	4 798.0	4 880.4
Current liabilities		**25 259.2**	29 069.8	29 746.2	**15 865.6**	17 226.4	16 970.0
Trade and other payables*	30	**22 336.8**	21 660.9	23 297.7	**13 803.1**	12 132.8	12 900.5
Current portion of financial liabilities	28	**34.0**	21.9	–	**34.0**	102.7	420.3
Current portion of long-term borrowings	29	**532.8**	1 623.3	947.0	**97.7**	1 183.5	–
Current portion of block discounting loan payable	17	**1.8**	2.3	15.2	**1.8**	2.3	15.2
Provisions		**59.9**	50.4	51.8	**59.5**	49.8	51.8
Current portion of lease liability	24	**1 462.0**	1 972.8	2 110.5	**1 115.2**	1 026.0	991.2
Income tax payable	22	**151.7**	41.3	13.8	**84.3**	26.3	–
Bank overdrafts*	23	**680.2**	3 696.9	3 310.2	**670.0**	2 703.0	2 591.0
Liabilities associated with assets held for sale	42	**1 538.0**	1 362.7	–	**–**	–	–
Total equity and liabilities		**46 221.4**	58 642.0	61 499.9	**26 880.7**	27 123.6	27 531.4

* *During the current financial year, the Group identified two prior period errors that the Group has retrospectively corrected. The prior period and opening balance of the prior period Group and Company statement of financial position only, and related notes, have been restated to reflect the impact of these prior period errors.*

- *An inter-company receivable and payable balance which was not correctly eliminated of R614.7 million in 2024 (2023: R477.1 million), refer to note 21.*
- *A reclassification error between Bank overdrafts and Cash and cash equivalents of R152.3 million pertaining to 2023, refer to note 23.*

Statement of changes in equity

for the year ended 26 September 2025

Rmillion	Notes	Stated capital	Treasury shares	Currency translation reserve	Share-based payment reserve
GROUP					
Balance at 30 September 2023		**2 231.5**	**(1.5)**	**1 237.1**	**31.6**
Profit for the year		–	–	–	–
Other comprehensive income:		–	–	–	–
– Remeasurement of employee benefits	27	–	–	–	–
– Remeasurement of retirement funds	27	–	–	–	–
– Exchange rate translation		–	–	(260.9)	–
Recognition of share-based payments		–	–	–	28.9
Settlement of share-based payments		–	16.9	–	(22.3)
Treasury shares acquired	26	–	(16.9)	–	–
Additional shareholding acquired from non-controlling interest		–	–	–	–
Transfer to retained earnings		–	–	–	–
Balance at 30 September 2024		**2 231.5**	**(1.5)**	**976.2**	**38.2**
Loss for the year		–	–	–	–
Other comprehensive income:		–	–	–	–
– Remeasurement of employee benefits	27	–	–	–	–
– Remeasurement of retirement funds	27	–	–	–	–
– Exchange rate translation		–	–	314.2	–
– Reclassification of currency translation reserve		–	–	(591.6)	–
– Movement in cash flow hedge		–	–	–	–
Recognition of share-based payments		–	–	–	26.3
Settlement of share-based payments		–	8.4	–	(9.9)
Treasury shares acquired	26	–	(8.4)	–	–
Balance at 26 September 2025		**2 231.5**	**(1.5)**	**698.8**	**54.6**
COMPANY					
Balance at 30 September 2023		**2 231.5**	**–**	**–**	**31.6**
Loss for the year		–	–	–	–
Other comprehensive income:		–	–	–	–
– Remeasurement of employee benefits	27	–	–	–	–
Recognition of share-based payments		–	–	–	28.9
Settlement of share-based payments		–	16.9	–	(22.3)
Treasury shares acquired	26	–	(16.9)	–	–
Transfer to retained earnings		–	–	–	–
Balance at 30 September 2024		**2 231.5**	**–**	**–**	**38.2**
Loss for the year		–	–	–	–
Other comprehensive income:		–	–	–	–
– Remeasurement of employee benefits	27	–	–	–	–
– Movement in cash flow hedge		–	–	–	–
Recognition of share-based payments		–	–	–	26.3
Settlement of share-based payments		–	8.4	–	(9.9)
Treasury shares acquired	26	–	(8.4)	–	–
Balance at 26 September 2025		**2 231.5**	**–**	**–**	**54.6**

Retained earnings/ (Accumulated loss)	Equity reserve	Hedging reserve	Non-controlling interest	Total equity
6 771.4	(26.8)	(28.2)	6.5	10 221.6
351.9	–	–	–	351.9
–	–	–	–	–
(5.0)	–	–	–	(5.0)
72.0	–	–	–	72.0
–	–	–	–	(260.9)
–	–	–	–	28.9
5.4	–	–	–	–
–	–	–	–	(16.9)
(11.4)	–	–	(6.5)	(17.9)
(55.0)	26.8	28.2	–	–
7 129.3	–	–	–	10 373.7
(4 828.1)	–	–	–	(4 828.1)
–	–	–	–	–
7.3	–	–	–	7.3
29.6	–	–	–	29.6
–	–	–	–	314.2
–	–	–	–	(591.6)
–	–	(10.7)	–	(10.7)
–	–	–	–	26.3
1.5	–	–	–	–
–	–	–	–	(8.4)
2 339.6	–	(10.7)	–	5 312.3
3 263.8	(91.9)	(28.2)	–	5 406.8
(584.6)	–	–	–	(584.6)
–	–	–	–	–
(5.0)	–	–	–	(5.0)
–	–	–	–	28.9
4.8	–	–	–	(0.6)
–	–	–	–	(16.9)
(28.2)	–	28.2	–	–
2 650.8	(91.9)	–	–	4 828.6
(3 216.3)	–	–	–	(3 216.3)
–	–	–	–	–
7.3	–	–	–	7.3
–	–	(10.7)	–	(10.7)
–	–	–	–	26.3
1.5	–	–	–	–
–	–	–	–	(8.4)
(556.7)	(91.9)	(10.7)	–	1 626.8

Statement of cash flows

for the year ended 26 September 2025

Rmillion	Notes	GROUP 26 September 2025	GROUP 30 September 2024 Restated*	COMPANY 26 September 2025	COMPANY 30 September 2024 Restated*
CASHFLOWS FROM OPERATING ACTIVITIES		**4 285.9**	3 467.5	**2 374.0**	884.8
Cash generated from operations	32.1	**5 445.9**	4 805.6	**2 871.7**	1 127.4
Finance income received		**636.9**	614.9	**557.9**	531.4
Finance costs paid		**(1 392.7)**	(1 595.0)	**(988.3)**	(903.9)
Taxation paid	22	**(404.2)**	(358.0)	**(188.4)**	(102.7)
Dividend income	4	**–**	–	**121.1**	232.6
CASHFLOWS USED IN INVESTING ACTIVITIES		**(901.5)**	(334.1)	**(1 576.1)**	(1 272.3)
Acquisition of businesses/subsidiaries	33.4	**(494.2)**	(192.3)	**(61.2)**	(55.9)
Proceeds from disposal of businesses	33.2	**31.6**	1.5	**31.6**	1.5
Proceeds on disposal of assets held for sale		**225.0**	–	**27.0**	–
Cash outflow from disposal of businesses	33.2	**(966.4)**	–	**(178.4)**	–
Investment to expand PPE and intangible assets		**(515.6)**	(659.1)	**(313.3)**	(218.6)
Investment to maintain operations		**(340.2)**	(473.6)	**(88.9)**	(159.3)
– Replacement of PPE and intangible assets		**(392.8)**	(599.3)	**(91.6)**	(177.1)
– Proceeds on disposal of PPE and intangible assets		**52.6**	125.7	**2.7**	17.8
Principal element of lease receipts		**952.5**	994.8	**903.8**	887.0
Cash inflows on loans and investments	32.2	**305.4**	319.6	**268.3**	145.7
Cash outflows on loans and investments	32.2	**(99.6)**	(325.0)	**(2 165.0)**	(1 872.7)
CASHFLOWS (USED IN)/FROM FINANCING ACTIVITIES*		**(1 285.4)**	(3 622.9)	**78.1**	235.7
Principal element of lease payments	32.3	**(2 147.6)**	(2 248.7)	**(1 065.8)**	(1 031.7)
Proceeds from borrowings	32.3	**5 670.1**	1 187.7	**5 311.5**	1 182.3
Principal element of repayments of borrowings	32.3	**(2 776.5)**	(2 632.7)	**(2 136.2)**	–
Non-controlling interest share repurchases		**–**	(14.3)	**–**	–
Movement on banking facilities*(1)		**(2 023.0)**	102.0	**(2 023.0)**	102.0
Treasury shares acquired	26	**(8.4)**	(16.9)	**(8.4)**	(16.9)
Net increase/(decrease) during the year*		**2 099.0**	(489.5)	**876.0**	(151.8)
Cash and cash equivalents at the beginning of the year*		**618.3**	1 141.1	**52.6**	204.4
Exchange rate translation		**25.1**	(33.3)	**–**	–
Cash and cash equivalents at the end of the year*	23	**2 742.4**	618.3	**928.6**	52.6

The cash flows above are derived from both continuing and discontinued operations. Refer to note 42 for cash flows relating to the discontinued operations.

* *The prior year comparative information has been restated to correct an error in classification of the movement in general banking facilities of R2.7 billion in 2024 (2023 R2.6 billion) from Cash and cash equivalents to Movement on banking facilities as part of Cashflows (used in)/from financing activities to correctly reflect the treatment under IAS 7 Statement of Cash Flows. Refer note 23.*

(1) *General banking facilities are contracted for a 364 day period, however individual drawdowns are utilised on an overnight call basis, thereby allowing the Group to access these facilities on a short-term basis to manage daily liquidity requirements.*

Notes to the financial statements

for the year ended 26 September 2025

1. Accounting policies

Statement of compliance

The consolidated (Group) and separate (Company) annual financial statements are stated in South African Rand (R) and are prepared in accordance with IFRS® Accounting Standards and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the Group at 26 September 2025, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa, No. 71 of 2008, as amended and the Listings Requirements of the JSE Limited. The annual financial statements have been prepared under the supervision of the Chief Financial Officer, Mr Moegamat Reeza Isaacs, CA(SA) on behalf of The SPAR Group Ltd.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the valuation of share-based payments, financial instruments and the post-retirement obligations. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies are consistent with those of the previous year. The Group has considered and adopted all new standards, interpretations and amendments to existing standards that are effective as at year end.

Functional and presentation currency

The functional currency for Southern Africa is South African Rand and for Ireland the functional currency is Euro. The presentation currency for the Group is South African Rand.

Rounding policy

Rand million

New accounting pronouncements

The following new standards relevant to the Group, which are not yet effective, have not yet been adopted by the directors. The directors continue to assess the impact thereof.

Applicable standard	Description	Expected impact to the annual financial statements
IFRS 18 – Presentation and Disclosure in Financial Statements	The IASB issued IFRS 18 which replaces IAS 1. The standard introduces categories and defined subtotals in the statement of comprehensive income with the purpose of providing additional relevant information and a structure that is more comparable between entities. IFRS 18 also introduces the disclosure of management-defined performance measures (MPM) in the notes to the annual financial statements. IFRS 18 is effective for financial periods beginning on or after 1 January 2027.	IFRS 18 is expected to have a material impact to the disclosures in SPAR's annual financial statements. Currently SPAR is not expected to early adopt IFRS 18 prior to the effective date.
Amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments	These amendments provide guidance on the classification of financial assets and the introduction of disclosure requirements for certain instruments. These amendments are effective for financial periods beginning on or after 1 January 2026.	Based on the Group's current financial assets, this amendment is not expected to impact on the Group's reporting.
IFRS 19 – Subsidiaries Without Public Accountability: Disclosures	IFRS 19 introduces a reduced-disclosure framework for eligible subsidiaries that do not have public accountability, while retaining full IFRS recognition and measurement requirements. The standard allows such subsidiaries to apply simplified disclosure requirements in their standalone financial statements when their parent prepares consolidated financial statements that comply with IFRS. The standard is effective for annual reporting periods beginning on or after 1 January 2027.	The Group is currently assessing whether eligible subsidiaries will apply the reduced disclosure framework upon adoption.

1. Accounting policies continued

Standards effective for the first time in the current year

There are a number of accounting pronouncements and amendments to IFRS standards which are effective 1 January 2024 and, accordingly, are effective for the 2025 financial year.

Applicable standard	Description	Impact to the annual financial statements
Amendments to IAS 1 – Presentation of Financial Statements – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of liabilities as current or non-current.	The Group has adopted this approach and accordingly, there is no further impact on the financial statement disclosures and liability classifications.
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include new requirements on how entities should account for sale and leaseback transactions after the transaction date, particularly where lease payments are variable and not linked to an index or rate.	The Group has not engaged in material sale and leaseback transactions with variable lease payments.
Amendment to IAS 7 and IFRS 7 – Supplier finance	These amendments introduce enhanced disclosure requirements around supplier finance arrangements, including their effect on liabilities, liquidity risk, and cash flows.	Based on the Group's current financing practices, supplier finance is not material.

Material accounting policies

The following is a summary of the significant accounting policies applicable to the consolidated annual financial statements. These accounting policies include only the areas in IFRS where elections have been made or policy choices exercised (including the choice or election made) as well as measurement criteria applied. The accounting policies also include information where it will assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position and was included based on its significance thereof.

Reference index

Significant area	Accounting policy reference	Note reference if applicable
Basis of consolidation		
Foreign currencies	1.2	–
Business combinations	1.3	33
Assets and liabilities		
Property, plant and equipment	1.5	12
Right-of-use assets and leases	1.6	24
Goodwill	1.3.2	13
Intangible assets	1.7	13
Investment in subsidiaries	1.3.1	14
Investments in associates and joint ventures	1.4	15
Financial instruments	1.16	39
Deferred tax	1.18	19
Inventories	1.12	20
Cash and cash equivalents and bank overdrafts	1.14	23
Employee benefits	1.17	27
Income tax payable/receivable	1.18	22
Assets/liabilities held for sale and discontinued operations	1.19	42
Profit and loss		
Revenue from contracts with customers	1.8	2
Cost of sales	1.11	–
Other income	1.9	4
Employee benefits	1.17	3
Finance income	1.10	6
Finance costs	1.10	6
Share of equity-accounted associate profits	1.4	15
Taxation	1.18	7
Capital and reserves		
Stated capital	1.15	25
Reserves	1.15	–
Treasury shares	1.15	26

1. Accounting policies continued

1.1 Basis of consolidation

The consolidated financial statements incorporate the results and financial position of the Company and all its subsidiaries, which are defined as entities over which the Group has the ability to exercise control so as to obtain benefits from their activities. The results of subsidiaries are included from the effective dates of acquisition and up to the effective dates of disposal. All inter-company transactions and balances between Group companies are eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group.

1.2 Foreign currency transactions

Transactions in currencies other than the Rand are initially recorded at the exchange rate on the date of the transaction. All assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded, are recognised to profit or loss in the period which they arise.

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity is expressed in Rand, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Rand using exchange rates prevailing at year end. Profit or loss items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. All resulting translational differences are recognised in other comprehensive income and presented as a separate component of equity in the currency translation reserve.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

1.3 Business combinations

The Company's investments in ordinary shares of its subsidiaries are carried at cost less accumulated impairment and if denominated in foreign currencies, are translated at historical rates. With the Group policy as follows:

1.3.1 Investment in subsidiaries

Subsidiaries are entities controlled by the Group. The Group also considers the following facts and circumstances in assessing whether it has power over an entity:

a) Rights arising from contractual arrangements
b) The Group's voting rights and potential voting rights

The acquisition of businesses are accounted for under the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of the exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Subsidiaries are consolidated from the date of acquisition, which is the date on which the Group obtains control of the subsidiary and continue to be consolidated until the date that control ceases.

1.3.2 Goodwill

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations*, are recognised at their fair values at acquisition date, with the difference between the consideration transferred recognised as goodwill.

Goodwill arising on acquisition is initially recognised at cost with an annual impairment test.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs). CGUs to which goodwill has been allocated are tested annually for impairment or more frequently when there is an indication that the CGU may be impaired. Any impairment loss is recognised directly to profit and loss. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of an entity, attributable goodwill is included in the determination of the profit and loss on disposal.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities that are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, that if known, would have affected the amounts recognised at that date.

For assets acquired, to be considered a business, the acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

1. Accounting policies continued

1.3 Business combinations continued

1.3.2 Goodwill continued

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the purchase consideration in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. A contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 *Financial Instruments*, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

1.3.3 Non-controlling interests (NCI)

Represents their present share of ownership interests and are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

1.3.4 Consolidated entities

Entities where SPAR has effective control through control over the Board are consolidated using the principles described above.

1.3.5 Change in ownership interests

Entities where SPAR has acquired a further share capital arising in control of the investee, shall be treated as a business combination through a step acquisition.

SPAR shall remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

1.3.6 Inter-company transactions

All inter-group balances, transactions, income and expenses are eliminated in full in the consolidated annual financial statements.

1.4 Investment in associates and joint ventures

Associates include investees for which SPAR has a significant influence but not control. Significant influence is currently assessed as a shareholding greater than 20% and the IFRS 10 *Consolidated Financial Statements* control assessment is not met.

Joint ventures include investments for which SPAR holds shared control with other investors in equal proportion.

The Company's investments in ordinary shares of its associates and joint ventures are carried at cost less accumulated impairment and if denominated in foreign currencies, are translated at historical rates.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Group's share of losses of an associate and joint venture exceeds the Group's interest in that associate or joint venture the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

1.5 Property, plant and equipment (PPE)

Property, plant and equipment are initially recognised at cost, plus any initial direct costs incurred directly attributable to bringing the asset to a point capable of operating in the manner intended by management and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are held for use in the supply of goods.

Improvements to leasehold properties are shown at cost and written off over the remaining period of the lease and the asset's useful life.

1. Accounting policies continued

1.5 Property, plant and equipment (PPE) continued

The cost less residual values of property, plant and equipment is depreciated over their estimated useful lives on a straight line basis. The useful lives and residual values of all assets are reviewed annually and are adjusted should any changes arise. Depreciation is recognised in profit or loss. No depreciation is provided for land and assets under construction. The following depreciation rates apply to the categories below:

Category	Depreciation method	Useful life
Buildings	Straight line	0% – 2% per annum
Motor vehicles	Straight line	10% – 25% per annum
Internal transport, plant and equipment	Straight line	6.7% – 33.3% per annum
Office equipment, fixtures and fittings	Straight line	4% – 33.3% per annum
Computer equipment	Straight line	10% – 33.3% per annum

Assets are tested for impairment, when there is an indication that it may be impaired, by determining the recoverable amount of the assets at a CGU level. With any resulting impairment recognised in profit or loss should the recoverable amount have declined below the carrying value of the asset.

1.6 Right-of-use (ROU) assets and leases

ROU assets include all categories of assets as described in the PPE note above. These ROU assets are measured at cost comprising of the initial measurement of the lease liability, initial direct cost, any lease payments made at or before the commencement date less any incentives received.

ROU assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter period between the lease term and the useful life of the asset on a straight line basis.

Where the Group head leases a property and enters into a back-to-back sublease arrangement with a lessee, the Group recognises a lease receivable rather than a ROU asset. Depreciation is recognised on the shorter of the lease term or useful life of the leased asset.

Lease liabilities are initially measured at the present value of the lease payments that are due at the commencement date, discounted using the interest rate implicit in the lease, where this cannot be determined the lessee's incremental borrowing rate is used. Financing income is recognised and measured on the lease liability as described in 1.10 below.

Lease liabilities are subsequently measured at amortised cost and remeasured when there is a change in future lease payments arising from a change in term or if the Group changes its assessment on whether it will exercise a purchase, extension or termination option at the end of the contract.

The Group has applied the use of a single discount rate to each portfolio of leases that have reasonably similar terms, underlying assets and economic circumstances. The majority of property leases within each segment are on similar underlying assets (stores) within similar economic environments, and with the same lease terms. However, the Irish portfolio of leases is further split into leases based in Ireland and in the UK.

The Group accounts for leases with lease terms of less than 12 months as short-term leases. No ROU asset recognised with lease payments recognised as an expense, on a straight line basis, in profit or loss.

Variable payment terms are mainly used on the lease of a store where a portion of the rental is based on the turnover made by the store. Variable payment terms also occur when the utility costs related to a property are on-charged as part of the rental. These variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

SPAR considers smaller items of leased equipment as "low value" with corresponding lease payments recognised on a straight line basis in profit or loss.

1.7 Intangible assets

Intangible assets comprise those identifiable non-monetary assets without physical substance. Intangible assets acquired through business combinations are recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and any recognised impairment losses, on the same basis as intangible assets that are acquired separately and are amortised on a straight line basis over its useful life.

Computer software and licences are recognised at cost, plus any initial direct costs incurred directly attributable to bringing the asset to a point capable of operating in the manner intended by management and are subsequently measured at cost less accumulated amortisation and any recognised impairment losses.

1. Accounting policies continued

1.7 Intangible assets continued

Intangible assets acquired separately and through business combinations are amortised on a straight line basis over its useful life with computer software and licences amortised on a straight line basis at a range between 8.3% and 20%.

Acquired brands and licences are considered to have indefinite useful lives and are not amortised but are tested at least annually for impairment and carried at cost less any recognised impairment.

As required by the applicable accounting standards, management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill and indefinite useful life intangible assets. Determining whether goodwill and indefinite useful life intangible assets are impaired requires an estimation of the value-in-use of the CGU to which the goodwill and intangible assets relate. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate to calculate the present value. Details of the assumptions used in the impairment tests are in note 13.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

1.8 Revenue from contract with customers

Our revenue mainly comprise the revenue from the sale of merchandise, marketing and promotional activities as well as franchise fees. Revenue is recognised on a transfer of control basis.

Revenue from sale of merchandise include warehouse and dropshipment sales which are recognised only once all performance obligations of SPAR to the retailer have been satisfied and to the extent that it is highly probable that a significant reversal will not occur. Transfer of control occurs at a point in time on the day our merchandise is delivered to the retailer together with a signed goods received note.

Other revenue includes marketing services rendered, promotional activities provided and franchise fees received. Marketing and promotional activities are recognised in terms of the relevant contractual arrangements. The Group is satisfied that these services are distinct within the context of the relevant contracts. Transfer of control occurs over time in which the services are rendered and in the case of franchise fees over the duration of the contract.

Revenue from sales is measured based on the price specified in the contract net of value added tax (VAT), rebates, discounts and other allowances.

The Group does not expect to have any contracts where the period between the transfer of goods or services, and the receipt of payment exceeds a year as the payment for sales is either due immediately or made with a credit term of between 15 and 48 days, which is consistent with market practice. Therefore, the transaction prices are not adjusted for the time value of money.

1.9 Other income

Comprises dividends, rental, commission income, insurance proceeds, guarantee fees and income from marketing or sundry services all-inclusive of both amounts received and accrued for.

Dividend received is recognised as and when the Company is entitled to receive such dividend unless the dividend is due from an entity which operates under severe long-term restrictions. Dividends from these companies are recognised on a cash basis.

Rental income in respect of short-term leases is recognised on a straight line basis over the lease term.

Income from marketing and other services is recognised when the related promotional activity or service has occurred. Other income is measured at fair value being the consideration received.

1.10 Finance income and costs

Finance income include interest received or accrued on surplus cash balances, loans receivable, lease receivables, overdue debtors and the financial asset described in 1.16. This income is recognised in profit or loss using the effective interest rate method.

Finance costs include interest paid or accrued on bank overdrafts, loans payable, lease liabilities and the financial liabilities described in 1.16. This expense is recognised in profit or loss using the effective interest rate method.

1. Accounting policies continued

1.11 Cost of sales

Cost of sales represents the net cost of purchases from suppliers after discounts, rebates and incentive allowances received from suppliers, adjusted for opening and closing inventory.

Rebates and allowances include volume-related rebates, promotional and marketing allowances, other fees and discounts, and are received in connection with the purchase of goods or for the provision of services.

1.12 Inventories

The carrying value of inventory comprise the stock on hand at the reporting date net of any obsolescence provision raised.

Stock is initially measured at cost, which comprise the cost to purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is subsequently measured at the lower of cost and net realisable value.

Cost is determined on a weighted average basis. Obsolete, redundant and slow-moving inventory is identified and written down to estimated economic or realisable values. Net realisable value represents the selling price less all estimated costs to be incurred in the marketing, selling and distribution thereof.

When inventory is sold, the carrying amount is recognised to cost of sales. Any write-down of inventory to net realisable value and all losses of inventory or reversals of previous write-downs are recognised in cost of sales.

The provision for obsolescence represents management's estimate of the extent to which inventory on hand at the reporting date will be sold below cost. This estimate takes into consideration past trends, evidence of impairment at year end and an assessment of future saleability.

1.13 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are raised for supplier claims when distribution centres expect a cash outflow to occur for claims made by suppliers.

Supplier provisions are subsequently measured using managements best estimate on the outflow expected to occur resulting in increases or decreases to the said provision.

The provisions for supplier claims, termination of leases and onerous leases represent management's best estimate of the Group's liability. The supplier claims provision represents the value of disputed deliveries and other issues. Termination of leases relates to specific leases which have been identified for surrender. The provision is based on historic experience of three years' rental to surrender. Onerous lease provisions represent the value by which the unavoidable costs of meeting lease obligations exceed the economic benefits expected to be received under certain lease agreements.

1.14 Cash and cash equivalents and bank overdrafts

Cash comprises cash on hand and cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value, are initially carried at fair value and subsequently measured at amortised cost and where these balances are denominated in foreign currencies, are translated at the relevant closing exchange rates.

Bank overdrafts are disclosed separately on the face of the statement of financial position.

1.15 Capital and reserves

Capital and reserves of the Group include the following:

- Share capital
- Reserves
- Treasury shares

Share capital includes the ordinary shares issued by the Company and is recorded at the net of proceeds received and issue costs.

Reserves include the foreign currency translation (FCTR), share-based payment (SBP) and hedging reserve. The FCTR comprises the effect of translating Group companies from their functional currency to rands at the respective reporting date. While the SBP reserve arises as a result of IFRS 2 *Share Based-Payments* transactions the relevant share scheme and is measured net of options/shares granted to and taken up by participants. The hedging reserve comprises the effective portion of the gains or losses on cash flow hedges.

Treasury shares are purchases made by the Group of its own equity instruments and those held in a trust. The consideration paid is deducted from equity. Where shares repurchased are subsequently sold, the consideration received is included in equity attributable to owners of The SPAR Group Ltd, net of any directly attributable incremental transaction cost and the related tax effects. No profit or loss is recorded.

1. Accounting policies continued

1.16 Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when the Company or Group becomes a party to the contractual provisions of the instrument. The below is an illustration of our major categories of financial instruments including how these are recognised and measured:

Category	Includes	Recognition and measurement
Financial assets	Loans and other receivables Block discounting loan receivable Trade and other receivables Lease receivables Cash and cash equivalents	Initially recognised at fair value plus initial direct costs and subsequently measured at amortised cost using the effective interest rate method less expected credit losses.
Financial liabilities	Long-term borrowings Block discounting loan payables Other financial liabilities Bank overdrafts Lease liability	Initially recognised at fair value plus initial direct costs and subsequently measured at amortised cost using the effective interest rate method less expected credit losses.
Financial guarantee contracts	The guarantees provided by the Group to subsidiaries and affiliates	These financial guarantees are accounted for under IFRS 9 recognised as financial liabilities and must be measured at their fair value upon initial recognition. Subsequently, they are measured at the higher of the expected credit losses (ECL) calculated in accordance with IFRS 9's impairment model, or the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of IFRS 15.
Derivative financial instruments and hedge accounting	Interest rate swaps (IRS) of variable-rate borrowings designated as cash flow hedges	Derivative financial instruments are initially recognised at fair value and subsequently remeasured at fair value at each reporting date. For cash flow hedges, the effective portion of changes in fair value is recognised in OCI and accumulated in the cash flow hedge reserve. Ineffectiveness is recognised in profit or loss. Amounts in OCI are reclassified to profit or loss in the periods in which the hedged cash flows affect earnings. If the hedging relationship ceases to qualify, hedge accounting is discontinued prospectively.

The Group makes use of an allowance account to recognise any loss allowances as prescribed by IFRS 9 *Financial Instruments*. The Group estimates its ECL provision as follows:

Trade and other receivables

The simplified method is used, whereby lifetime expected losses are estimated using a matrix approach. Historical loss rates are adjusted for forward looking factors to calculate an adjusted rate which is applied to the trade receivable balances in various ageing buckets (after removing specifically provided for debtors).

Loans and other financial assets

A probability of default (PD) method is used and involves applying these PDs to the various loans in its relevant stages, taking into account relevant forward looking factors.

In measuring the financial guarantee contracts, management applied judgement in assessing the best estimate of the expenditure to settle the present obligation. The risks and uncertainties that inevitably surround many events and circumstances shall be taken into account in reaching the best estimate of the provision. Management has assessed that the amount that it would rationally pay to settle the obligation is nil. Refer to note 34 for further details.

1.16.1 Prepayments

Prepayments represent amounts paid in advance for goods or services to be received in future periods. These amounts are recognised as assets when the Group expects to obtain future economic benefits and are expensed in the period to which they relate. Prepayments are classified as current or non-current based on the expected timing of the associated benefit.

Included in prepayments are upfront payments made to retailers under trading agreements to support BWG-branded signage. Although the signage is owned by the retailer, the Group provides a pro-rated contribution that becomes repayable if the retailer exits the network. These amounts are recognised as prepayments and are amortised to profit or loss over the seven-year contract period.

The non-current portion represents the amount expected to be amortised beyond 12 months, while the current portion reflects the amount to be amortised within the next 12 months.

1. Accounting policies continued

1.17 Employee benefits

Employee benefits comprise the following:

- Short-term benefits
- Post-employment medical aid benefits
- Post-employment retirement benefits
- Long-term employee benefits

Short-term benefits include the employee's basic salary, performance-related bonuses, travel allowances and other benefits. Short-term employee benefits are recognised as incurred, usually the earlier of payment or accrual date. The expected cost of bonus payments are recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performances.

The Company provides post-retirement healthcare benefits to certain of its retirees. The entitlement to these benefits is based on qualifying employees remaining in service until retirement age. These are measured using the projected unit credit method of valuation is used to calculate the post-retirement medical aid obligations, which costs are accrued over the period of employment. Actuarial gains and losses are recognised immediately in equity as other comprehensive income. These benefits are actuarially valued annually. The liability is unfunded.

Post-retirement benefits include the payments to defined contribution retirement benefit plans which are recognised as an expense when employees have rendered services entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The Group presents the service costs and net interest income or expense in profit or loss in the line item "defined benefit plan expenses". Curtailment gains and losses are accounted for as past service costs. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and shall not be reclassified to profit or loss.

Past service costs are recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Long-term employee benefits include long-service awards payable to employees per human resources policy and share-based payments.

The Group provides long-service awards to employees based on their length of service. These awards are classified as long-term employee benefits under IAS 19 *Employee Benefits* and are measured at the present value of the obligation. Current service costs are recognised in profit or loss, while actuarial gains and losses arising from changes in assumptions are recognised in other comprehensive income in the period in which they occur.

Share option scheme

The Group issues equity-settled share-based payments to certain employees. These share-based payments are measured at fair value at the date of the grant and are recognised to profit or loss on a straight line basis over the vesting period, with a corresponding adjustment to the share-based payment reserve. Fair value is measured at grant date by use of a binomial model. The expected life used in the model is adjusted, based on management's best estimate of the effect of non-market vesting conditions.

The scheme has been closed and all options have either been expired or forfeited.

Conditional Share Plan (CSP)

The Group operates a CSP under which it receives services from employees as consideration for equity instruments of the Company. In terms of the CSP, the Group has granted shares to executives, senior management and key talent specifically identified in the form of performance share awards.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value of the employee service received in exchange for the grant of shares is recognised as an expense on a straight line basis over the vesting period, with a corresponding adjustment to the share-based payment reserve. The total amount to be expensed is determined by reference to the fair value of shares granted, including any market performance conditions and excluding the impact of any non-market performance vesting conditions. Non-market performance vesting conditions are included in the assumptions regarding the number of shares granted that are expected to vest. At the end of each reporting period, the Group revises its estimates of the number of shares granted that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

1. Accounting policies continued

1.18 Taxation

The taxation expense is determined as the sum of the current and deferred taxation amounts recognised in profit or loss. Current tax assets or liabilities arise from the balance receivable or payable to relevant tax authorities.

Current taxation is payable based on taxable profit for the year. Taxable profit will differ from reported profit because it will exclude items of profit or loss that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been substantively enacted at the statement of financial position date.

Deferred tax assets or liabilities arise from timing differences between IFRS and relevant tax laws creating future charges or deductions for taxation purposes.

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position method. Deferred tax liabilities and assets are generally recognised for all taxable temporary differences and effectively represents the "accrual" adjustment to current taxation payable excluding the effect of permanent differences.

Deferred taxation is calculated using taxation rates at the statement of financial position date and is charged or credited to the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is dealt with in equity.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill.

Deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which future deductible temporary differences can be utilised. The carrying amount of deferred taxation assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

1.19 Assets held for sale and discontinued operations

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This classification is made only when the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such asset and the sale is highly probable, with management committed to a plan to sell, and the sale is expected to be completed within one year from the date of classification.

Non-current assets and disposal groups held for sale are measured at the lower of its carrying amount and fair value less costs to sell. Depreciation ceases on non-current assets once classified as held for sale.

Any impairment losses arising from the initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of cumulative impairment losses.

Discontinued operations

A discontinued operation is a component of the Group that has either been disposed of or is classified as held for sale and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations, net of tax, are presented separately in the statement of comprehensive income as a single line item. Comparative figures are represented to reflect discontinued operations separately from continuing operations.

Where a discontinued operation is disposed of, any resulting gain or loss on disposal is calculated as the difference between the net proceeds from the sale and the carrying amount of the asset or disposal group, including any associated goodwill.

1. Accounting policies continued

1.20 Key management judgements and estimates

There are a number of areas where judgement is applied in the application of the accounting policies in the consolidated financial statements. Significant areas of judgements and estimates have been identified as:

Consolidation of Guilds

Management have consolidated the Guilds on the basis that The SPAR Group Ltd has effective control over these entities in accordance with a control assessment performed by management with reference to the requirements of IFRS 10 *Consolidated Financial Statements*.

Management concluded that in relation to the marketing and advertising activities of the Guilds, the Guilds act as an agent on behalf of the independent retailers who form part of the voluntary trading groups. As a result, the Guilds account for the marketing and advertising income and expenditure as an agent, i.e., on a net agency basis. This net amount is then included in the consolidated statement of profit or loss and other comprehensive income.

Control over retail stores acquired

Note 33 details the acquisition of retail stores. In these acquisitions 100% of the assets of the business were acquired. The directors of the Company assessed whether or not the Group has control over these retail stores based on whether the Group has the practical ability to direct the relevant activities of the stores unilaterally. As no other party has the ability to direct the activities of the business, the directors concluded that the Group has control over the retail stores acquired.

Acquisition of assets vs business

An acquisition is considered a business combination if the assets acquired and liabilities assumed constitute a business. Management applies judgement in order to assess whether assets purchased constitute a business by assessing the facts and circumstances of the transaction. Management considers whether the purchase includes an integrated set of activities (inputs and processes) that is capable of being managed and conducted in order to provide a return. In instances where only an asset such as a property, is purchased, with no related processes and inputs, this is treated as an acquisition of an asset rather than a business. In instances such as the purchase of a store, which includes the employment of staff, and processes relating to the running of the store that can be managed in order to provide a return, the assets acquired are treated as a business in terms of IFRS 3 *Business Combinations*.

Macro-economic forward looking factors in expected loss model

The Group has identified the inflation rate, fuel costs, the prime interest rate and the unemployment rate as the most relevant factors in calculating a forward looking adjustment to the historical loss rates. These have been applied to the loss rates used in the expected credit loss model for loans and trade and other receivables.

Probability of vesting of rights to equity instruments granted in terms of the CSP

The cumulative expense recognised in terms of the Group's CSP reflects, in the opinion of the directors, the number of rights to equity instruments granted that will ultimately vest. At each reporting date, the unvested rights are adjusted by the number forfeited during the year to reflect the actual number of instruments outstanding. Management is of the opinion that this number, adjusted for future attrition rates and performance conditions, represents the most accurate estimate of the number of instruments that will ultimately vest.

Supplier rebates

Management applied judgement in assessing whether rebates and other income should be presented as a reduction of cost of sales, included in revenue – other or offset in expenses. In this regard, management assessed whether the services provided to the suppliers are considered part of the overall supplier relationship in accordance with IAS 2 *Inventories*, or are distinct and specific services, or whether the income received represents a genuine refund of selling expenses.

Dropshipment agent vs principal

Revenue from the sale of merchandise is recognised as and when the control over goods and services are transferred to customers. The Group has assessed its dropshipment sales which is recorded on a gross principal basis and has concluded that this will continue to be recognised on a gross basis.

Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide accrual for income taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated income tax positions based on best informed estimates of whether additional income taxes will be due. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax assets and liabilities in the period in which such determination is made.

Estimation is also required of temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax liabilities are recognised for all taxable temporary differences but, where there are deductible temporary differences, management's judgement is required as to whether a deferred tax asset should be recognised based on the availability of future taxable profits.

1. Accounting policies continued

1.20 Key management judgements and estimates continued

Lease renewals

In determining the number of years of rental payments which should be present valued for the purpose of IFRS 16 *Leases*, renewal options should be considered when the lessee is reasonably certain to exercise.

In South Africa, the majority of property leases are entered into for an initial period of 10 years, with renewal options of five years. It has been concluded that these renewal options will only be recognised when it is reasonably certain that they will be entered into which is generally within six months of the renewal coming into effect.

In Ireland, management identify leases for which they are reasonably certain not to exercise break clauses. No renewal assumptions/rights have been incorporated into the lease terms.

In determining the number of years of rental payments which should be present valued for the purpose of IFRS 16 *Leases*, renewal options should be considered when the lessee is reasonably certain to exercise.

Segmental reporting

The principal segments of the Group have been identified on a primary basis by geographical segment which is representative of the internal reporting used for management purposes as well as the source and nature of business risks and returns. These geographical segments also represent operating segments as they meet the quantitative threshold.

Intangible asset cost allocation

The Group has embarked on a programme to design, build and deploy a SAP template for the South African business. The development of the SAP template constitutes the development of an internally generated intangible asset, which will ultimately be split within the South African business between local divisional distribution centres (DCs). The unit of account for the purpose of the capitalisation of development costs is a matter of judgement. Each instance of the implementation within the respective DC is considered to be a separate unit of account. The quantification for costs allocation to each DC is driven by the licences linked to the SAP project on the date of the DC going live. The capital work in progress amounts are recognised and tested for impairment in South Africa using the discounted cash flows for The SPAR Group Limited separate company.

Change in CGU for South African corporate-owned stores

During the current financial year, the Group reassessed the level at which goodwill arising from the acquisition of corporate-owned retail stores is monitored for internal management purposes following the appointment of a dedicated executive responsible for corporate stores and the establishment of discrete funding facilities for future retail store acquisitions. Following the internal organisational changes and the discrete reporting of retail store performance to the Chief Operating Decision Maker, the Group reconsidered its judgement relating to the level at which goodwill is monitored for impairment testing purposes. In prior years, goodwill was monitored and tested for impairment at the associated distribution centre (DC) level.

Goodwill was reallocated from the DC level CGU to individual retail stores based on the initial purchase price allocation performed at the time that the retail store was acquired.

The recoverable amount for profit making stores was determined through a discounted cash flow model, the key inputs used are presented in note 13.5. The Group determined that for loss-making stores, the recoverable amount is best represented by the carrying value of the tangible assets within the store, as these amounts approximate the fair value less cost of disposal.

A total impairment charge of R350.3 million and R232.0 million was recognised on reallocated goodwill and right-of-use assets respectively.

This represents a change in management judgement regarding the identification of CGUs and has been applied prospectively in accordance with IAS 8.

	GROUP		COMPANY	
Rmillion	2025	2024 Restated*[(1)]	2025	2024 Restated[(1)]
2. Revenue from contracts with customers*				
Revenue – sale of merchandise	**131 457.7**	130 986.6	**91 471.4**	91 007.3
Revenue other	**1 950.6**	1 678.1	**1 406.8**	1 122.8
Marketing and service revenues	**1 542.3**	1 246.5	**1 406.8**	1 122.8
Franchise fees	**253.5**	245.2	**–**	–
Other services	**154.8**	186.4	**–**	–
Total revenue	**133 408.3**	132 664.7	**92 878.2**	92 130.1
Timing of revenue recognition				
Point in time	**131 457.7**	130 986.6	**91 471.4**	91 007.3
Over time	**1 950.6**	1 678.1	**1 406.8**	1 122.8

Disaggregated revenue is presented in note 11.

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

(1) *During the current year management identified certain credits to retailers recognised within cost of sales in the prior period, which should have been recorded as deductions against revenue. Consequently, revenue for the prior period has decreased by R27 million and R82 million for Group and Company respectively, with cost of sales for the prior period decreasing by the same amount. The adjustment has no impact on gross profit, operating profit, or retained earnings.*

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
3. Net operating expenses*				
Net operating expenses include the following:				
Auditors remuneration**	**27.7**	29.1	**13.0**	13.0
Audit fees	**26.5**	25.4	**13.0**	12.0
Other fees	**1.2**	3.7	**–**	1.0
Other lease expenses	**87.4**	139.5	**80.7**	44.7
Low value lease payments	**4.0**	1.6	**3.7**	1.6
Short-term lease expense	**83.4**	137.9	**77.0**	43.1
Total employment costs	**5 699.9**	5 516.0	**3 114.7**	3 043.9
Employment benefits:	**271.4**	280.6	**223.5**	223.1
Post retirement medical aid (refer to note 27.2)	**22.1**	24.2	**22.1**	24.2
Defined contribution plans	**249.4**	238.7	**201.4**	198.9
Defined benefit plans (refer to note 27.1)	**(0.1)**	17.7	**–**	–
Other employment costs	**5 428.5**	5 235.4	**2 891.2**	2 820.8
Delivery costs-fuel	**1 298.5**	1 386.9	**704.3**	790.0
Advertising	**1 544.6**	1 355.2	**1 203.8**	1 039.0
Depreciation	**1 047.6**	1 055.9	**434.4**	423.2
Amortisation	**87.0**	67.4	**55.0**	40.6
Impairment of assets	**675.6**	69.7	**3 574.9**	1 695.6
Impairment of assets held for sale	**79.4**	50.0	**78.1**	21.9
Impairment of goodwill (refer to note 13)	**350.3**	19.7	**347.2**	19.7
Impairment of PPE and intangible assets	**13.9**	–	**13.9**	–
Impairment to right-of-use asset (refer to note 24)	**232.0**	–	**232.0**	–
Impairment of subsidiary investment (refer to note 14)	**–**	–	**2 903.7**	1 654.0
4. Other income*				
Commission income	**3.1**	22.7	**3.1**	22.7
Dividend income	**–**	–	**121.1**	232.6
Inter-company guarantee fee income	**–**	–	**16.8**	86.5
Insurance proceeds	**1.3**	7.7	**1.3**	7.7
Marketing income	**49.0**	55.6	**30.3**	55.6
Rental income	**47.1**	53.3	**15.3**	12.8
Sundry income	**71.3**	65.2	**64.0**	52.9
Total other income	**171.8**	204.5	**251.9**	470.8
5. Other non-operating items*				
Disposal and other costs relating to discontinued operations	**–**	–	**(178.4)**	–
Business acquisition costs – other (refer to note 33)	**(3.9)**	1.5	**–**	–
Business acquisition costs – current year acquisitions (refer to note 33)	**(5.0)**	–	**–**	–
	(8.9)	1.5	**(178.4)**	–
6. Finance income/costs*				
6.1 Finance income				
Bank deposits	**70.6**	66.9	**34.0**	31.2
Loans	**11.2**	17.6	**8.0**	14.1
Block discounting loan receivable	**0.4**	4.9	**0.4**	4.9
Lease receivable	**470.6**	436.0	**464.6**	433.4
Overdue debtors	**59.8**	57.8	**55.8**	55.5
Other	**1.2**	3.3	**1.2**	3.3
Total finance income	**613.8**	586.5	**564.0**	542.4

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

** *Included in the Group audit fee is an amount of R18.5 million relating to the Group's external auditor, PwC, for external services and nil for non-audit services.*

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024

6. Finance income/costs* continued

6.2 Finance costs

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Security deposits	**(12.3)**	(12.4)	**(12.3)**	(12.4)
Loans	**(417.0)**	(164.7)	**(313.2)**	(1.2)
Block discounting loan payable	**(0.4)**	(3.8)	**(0.4)**	(3.8)
Lease liability	**(653.3)**	(605.0)	**(545.1)**	(510.0)
Bank overdraft	**(221.1)**	(378.3)	**(214.7)**	(371.9)
Other	**(0.7)**	(9.5)	**(0.7)**	(9.6)
Total finance costs	**(1 304.8)**	(1 173.7)	**(1 086.4)**	(908.9)

7. Taxation*

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Current taxation				
– Current year	**499.2**	430.0	**229.7**	172.5
– Prior year (over)/under provision	**0.2**	(29.5)	**8.9**	(7.1)
Deferred taxation	**–**	–	**–**	–
– Current year	**(35.0)**	60.4	**(45.9)**	54.5
– Prior year under/(over) provision	**(4.1)**	8.5	**(4.7)**	8.9
– Change in tax rate	**–**	0.1	**–**	–
Foreign withholding income tax	**7.7**	2.0	**7.8**	2.1
Taxation expense for the year	**468.0**	471.5	**195.8**	230.9
Reconciliation of effective taxation rate (%)				
South African current income tax rate at 27%	**27.0**	27.0	**27.0**	27.0
Non-taxable income relating to:				
Dividends received	**–**	–	**1.1**	17.7
Employee tax incentives	**(0.3)**	(0.2)	**0.1**	0.7
Share plans[(1)]	**0.3**	–	**(0.1)**	(0.1)
Non-deductible expenses relating to:				
Business acquisition costs	**0.1**	–	**–**	–
Write-off of SAP asset under construction	**–**	0.2	**–**	(1.0)
Impairment of subsidiary investment	**–**	–	**(26.0)**	(126.2)
Impairment of goodwill	**7.3**	0.2	**(3.1)**	(1.5)
Impairment of PPE and intangible assets	**0.1**	–	**–**	–
Impairment to right-of-use asset	**–**	–	**–**	–
Impairment of assets held for sale	**1.7**	0.6	**(0.7)**	(1.7)
Movement in financial guarantee liability	**0.2**	0.3	**0.6**	24.2
Non-deductible interest costs	**4.2**	0.1	**(1.8)**	–
Polish and Swiss disposal costs	**–**	–	**(1.6)**	–
Accounting loss on disposal of businesses	**0.3**	0.2	**(0.2)**	(1.1)
Other operating costs	**4.8**	(0.2)	**(1.4)**	(2.6)
Other items:				
Assets not eligible for capital allowances	**0.1**	0.1	**–**	(0.1)
Income tax allowances	**(0.3)**	(0.1)	**0.1**	0.7
Withholding income tax	**0.6**	0.1	**(0.2)**	(0.6)
Prior year income tax over provision	**(0.3)**	(0.1)	**(0.2)**	(0.5)
Controlled foreign companies income	**0.1**	0.1	**(0.1)**	(0.1)
Unutilised tax losses	**0.5**	0.2	**–**	–
Non-deductible temporary differences	**–**	0.1	**–**	–
Foreign tax rate differential	**(10.3)**	(5.9)	**–**	–
Pillar 2 current tax	**0.2**	–	**–**	–
Effective taxation rate	**36.3**	22.7	**(6.5)**	(65.2)

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

(1) *Temporary differences between deferred tax asset balance raised for future costs to be incurred and income tax deduction granted in current year for costs actually incurred on the CSP.*

The Group is within the scope of the OECD Pillar 2 model rules as of 1 October 2024. The majority of the countries that the Group operates in satisfy one of the Pillar 2 transitional safe harbour tests. Additional Pillar 2 top-up tax of R2.6 million has been included within the current tax charge for the year ended 26 September 2025, as a result of Ireland's corporate tax rate being 12.5%.

The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes.

8. Earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares (net of treasury shares) in issue during the year. In the case of basic earnings per share, the weighted average number of ordinary shares (net of treasury shares) in issue during the year was 192 584 666 (2024: 192 584 666). In respect of diluted earnings per share, the weighted average number of ordinary shares (net of treasury shares) was 192 697 296 (2024: 192 654 607).

The calculation of the basic and diluted earnings per share attributable to ordinary shareholders is based on the following data:

		GROUP		COMPANY	
		2025	2024	**2025**	2024
Earnings for the purpose of basic and diluted earnings per share ((loss)/profit for the year attributable to equity holders of the Company)	Rmillion	**(4 828.1)**	351.9	**(3 216.3)**	(584.6)
Earnings per share:					
Basic	cents	**(2 507.0)**	182.7	**–**	–
Diluted	cents	**(2 505.5)**	182.7	**–**	–
Number of shares					
Weighted average number of ordinary shares (net of treasury shares) for the purposes of basic earnings per share	'000	**192 585**	192 585	**192 585**	192 585
Effect of diluted potential ordinary shares:					
Share options and contingently issuable ordinary shares	'000	**112**	70	**112**	70
Weighted average number of ordinary shares (net of treasury shares) for the purposes of diluted earnings per share	'000	**192 697**	192 655	**192 697**	192 655

9. Headline earnings

Rmillion		GROUP **2025**	GROUP 2024
(Loss)/profit for the year attributable to equity holders of the Company		**(4 828.1)**	351.9
Adjusted for:			
Loss on sale of PPE and intangible assets		**22.3**	21.1
Write-off of SAP asset under construction		**–**	13.0
Impairment of assets held for sale		**4 684.3**	995.1
Impairment of goodwill		**353.5**	19.7
Impairment of PPE and intangible assets		**13.9**	–
Impairment to right-of-use asset		**232.0**	–
Loss on disposal of businesses		**562.0**	17.9
Tax effect of adjustments		**(62.6)**	–
Headline earnings		**977.3**	1 418.7
Headline earnings from discontinued operations*		**(503.4)**	(306.8)
Headline earnings from continuing operations*		**1 480.7**	1 725.5
Headline earnings per share			
Basic	cents	**507.5**	736.7
Diluted	cents	**507.2**	736.4
Headline earnings per share from discontinued operations*			
Basic	cents	**(261.4)**	(159.3)
Diluted	cents	**(261.2)**	(159.2)
Headline earnings per share from continuing operations*			
Basic	cents	**768.9**	896.0
Diluted	cents	**768.4**	895.6

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

10. Dividends paid

No dividends have been paid or declared in the current and prior year.

11. Segment reporting*

The principal segments of the Group have been identified on a primary basis by geographical segment, which is representative of the internal reporting used for management purposes as well as the source and nature of business risks and returns. These geographical segments also represent operating segments as they meet the quantitative thresholds.

The Chief Executive Officer is the Chief Operating Decision Maker (CODM) and assesses the performance of the operating segments based on profit before tax and for joint ventures and associates based on earnings after tax, and is of the opinion that the operations of the individual distribution centres within Southern Africa are substantially similar to one another and that the risks and returns of these distribution centres are likewise similar. The risks and returns of the Ireland, Switzerland and Poland operations are not considered to be similar to those within Southern Africa or each other and are therefore disclosed as separate reportable segments.

As a result, the geographical segments of the Group have been identified as Southern Africa, Ireland, Switzerland and Poland. All segment revenue and expenses are directly attributable to the segments. Segment assets and liabilities include all operating assets and liabilities used by a segment, with the exception of inter-segment assets and liabilities, and IFRS adjustments made by segments to their management report for the purposes of IFRS compliance. These assets and liabilities are all directly attributable to the segments.

The principal activity of the reporting segments is the wholesale and distribution of goods and services to SPAR grocery stores and multiple other branded group retail outlets.

The Group deals with a broad spread of customers, with no single customer exceeding 10% of the Group's revenue.

Analysis per reportable segment:

Rmillion	Southern Africa	Ireland*	Switzerland*	Poland	Consolidated Total
2025					
Statement of profit or loss					
Revenue from contracts with customers	**98 352.4**	**35 055.9**	**–**	**–**	**133 408.3**
Cost of sales	**87 527.2**	**29 785.7**	**–**	**–**	**117 312.9**
Impairment of PPE and intangible assets	**13.9**	**–**	**–**	**–**	**13.9**
Impairment of assets held for sale	**79.4**	**–**	**–**	**–**	**79.4**
Impairment of right-of-use asset	**232.0**	**–**	**–**	**–**	**232.0**
Impairment of goodwill	**350.3**	**–**	**–**	**–**	**350.3**
Depreciation and amortisation	**533.3**	**601.3**	**–**	**–**	**1 134.6**
Total employment costs	**3 641.6**	**2 058.3**	**–**	**–**	**5 699.9**
Delivery costs – fuel	**871.7**	**426.8**	**–**	**–**	**1 298.5**
Advertising	**1 278.0**	**266.6**	**–**	**–**	**1 544.6**
Operating profit	**844.4**	**1 139.1**	**–**	**–**	**1 983.5**
Finance income	**599.1**	**14.7**	**–**	**–**	**613.8**
Finance costs	**1 111.8**	**193.0**	**–**	**–**	**1 304.8**
Share of equity-accounted associate profits	**4.2**	**–**	**–**	**–**	**4.2**
Profit before tax	**335.8**	**952.0**	**–**	**–**	**1 287.8**
Taxation	**342.1**	**125.9**	**–**	**–**	**468.0**
Statement of financial position					
Total assets	**28 753.9**	**17 467.5**	**–**	**–**	**46 221.4**
Total liabilities	**27 449.1**	**13 460.0**	**–**	**–**	**40 909.1**
2024					
Statement of profit or loss					
Revenue from contracts with customers(1)	97 083.6	35 581.1	–	–	132 664.7
Cost of sales(1)	86 841.6	30 300.2	–	–	117 141.8
Impairment of goodwill	19.7	–	–	–	19.7
Impairment of assets held for sale	50.0	–	–	–	50.0
Depreciation and amortisation	496.0	627.3	–	–	1 123.3
Total employment costs	3 520.4	1 995.6	–	–	5 516.0
Delivery costs – fuel	950.1	436.8	–	–	1 386.9
Advertising	1 102.2	253.0	–	–	1 355.2
Operating profit	1 461.0	1 196.6	–	–	2 657.6
Finance income	572.0	14.5	–	–	586.5
Finance costs	931.3	242.4	–	–	1 173.7
Share of equity-accounted associate profits	6.3	–	–	–	6.3
Profit before tax	1 108.0	970.2	–	–	2 078.2
Taxation	368.5	103.0	–	–	471.5
Statement of financial position					
Total assets**	27 135.9	18 177.5	12 281.8	1 046.8	58 642.0
Total liabilities**	23 780.7	13 120.1	9 227.4	2 140.1	48 268.3

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

** *During the current financial year, the Group identified a prior period error of R614.7 million in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

(1) *During the current year management identified certain credits to retailers recognised within cost of sales in the prior period, which should have been recorded as deductions against revenue. Consequently, revenue for the prior period has decreased by R27 million and R82 million for Group and Company respectively, with cost of sales for the prior period decreasing by the same amount. The adjustment has no impact on gross profit, operating profit, or retained earnings.*

Segment disclosure of material costs for 2025 and 2024 has been provided in accordance with IFRS 8.23(f).

Rmillion	GROUP 2025	GROUP 2024 Restated*[1]

11. Segment reporting continued

Rmillion	2025	2024 Restated*[1]
Disaggregated Revenue as reviewed by the CODM		
Southern Africa		
Revenue – sale of merchandise	**96 948.2**	95 970.1
SPAR	**72 635.4**	72 766.8
TOPS at SPAR	**11 552.4**	11 156.6
Build it	**10 304.2**	9 928.4
SPAR Health	**1 992.1**	1 762.8
Encore	**464.1**	355.5
Revenue – other	**1 404.2**	1 113.5
Revenue from contracts with customers	**98 352.4**	97 083.6
Ireland		
Revenue – sale of merchandise	**34 509.5**	35 016.5
BWG	**34 509.5**	35 016.5
Revenue – other	**546.4**	564.6
Revenue from contracts with customers	**35 055.9**	35 581.1
Total Revenue – sale of merchandise	**131 457.7**	130 986.6
Total Revenue – other	**1 950.6**	1 678.1
Total Revenue from contracts with customers	**133 408.3**	132 664.7

* *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

Change in reporting weeks

During the current reporting period, the CODM changed the Group's financial year end to align with the retail industry's general practice of dividing the financial reporting calendar into 52 weeks of seven days, with each reporting week ending on a Friday, allowing of better comparability between the reporting periods. This change has been adopted prospectively and accordingly, the prior year's financial results have not been restated.

The results for the 52 weeks ended 26 September 2025 have been prepared on this basis. However, for the current year it was not a full 52 weeks as the year started on 1 October 2024. The results for the year ended 30 September 2024 have been prepared and reported based on the closing of the calendar month and not the 52-week basis. Accordingly, the 2024 results included an additional three days of trading results which would have been recognised in the 52 weeks ended 26 September 2025 had the year end results been prepared on the 52-week basis. Below, are the results for the 52 weeks ended 26 September 2025 including the three additional trading days, had these been included in the current period, to provide comparability to the adjusted 52 weeks ended 27 September 2024 below.

	52 weeks ended September 2025			
	Consolidated total		Per reportable segment as adjusted	
Rmillion	As reported	As adjusted	Southern Africa	Ireland
Continuing operations*				
Statement of profit or loss				
Revenue – sale of merchandise	**131 457.7**	**132 409.6**	**97 678.0**	**34 731.6**
Operating profit	**1 983.5**	**2 032.8**	**893.1**	**1 139.7**
Net finance costs	**691.0**	**695.6**	**515.7**	**179.9**
Profit before tax	**1 287.8**	**1 341.3**	**381.6**	**959.7**
Taxation	**468.0**	**469.0**	**342.1**	**126.9**

Below, are the results for the 52 weeks ended 27 September 2024, adjusted for the additional trading days in the 2024 financial year reported financial results in order to allow comparability to the adjusted 52 weeks ended 26 September 2025 above.

	52 weeks ended September 2024			
	Consolidated total		Per reportable segment as adjusted	
Rmillion	As reported	As adjusted	Southern Africa	Ireland
Continuing operations*				
Statement of profit or loss				
Revenue – sale of merchandise[1]	130 986.6	130 349.5	95 501.4	34 848.1
Operating profit	2 657.6	2 617.5	1 427.7	1 189.8
Net finance costs	587.2	584.0	357.1	226.9
Profit before tax	2 078.2	2 039.8	1 076.9	962.9
Taxation	471.5	475.4	373.4	102.0

* *Excludes results relating to the discontinued operations – refer to note 42 for further detail.*

[1] *During the current year management identified certain credits to retailers recognised within cost of sales in the prior period, which should have been recorded as deductions against revenue. Consequently, revenue for the prior period has decreased by R27 million and R82 million for Group and Company respectively, with cost of sales for the prior period decreasing by the same amount. The adjustment has no impact on gross profit, operating profit, or retained earnings.*

12. Property, plant and equipment

GROUP

Rmillion	Land and buildings	Motor vehicles	Internal transport, plant and equipment
Carrying value at 30 September 2023	5 875.0	702.6	2 145.5
Cost	6 149.1	1 375.4	4 681.9
Accumulated depreciation	(274.1)	(672.8)	(2 536.4)
Additions	89.4	192.1	283.1
Additions through business combinations	110.8	–	13.6
Disposals	(7.5)	(20.7)	(27.3)
Disposal through sale of business	–	(0.1)	(4.2)
Depreciation	(13.3)	(133.8)	(482.8)
Transfers	–	–	3.3
Exchange rate translation	(81.2)	(5.4)	(41.7)
Reclassified to assets held for sale	(438.5)	–	(71.1)
Category reclassification	2.3	(20.1)	65.0
Carrying value at 30 September 2024	5 537.0	714.6	1 883.4
Cost	5 737.6	1 452.3	4 612.1
Accumulated depreciation	(200.6)	(737.7)	(2 728.7)
Additions	**102.3**	**51.8**	**224.8**
Additions through business combinations	**73.1**	**–**	**44.2**
Impairments	**(11.8)**	**–**	**(2.1)**
Disposals	**(3.5)**	**(8.6)**	**(32.7)**
Disposal through sale of business	**(0.3)**	**(0.1)**	**(15.9)**
Depreciation	**(8.3)**	**(129.1)**	**(413.4)**
Transfers	**2.8**	**–**	**–**
Exchange rate translation	**146.4**	**7.3**	**60.6**
Reclassified to assets held for sale	**(2 993.9)**	**(71.5)**	**(411.4)**
Category reclassification	**26.3**	**–**	**0.7**
Carrying value at 26 September 2025	**2 870.1**	**564.4**	**1 338.2**
Cost	**2 974.7**	**1 353.5**	**3 764.7**
Accumulated depreciation and impairments	**(104.6)**	**(789.1)**	**(2 426.5)**

Office equipment, fixtures and fittings	Computers equipment	Assets under construction	Total
1 374.6	163.1	117.3	10 378.1
2 826.2	914.5	117.3	16 064.4
(1 451.6)	(751.4)	–	(5 686.3)
218.0	56.1	50.5	889.2
2.4	0.3	–	127.1
(42.0)	(1.0)	(40.0)	(138.5)
(0.3)	(0.1)	–	(4.7)
(231.1)	(73.1)	–	(934.1)
(3.3)	–	–	–
(15.8)	(1.8)	2.0	(143.9)
(42.7)	(0.1)	(18.0)	(570.4)
30.6	0.7	(78.5)	–
1 290.4	144.1	33.3	9 602.8
2 742.6	787.6	33.3	15 365.5
(1 452.2)	(643.5)	–	(5 762.7)
81.8	**50.3**	**35.9**	**546.9**
3.2	**0.2**	**–**	**120.7**
–	**–**	**–**	**(13.9)**
(17.8)	**(0.4)**	**(7.6)**	**(70.6)**
(1.0)	**–**	**–**	**(17.3)**
(116.7)	**(47.3)**	**–**	**(714.8)**
–	**–**	**(2.8)**	**–**
35.6	**3.3**	**0.7**	**253.9**
(1 111.9)	**(33.2)**	**(14.1)**	**(4 636.0)**
3.9	**–**	**(30.9)**	**–**
167.5	**117.0**	**14.5**	**5 071.7**
561.4	**491.6**	**14.5**	**9 160.4**
(393.9)	**(374.6)**	**–**	**(4 088.7)**

12. Property, plant and equipment continued

Rmillion	Land and buildings	Motor vehicles	Internal transport, plant and equipment
COMPANY			
Carrying value at 30 September 2023	1 483.1	487.4	471.0
Cost	1 583.6	1 087.2	1 304.2
Accumulated depreciation	(100.5)	(599.8)	(833.2)
Additions	4.1	125.8	80.6
Additions through business combinations	–	–	10.9
Disposals	–	(9.9)	(5.8)
Disposal through sale of businesses	–	–	(4.2)
Category reclassification	–	–	16.5
Reclassified to assets held for sale	(38.4)	–	–
Depreciation	(0.9)	(88.3)	(111.3)
Carrying value at 30 September 2024	1 447.9	515.0	457.7
Cost	1 549.3	1 169.9	1 367.4
Accumulated depreciation	(101.4)	(654.9)	(909.7)
Additions	**–**	**31.6**	**112.3**
Additions through business combinations	**–**	**–**	**27.2**
Impairments	**(11.8)**	**–**	**(2.1)**
Disposals	**(3.4)**	**(3.0)**	**(3.6)**
Disposal through sale of businesses	**(0.3)**	**–**	**(15.8)**
Category reclassification	**26.9**	**–**	**–**
Transfers	**2.8**	**–**	**–**
Reclassified to assets held for sale	**(139.9)**	**(0.3)**	**(4.8)**
Depreciation	**(2.2)**	**(86.9)**	**(111.3)**
Carrying value at 26 September 2025	**1 320.0**	**456.4**	**459.6**
Cost	**1 418.8**	**1 180.1**	**1 416.2**
Accumulated depreciation and impairments	**(98.8)**	**(723.7)**	**(956.6)**

Carrying value of fixed property encumbered as security for borrowings set out in note 29 is R1 502.0 million (2024: R4 040.2 million)

Included in the carrying value of property, plant and equipment are land and buildings of R407.1 million (2024: R306.3 million) which are leased to external parties. During the current year, additions to property leased externally were R85.6 million (2024: R0.7 million) and disposals were Rnil (2024: R7.0 million). The effect of foreign currency translation on the closing balance of property leased externally was a R15.2 million increase in the closing balance (2024: R11.2 million decrease).

Office equipment, fixtures and fittings	Computers equipment	Assets under construction	Total
85.2	69.4	39.8	2 635.9
229.5	246.2	39.8	4 490.5
(144.3)	(176.8)	–	(1 854.6)
13.3	26.3	2.5	252.6
1.3	0.3	–	12.5
(4.2)	(0.9)	–	(20.8)
(0.3)	(0.2)	–	(4.7)
1.9	0.7	(19.1)	–
(7.0)	–	(3.9)	(49.3)
(23.0)	(21.2)	–	(244.7)
67.2	74.4	19.3	2 581.5
227.3	254.8	19.3	4 588.0
(160.1)	(180.4)	–	(2 006.5)
12.0	**12.1**	**28.3**	**196.3**
3.2	**0.2**	**–**	**30.6**
–	**–**	**–**	**(13.9)**
(4.8)	**(0.4)**	**–**	**(15.2)**
(1.0)	**(0.1)**	**–**	**(17.2)**
3.8	**–**	**(30.7)**	**–**
–	**–**	**(2.8)**	**–**
(0.1)	**–**	**(0.1)**	**(145.2)**
(18.4)	**(20.9)**	**–**	**(239.7)**
61.9	**65.3**	**14.0**	**2 377.2**
214.7	**245.9**	**14.0**	**4 489.7**
(152.8)	**(180.6)**	**–**	**(2 112.5)**

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024

13. Goodwill and intangible assets

13.1 Total goodwill and intangible assets

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Goodwill	**2 849.2**	4 647.5	**322.2**	696.2
Indefinite useful life intangible assets	**2 055.0**	2 095.1	**–**	–
Definite useful life intangible assets	**1 519.9**	1 422.4	**1 403.9**	1 250.8
Carrying value at end of year	**6 424.1**	8 165.0	**1 726.1**	1 947.0
Analysed as follows:	**6 424.1**	8 165.0	**1 726.1**	1 947.0
Cost	**7 595.1**	9 647.0	**2 504.5**	2 323.2
Accumulated amortisation and impairment	**(1 171.0)**	(1 482.0)	**(778.4)**	(376.2)

13.2 Goodwill

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Carrying value at beginning of year	**4 647.5**	4 711.2	**696.2**	687.0
Impairment	**(353.5)**	(19.7)	**(347.2)**	(19.7)
Goodwill derecognised on disposal of business (refer to note 33)	**(44.3)**	(14.7)	**(44.3)**	(14.7)
Business combinations (refer to note 33)	**46.6**	136.1	**30.6**	43.6
Measurement period adjustment	**–**	10.1	**–**	–
Reclassified to NCAHFS	**(1 612.1)**	(71.0)	**(13.4)**	–
Exchange rate translation	**165.0**	(104.5)	**0.3**	–
Carrying value at end of year	**2 849.2**	4 647.5	**322.2**	696.2
Analysed as follows:				
Cost	**3 343.3**	5 002.1	**751.5**	778.3
Accumulated impairment	**(494.1)**	(354.6)	**(429.3)**	(82.1)
Grouping of CGUs with significant goodwill				
Southern African entities				
– SPAR corporate stores	**111.0**	488.4	**76.6**	450.6
– SPAR Lowveld DC*	**245.6**	245.6	**245.6**	245.6
– SPAR Encore Limited	**60.9**	60.9	**–**	–
– SPAR Health (Pty) Ltd	**63.5**	63.5	**–**	–
Irish (BWG) entity				
– BWG and Gilletts	**2 368.2**	3 090.6	**–**	–
SPAR Holding AG (Swiss entity)	**–**	698.5	**–**	–
Carrying value at end of year	**2 849.2**	4 647.5	**322.2**	696.2

* *The Lowveld DC was previously included in the SPAR distribution centres CGU. The previously presented comparative value of R734.0 million has been disaggregated between the SPAR corporate stores and the SPAR Lowveld DC.*

Goodwill is allocated to the Group's CGUs. These CGUs are determined as the group of assets acquired as part of a business combination to which the goodwill can be allocated, and which generates largely independent cash flows and will benefit from synergies of the combination.

Management view a grouping of CGUs as appropriate for impairment testing where the strategic direction is provided by a central management function, funded by a central financing facility and there is a large degree of inter-connection between divisions. However, a separate impairment review is conducted for assets other than goodwill where there is an indicator of performance and operational challenges faced by a business unit within a grouping of CGUs.

Historically goodwill relating to corporate-owned retail stores acquired in South Africa was monitored and tested for impairment within the associated distribution centre. However, as of the 2025 financial year each individual store will now be treated as a separate CGU and the impairment assessed of store assets assessed at the store CGU level. This has been disclosed as a significant judgement in note 1.20.

13. Goodwill and intangible assets continued

13.3 Indefinite useful life intangible assets

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Carrying value at beginning of year	**2 095.1**	2 183.1	**–**	–
Reclassified to assets held for sale	**(147.9)**	–	**–**	–
Exchange rate translation	**107.8**	(88.0)	**–**	–
Carrying value at end of year	**2 055.0**	2 095.1	**–**	–
Analysed as follows:				
Brands	**2 055.0**	2 095.1	**–**	–

Indefinite useful life intangible assets represent acquired brands. The acquired brands are established trademarks in the retail environment in Ireland and the UK. History indicates that competitor movements had no significant impact on the sales generated by these brands. On this basis, in addition to future prospects, management considered that the brands have indefinite useful lives.

The carrying values of brands relating to the TIL CGU amounts to R2 047.8 million (2024: R2 087.9 million), and Encore R7.2 million (2024: R7.2 million).

13.4 Definite useful life intangible assets

Rmillion	GROUP Computer software	GROUP Assets under construction	GROUP Total	COMPANY Computer software	COMPANY Assets under construction	COMPANY Total
Carrying value at 30 September 2023	388.0	959.0	1 347.0	236.4	934.5	1 170.9
Cost	1 468.5	959.0	2 427.5	499.5	934.5	1 434.0
Accumulated amortisation	(1 080.5)	–	(1 080.5)	(263.1)	–	(263.1)
Additions	156.6	103.6	260.2	41.6	101.4	143.0
Reclassified to assets held for sale	(14.4)	(27.4)	(41.8)	–	–	–
Disposals	(9.5)	–	(9.5)	(9.5)	–	(9.5)
Amortisation	(118.2)	–	(118.2)	(40.6)	–	(40.6)
Write-off of SAP asset under construction	–	(13.0)	(13.0)	–	(13.0)	(13.0)
Reclassifications	112.6	(112.6)	–	111.6	(111.6)	–
Exchange rate translation	(4.1)	1.8	(2.3)	–	–	–
Carrying value at 30 September 2024	511.0	911.4	1 422.4	339.5	911.3	1 250.8
Cost	**1 638.4**	**911.4**	**2 549.8**	**633.6**	**911.3**	**1 544.9**
Accumulated amortisation	**(1 127.4)**	**–**	**(1 127.4)**	**(294.1)**	**–**	**(294.1)**
Additions	**63.1**	**208.1**	**271.2**	**–**	**208.1**	**208.1**
Reclassified to assets held for sale	**(84.8)**	**–**	**(84.8)**	**–**	**–**	**–**
Disposals	**(1.0)**	**–**	**(1.0)**	**–**	**–**	**–**
Amortisation	**(94.9)**	**–**	**(94.9)**	**(55.0)**	**–**	**(55.0)**
Reclassifications	**89.8**	**(89.8)**	**–**	**89.8**	**(89.8)**	**–**
Exchange rate translation	**7.0**	**–**	**7.0**	**–**	**–**	**–**
Carrying value at 26 September 2025	**490.2**	**1 029.7**	**1 519.9**	**374.3**	**1 029.6**	**1 403.9**
Cost	**1 167.1**	**1 029.7**	**2 196.8**	**723.4**	**1 029.6**	**1 753.0**
Accumulated amortisation	**(676.9)**	**–**	**(676.9)**	**(349.1)**	**–**	**(349.1)**

The asset under construction balance includes the SAP software asset to be rolled out in the business. As at 26 September 2025, the balance relating to the SAP software asset was R971.0 million (2024: R825.0 million).

The balance also includes amounts relating to the second phase of the SPAR2U online shopping service totalling R10.7 million (2024: R10.2 million). Costs totalling R31.5 million relating to the project have already been brought into use in the current year.

The asset under construction balance was tested for impairment as at 26 September 2025 and sufficient headroom was available.

13. Goodwill and intangible assets continued

13.5 Impairment testing

The value-in-use discounted cash flow model was applied in assessing the carrying value of goodwill and indefinite life intangible assets. Cash flows were projected over the next five-year period based on financial budgets or forecasts approved by management.

		GROUP	
		2025 %	2024 %
The following rates were applied in determining the value-in-use:			
Southern African entities (SPAR corporate stores, SPAR Health and SPAR Encore):			
Pre-tax discount rate – SPAR corporate stores	(%)	**25.0**	–
Pre-tax discount rate – SPAR Health and SPAR Encore	(%)	**12.5**	13.1
Sales growth rate – SPAR corporate stores	(%)	**4.0**	3.0 – 12.0
Sales growth rate – SPAR Encore	(%)	**5.2 – 11.3**	8.0 – 9.0
Sales growth rate – SPAR Health	(%)	**7.0 – 27.1**	7.0 – 10.0
Terminal value growth rate – SPAR corporate stores	(%)	**1.6**	–
Terminal value growth rate – SPAR Health and SPAR Encore	(%)	**4.8**	4.4
Irish (BWG) entity:			
Pre-tax discount rate	(%)	**6.9**	9.0
Sales growth rate – BWG	(%)	**2.0**	3.5
Terminal value growth rate	(%)	**1.0**	2.0

Discount rates applied are consistent with external sources, and sales and terminal value growth rates reflect expected performance.

13.6 Sensitivity analysis

The change in CGU determination for South African corporate-owned stores, as described above, resulted in a goodwill impairment of R350.3 million at Group level, which represents substantially all goodwill impairments recognised for the year. Management performed sensitivity analyses on the key assumptions applied in the impairment models for those stores where value-in-use calculations were required, using reasonably possible changes in these key assumptions. The results of these analyses are summarised below and are applicable at both a Group and Company level:

		Sensitivity – Rm change	
Input	Applied assumptions	**-1%**	**+1%**
South African inflation	4.0%	**(3.7)**	**3.8**
Long-term growth rate	1.6%	**(2.1)**	**2.2**
Discount rate	25.0%	**5.1**	**(4.6)**

14. Investment in subsidiaries

	COMPANY	
Rmillion	**2025**	2024
Carrying value at beginning of year	**2 165.1**	2 158.2
Investments in subsidiaries	**2 217.2**	1 660.9
Impairment of investments	**(2 903.7)**	(1 654.0)
Carrying value at end of year	**1 478.6**	2 165.1

During the current financial year, the Company fully impaired its investments in the Polish and Swiss subsidiaries. Indicators of impairment, as defined in IAS 36 *Impairment of Assets*, were identified for both subsidiaries, prompting the Group to assess the recoverable amounts of these investments resulting in full impairments amounting to R2 903.7 million.

Subsequent to the impairments, both investments were disposed of in full during the year. Accordingly, there are no remaining carrying amounts recognised in respect of these subsidiaries in the separate financial statements of the Company as at 26 September 2025.

14. Investment in subsidiaries continued

Name of subsidiary	Principal place of business	Issued share capital 2025 Rmillion	Issued share capital 2024 Rmillion	Voting rights 2025 %	Voting rights 2024 %	Carrying value of investment 2025 Rmillion	Carrying value of investment 2024 Rmillion
SAH Ltd (registered in the Isle of Man) (4)	Switzerland	**1 409.1**	687.7	**100**	100	**–**	687.7
TIL JV Ltd (registered in the Isle of Man) (4)	Ireland	**0.1**	0.1	**100**	100	**798.6**	798.6
SPAR South Africa (Pty) Ltd(2)	South Africa	**–**	–	**100**	100	**–**	–
SPAR Namibia (Pty) Ltd(1) (registered in Namibia)	Namibia	**–**	–	**100**	100	**–**	–
The SPAR Group (Botswana) (Pty) Ltd(1) (registered in Botswana)	Botswana	**–**	–	**100**	100	**–**	–
SPAR Mozambique Limitada(1) (registered in Mozambique)	Mozambique	**–**	–	**100**	100	**–**	–
Sun Village Supermarket (Pty) Ltd(1)	South Africa	**–**	–	**100**	100	**3.7**	3.7
SaveMor Products (Pty) Ltd(2)	South Africa	**–**	–	**100**	100	**–**	–
SPAR Academy of Learning (Pty) Ltd(2)	South Africa	**–**	–	**100**	100	**–**	–
SPAR Retail Stores (Pty) Ltd(1)	South Africa	**–**	–	**100**	100	**–**	–
SPAR Mopani Rural Hub (Pty) Ltd(1)	South Africa	**–**	–	**100**	100	**–**	–
Annison 45 (Pty) Ltd(1)	South Africa	**–**	–	**60**	60	**–**	–
SPAR Lowveld Rural Hub (Pty) Ltd(1)	South Africa	**–**	–	**100**	100	**–**	–
Clusten 57 (Pty) Ltd(2)	South Africa	**–**	–	**100**	100	**–**	–
SPAR Financial Services (Pty) Ltd(2)	South Africa	**–**	–	**100**	100	**–**	–
Knowles Shopping Centre Investments (Pty) Ltd(3)	South Africa	**–**	–	**100**	100	**–**	–
SPAR Health (Pty) Ltd(4)(5)	South Africa	**79.8**	79.8	**100**	100	**130.9**	130.9
SPAR Trading (Pty) Ltd(1) (Registered in eSwatini)	eSwatini	**–**	–	**100**	100	**–**	–
New Polish Investments sp. z o.o. (Registered in Poland)(4)	Poland	**–**	–	**–**	100	**–**	–
SPAR Encore (Pty) Ltd(4)	South Africa	**–**	–	**100**	100	**545.4**	544.2
Consolidated entities* **		**–**	–	**–**	–	**–**	–
The SPAR Guild of Southern Africa(1)***#	South Africa	**–**	–	**–**	–	**–**	–
The Build it Guild of Southern Africa(1)***#	South Africa	**–**	–	**–**	–	**–**	–
The SPAR Group Ltd Employee Share Trust (2004)(1)*	South Africa	**–**	–	**–**	–	**–**	–
The SPAR BBBEE Employee Trust(1)*	South Africa	**–**	–	**–**	–	**–**	–
The SPAR BBBEE Retailer Employee Trust(1)*	South Africa	**–**	–	**–**	–	**–**	–
Supplier Development Hub NPC(1)**	South Africa	**–**	–	**–**	–	**–**	–
Total						**1 478.6**	2 165.1

All legal entities are incorporated in the Republic of South Africa unless otherwise indicated.
The issued share capital nil value items relate to share capital below R100 000 and therefore have not been presented.

* *The SPAR Group Ltd Employee Share Trust (2004), the SPAR BBBEE Employee Trust, and the SPAR BBBEE Retailer Employee Trust have 28 February as their year end. All other companies have a 30 September year end. The companies will align their interim and financial year end reporting dates to the last Friday of March and September.*
** *Non-profit companies over which the Company exercises control.*
*** *These entities are consolidated as the Group has effective control over these entities due to the Group's control over the Board.*
(1) *Operating company or entity.*
(2) *Dormant.*
(3) *Property owning company.*
(4) *Holding company.*
(5) *SPAR Health, previously known as S Buys.*
The Company has provided letters of support to the Guild entities, confirming its intention to continue providing financial assistance enabling these entities to meet their obligations as they fall due.

	GROUP		COMPANY	
Rmillion	2025	2024	2025	2024

15. Investment in associates and joint ventures

Rmillion	Group 2025	Group 2024	Company 2025	Company 2024
Carrying value at beginning of year	**159.2**	150.2	**137.9**	137.9
Share of profits for the year	**4.2**	6.3	**–**	–
Foreign currency translation	**(13.5)**	2.7	**–**	–
Carrying value at end of year	**149.9**	159.2	**137.9**	137.9

Summarised financial statements of the Group's share of associates and joint ventures

	GROUP	
	2025	2024 Restated*
Statement of profit or loss*		
Revenue	**1 216.1**	1 168.5
Profit for the year attributable to ordinary shareholders	**4.2**	6.3
Statement of financial position*		
Total assets	**207.7**	211.8
Total liabilities	**(98.5)**	(107.4)
Net assets	**109.2**	104.4

* *The Group identified omitted disclosures relating to the summarised results of Fresh Opportunities Ltd. Revenue increased by R691.1 million, total assets increased by R64.7 million and total liabilities increased by R40.6 million.*

The associates have share capital consisting solely of ordinary shares, which are held directly by the Group. These are private companies and no quoted market prices are available for their shares.

Details of the Group's shareholding and carrying values

		Shareholding in associates and joint ventures		GROUP		COMPANY	
	Nature of relationship	2025 %	2024 %	2025 Rmillion	2024 Rmillion	2025 Rmillion	2024 Rmillion
SPAR SL (Pvt) Ltd	(joint venture)	**50.0**	50.0	**86.5**	97.3	**136.6**	136.6
JB Retail 2401 (Pty) Ltd – Richdens	(associate)	**40.0**	40.0	**2.3**	3.9	**1.3**	1.3
Fresh Opportunities Ltd	(associate)	**40.0**	40.0	**61.1**	58.0	**–**	–
Piotr i Paweł Plus sp. z o.o.	(associate)	**–**	48.0	**–**	–	**–**	–
				149.9	159.2	**137.9**	137.9

	GROUP		COMPANY	
Rmillion	2025	2024	2025	2024

16. Other investments

Rmillion	Group 2025	Group 2024	Company 2025	Company 2024
Carrying value at beginning of year	**19.1**	17.8	**18.2**	16.9
Additional investments during the year	**1.1**	0.8	**1.1**	0.8
Fair value adjustments	**0.5**	0.5	**0.5**	0.5
Transfer to NCAHFS	**(0.9)**	–	**–**	–
Carrying value at end of year	**19.8**	19.1	**19.8**	18.2
Analysed as follows:				
Group Risk Holdings (Pty) Ltd (GRH)	**1.7**	1.0	**1.7**	1.0
Group Risk Mutual Limited (GRML)	**7.2**	6.3	**7.2**	6.3
Schnellimmo Ltd	**–**	0.9	**–**	–
Buying International Group SPAR (B.V. BIGS)	**0.9**	0.9	**0.9**	0.9
SA SME Fund Ltd	**10.0**	10.0	**10.0**	10.0

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024

17. Block discounting loans

Rmillion	Group 2025	Group 2024	Company 2025	Company 2024
Block discounting loan receivable	**–**	1.4	**–**	1.4
Current portion of block discounting loan receivable	**1.8**	2.3	**1.8**	2.3
Total block discounting loan receivable	**1.8**	3.7	**1.8**	3.7
Block discounting loan payable	**–**	1.5	**–**	1.5
Current portion of block discounting loan payable	**1.8**	2.3	**1.8**	2.3
Total block discounting loan payable	**1.8**	3.8	**1.8**	3.8

SPAR gives out loans at the prime interest rate to retailers which are immediately sold at prime less 1% to an approved financial institution under a block discounting agreement with recourse. The financial institution fulfils all administrative activities relating to the repayment of these loans, and will only revert to SPAR in the unusual instance of default on the part of the retailer.

These loans have been discounted to the financial institution with full recourse, resulting in SPAR still being exposed to the credit risk on this transaction. It has been concluded that these loan receivables do not meet the derecognition criteria for financial assets in terms of IFRS 9 *Financial Instruments*. This has resulted in the recognition of a financial asset held at amortised cost which represents the amount owing by the retailer, and a financial liability held at amortised cost which represents the amount owing to the financial institution. The block discounting loans are considered to have low credit risk and the loss allowance recognised was therefore limited to 12-months expected losses.

Retailer loans are secured by notarial bonds over assets, deeds of suretyship, cession and pledge of shares and in some instances, lease options. The recoverability of amounts owed by retailers is regularly reviewed and assessed on an individual basis. This is estimated considering past experience and additional risk factors such as significant actual or expected changes in the operating results or business conditions of the retailer. To the extent that a loan is considered irrecoverable, the debt is written off. Refer to note 39 for the credit risk assessment of these receivable balances.

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024

18. Loans and other receivables

Rmillion	Group 2025	Group 2024	Company 2025	Company 2024
Retailer loans advanced by SPAR	**371.4**	790.6	**344.7**	646.3
Retailer loans advanced by the Guild	**137.5**	151.7	**–**	–
Loans to group companies and associates	**0.1**	1.2	**82.3**	114.9
Advance to The Share Trust	**–**	–	**1.5**	1.5
Total	**509.0**	943.5	**428.5**	762.7
Less: Current portion of retailer loans	**(63.2)**	(118.7)	**(64.4)**	(93.4)
Less: Loss allowance	**(39.5)**	(53.4)	**(61.2)**	(73.2)
Non-current loans	**406.3**	771.4	**302.9**	596.1

The carrying amount of loans and receivables are not materially different from their fair value as interest payable is close to market rates.

Retailer loans advanced by SPAR

Retailer loans include both secured and unsecured facilities, bear interest at variable floating rates and have set repayment terms.

The recoverability of amounts owed by retailers is regularly reviewed and assessed on an individual basis (refer to note 39).

Retailer loans advanced by Guild

The retailers contribute to a development member fund, which is utilised to issue out loans to retailers for store revamps. As at 26 September 2025 members' cumulative contributions are in excess of the loans advanced through to members. These loans are unsecured, bear no interest and have set repayment terms.

Advance to The Share Trust

The advance to The SPAR Group Ltd Employee Share Trust (2004) is unsecured, bears no interest and has no set repayment terms. The Company advanced money to the trust to enable it to finance the repurchase of the Company's shares (refer to note 25). This advance constitutes a loan and a contribution. The loan portion is recoverable from the trust upon exercise of share options to the extent of the sum of option strike prices of options exercised. The contribution portion will be the difference between the cost price of treasury shares and the option strike prices of the equivalent number of treasury shares utilised to satisfy option holders who exercise their option rights.

19. Deferred taxation

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Asset				
Deferred taxation asset analysed by major category:				
Property, plant and equipment	**(259.7)**	(251.3)	**(257.0)**	(249.2)
Provisions, claims and prepayments	**318.2**	334.8	**283.2**	294.3
Right-of-use assets	**(176.7)**	(225.3)	**(125.2)**	(173.9)
Lease receivable	**(1 345.8)**	(1 369.4)	**(1 347.3)**	(1 356.5)
Lease liability	**1 641.8**	1 644.0	**1 580.9**	1 572.5
Carrying value at end of year	**177.8**	132.8	**134.6**	87.2
Reconciliation:				
Carrying value at beginning of year	**132.8**	218.7	**87.2**	150.6
Employee share plan equity	**(0.1)**	(1.8)	**(0.5)**	(1.8)
Rate change – profit or loss impact (refer to note 7)	**–**	(0.1)	**–**	–
Profit or loss effect	**47.8**	(87.4)	**50.6**	(63.4)
Exchange rate translation	**–**	1.5	**–**	–
Other comprehensive income effect	**(2.7)**	1.9	**(2.7)**	1.8
Carrying value at end of year	**177.8**	132.8	**134.6**	87.2
Liability				
Deferred taxation liability analysed by major category:				
PPE and intangible assets	**(255.6)**	(539.4)	**–**	–
Defined benefit obligations	**(21.2)**	12.3	**–**	–
Provisions, claims and prepayments	**2.5**	(76.9)	**–**	–
Right-of-use assets	**(246.6)**	(871.4)	**–**	–
Lease receivable	**(21.3)**	(13.9)	**–**	–
Lease liability	**307.1**	955.8	**–**	–
Carrying value at end of year	**(235.1)**	(533.5)	**–**	–
Reconciliation:				
Carrying value at beginning of year	**(533.5)**	(545.4)	**–**	–
Profit or loss effect	**(13.1)**	8.6	**–**	–
Exchange rate translation – profit or loss impact	**(20.2)**	15.7	**–**	–
Other comprehensive income effect including rate change impact	**(5.2)**	(12.4)	**–**	–
Transfer to liabilities held for sale	**336.9**	–	**–**	–
Carrying value at end of year	**(235.1)**	(533.5)	**–**	–
Total net (liability)/asset	**(57.3)**	(400.7)	**134.6**	87.2

The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries.

20. Inventories

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Merchandise	**4 741.5**	6 484.7	**2 837.6**	2 842.7
Less: Provision for obsolescence	**(88.4)**	(120.4)	**(44.1)**	(42.2)
Carrying value of inventories	**4 653.1**	6 364.3	**2 793.5**	2 800.5
Net write-down/(recoveries) of inventories recognised within cost of sales	**25.8**	208.2	**(0.6)**	1.1

Rmillion	GROUP 2025	GROUP 2024 Restated*	GROUP 2023 Restated*	COMPANY 2025	COMPANY 2024 Restated*	COMPANY 2023 Restated*
21. Trade and other receivables*						
Trade debtors*	**15 937.9**	16 407.2	16 944.2	**10 799.7**	10 356.2	10 369.4
Less: Loss allowance	**(1 556.1)**	(1 587.1)	(1 534.4)	**(957.2)**	(944.7)	(816.1)
Net trade debtors	**14 381.8**	14 820.1	15 409.8	**9 842.5**	9 411.5	9 553.3
Other receivables	**1 725.5**	1 799.4	2 509.2	**1 305.7**	1 358.5	1 558.1
Total trade and other receivables	**16 107.3**	16 619.5	17 919.0	**11 148.2**	10 770.0	11 111.4

* *During the current financial year, the Group identified a prior period error pertaining to 2024 of R614.7 million (2023: R477.1 million) in relation to an inter-company receivable and payable balance which was not correctly eliminated. Trade and other receivables of R17 234.2 million (Group) (2023: R18 396.1 million) and R11 384.7 million (Company) (2023: R11 588.5 million) and Trade and other payables of R22 275.6 million (Group) (2023: R23 774.8 million) and R12 747.5 million (Company) (2023: R13 377.6 million) respectively were overstated by R614.7 million (2023: R477.1 million).*

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period and opening balance of the prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.

The other receivables balance includes various operational debtors such as refundable deposits, income accruals, insurance claims receivable, staff debtors and loans made by the Guild to SPAR retail members.

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Reconciliation of loss allowance:				
Carrying value at beginning of year	**(1 587.1)**	(1 534.4)	**(944.7)**	(816.1)
Reclassified to NCAHFS	**(22.1)**	189.6	**–**	–
Loss allowance raised during the year	**(209.9)**	(351.6)	**(169.1)**	(129.1)
Loss allowance reversed during the year	**258.3**	116.9	**156.6**	0.5
Reclassification to loans and other receivables	**–**	(25.7)	**–**	–
Exchange rate translation	**4.7**	18.1	**–**	–
Carrying value at end of year	**(1 556.1)**	(1 587.1)	**(957.2)**	(944.7)
Irrecoverable debts written off net of recoveries	**382.2**	165.4	**364.4**	119.7

Trade receivables

The Group provides trade credit facilities to its independent retailers. The recoverability of amounts owing by retail members to the Group is regularly reviewed and assessed on an individual basis. The loss allowance represents management's estimate of the extent to which trade receivables at the reporting date will not be subsequently recovered. This estimate takes into consideration past trends and makes an assessment of additional and forward looking risk factors to determine the expected credit loss. Further information regarding risk assessment for these receivables has been detailed in note 39. To the extent considered irrecoverable, debts are written off. It is a prerequisite for appropriate security to be obtained from retailers to reduce the level of credit exposure.

Standard credit terms granted to members are as follows:

SPAR

Ex-warehouse supply	15/25 days from weekly statement
Ex-direct supplier delivery	25/31 days from weekly statement

Build it

Ex-direct supplier delivery	38/48 days from weekly statement

The directors consider the carrying value of trade and other receivables to approximate their fair values.

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
22. Taxation paid				
Net payable/(receivable) at beginning of year	**29.7**	(24.5)	**26.3**	(38.5)
Business combinations	**–**	0.4	**–**	–
Exchange rate translation	**(0.3)**	(0.2)	**–**	–
Charge to profit or loss	**504.4**	412.0	**246.4**	167.5
Transfer to NCAHFS	**18.3**	–	**–**	–
Disposal of subsidiaries	**2.2**	–	**–**	–
Net payable at end of year	**(150.1)**	(29.7)	**(84.3)**	(26.3)
Total taxation paid	**404.2**	358.0	**188.4**	102.7

23. Cash and cash equivalents/overdrafts

For the purpose of the statement of cash flow, cash and cash equivalents include cash on hand and in banks. The Group separately discloses the bank balances of SPAR, Guild and trust bank balances. Guild balances comprise retailer funds and other cash deposits attributable to The SPAR Guild of Southern Africa, and The Build it Guild of Southern Africa. Deposits received by The SPAR Guild of Southern Africa from the SPAR retail members are included in other payables. Trust balances comprise cash on hand at year end held by the BBBEE trusts pending payment to beneficiaries. The liability to the beneficiaries is included in trade and other payables.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flow can be reconciled to the related items in the statement of financial position as follows:

Rmillion		GROUP 2025	GROUP 2024	GROUP 2023 Restated*	COMPANY 2025	COMPANY 2024	COMPANY 2023 Restated*
Bank balances –	Guilds and Share trusts	**386.1**	308.9	251.3	**–**	–	–
Bank balances –	BBBEE trusts	**39.2**	37.1	35.0	**–**	–	–
Bank balances –	Guilds and trusts	**425.3**	346.0	286.3	**–**	–	–
Bank balances –	SPAR*	**2 327.3**	1 276.2	1 574.0	**928.6**	62.6	204.4
Bank overdrafts –	SPAR other*	**(10.2)**	(1 003.9)	(719.2)	**–**	(10.0)	–
Net cash and cash equivalents		**2 742.4**	618.3	1 141.1	**928.6**	52.6	204.4
Bank overdrafts – facilities*	SPAR general banking	**(670.0)**	(2 693.0)	(2 591.0)	**(670.0)**	(2 693.0)	(2 591.0)
Net cash and banking facilities		**2 072.4**	(2 074.7)	(1 449.9)	**258.6**	(2 640.4)	(2 386.6)

* *The Group's general banking facilities, which include call accounts and associated overdraft balances, included banking facilities that have been separately disclosed in the current year to correct an error in classification between Cash and cash equivalents and Cashflows (used in)/from financing activities and to provide improved transparency over the composition of cash and cash equivalents. As a result, movements in these facilities are now presented separately. Comparative figures have been restated accordingly to ensure consistency with the current year's presentation. The adjustment to the comparable figures was R2 693.0 million increase in the closing balance of cash and cash equivalents (previously negative R2 074.7 and negative R2 640.4 million for Group and Company respectively) on the Statement of Cash Flows for 2024 and an increase in Cash and cash equivalents of R2.6 billion (previously negative R1 449.9 million and negative R2 386.6 million for Group and Company respectively) in the opening balance of cash and cash equivalents with the same increase in the Movement on banking facilities (previously Rnil).*

In terms of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group identified and corrected a reclassification error between Bank overdrafts of R3 157.9 million (Group) and R2 438.7 million (Company), and Cash and cash equivalents of R1 421.7 million (Group) and R52.1 million (Company), all understated by R152.3 million in 2023. These restatements had no impact on equity, on the statement of profit or loss and other comprehensive income.

24. Right-of-use assets and leases

Lease arrangements by segment

SPAR Southern Africa leases mostly relate to head lease arrangements on key strategic retail sites that are viewed as fundamental to the Group's growth strategy. These include a back-to-back sublease agreement with our independent retailers. IFRS 16 requires the recognition of the obligation to pay rent under the head lease as a lease liability, with a corresponding asset representing the lease receivable. For these back-to-back sublease agreements, the accounting for the head lease and the sublease under IFRS 16 has an equal and opposite impact on the statement of comprehensive income. To the extent of leased property that is not sublet, the Group recognises a right-of-use asset and a finance lease liability.

SPAR Ireland leases mostly relate to property leases which are franchised to retailers or operated by the Group. There are also motor vehicles leases. For both the property leases and motor vehicle leases, a right-of-use asset and finance lease liability are recognised. For the property leases where the Group is a lessor, a finance lease asset is recognised instead of the right-of-use asset.

SPAR Switzerland has property, trucks and information technology (IT) hardware leases. The property leases do not include back-to-back sublease agreements resulting in a right-of-use asset and finance lease liability being recognised. These were classified as held for sale during the year, and disposed of as part of the sale of the Swiss operation.

Right-of-use assets

The following amounts are relating to leases where the Group is a lessee:

Rmillion	Land and buildings	Motor vehicles	Internal transport, plant and equipment	Office equipment, fixtures and fittings	Computers equipment	Total
GROUP						
Carrying value at 1 October 2023	8 825.9	132.3	45.2	8.2	11.5	9 023.1
Cost	19 900.5	285.4	71.9	13.9	25.5	20 297.2
Accumulated depreciation and impairment	(11 074.6)	(153.1)	(26.7)	(5.7)	(14.0)	(11 274.1)
Additions	857.8	60.4	(0.1)	7.0	–	925.1
– Additions	533.6	60.7	0.5	5.2	–	600.0
– Modifications	324.2	(0.3)	(0.6)	1.8	–	325.1
Additions through business combinations	26.1	–	–	–	–	26.1
Disposals	(105.4)	(0.6)	(0.1)	(0.5)	–	(106.6)
Reclassified to NCAHFS	(506.4)	(1.1)	(9.8)	–	–	(517.3)
Transfer to lease receivable	(7.6)	–	–	–	–	(7.6)
Depreciation	(1 145.0)	(58.9)	(11.3)	(4.4)	(5.2)	(1 224.8)
Exchange rate translation	(109.6)	(3.6)	0.1	(0.5)	–	(113.6)
Carrying value at 30 September 2024	7 835.8	128.5	24.0	9.8	6.3	8 004.4
Cost	18 720.0	308.1	52.7	17.7	25.2	19 123.7
Accumulated depreciation and impairment	(10 884.2)	(179.6)	(28.7)	(7.9)	(18.9)	(11 119.3)

24. Right-of-use assets and leases continued

Right-of-use assets continued

Rmillion	Land and buildings	Motor vehicles	Internal transport, plant and equipment	Office equipment, fixtures and fittings	Computers equipment	Total
GROUP						
Additions	552.0	61.2	0.5	19.7	20.0	653.4
– Additions	291.2	60.6	0.4	18.8	20.0	391.0
– Modifications	260.8	0.6	0.1	0.9	–	262.4
Additions through business combinations	133.8	–	–	–	–	133.8
Disposals	–	(0.2)	–	(0.6)	–	(0.8)
Impairment*	(232.0)	–	–	–	–	(232.0)
Transfer to lease receivable	(14.5)	–	–	–	–	(14.5)
Reclassified to NCAHFS	(5 228.1)	(50.6)	(15.8)	–	(4.0)	(5 298.5)
Depreciation	(792.4)	(45.7)	(6.1)	(5.1)	(3.2)	(852.5)
Effect of foreign currency exchange differences	243.8	5.8	0.8	0.8	0.4	251.6
Carrying value at 26 September 2025	2 498.4	99.0	3.4	24.6	19.5	2 644.9
Cost	7 010.2	158.5	15.9	34.8	20.3	7 239.7
Accumulated depreciation and impairment	(4 511.8)	(59.5)	(12.5)	(10.2)	(0.8)	(4 594.8)

Rmillion	Land and buildings
COMPANY	
Carrying value at 1 October 2023	764.8
Cost	1 389.8
Accumulated depreciation	(625.0)
Additions	79.8
Depreciation	(178.5)
Carrying value at 30 September 2024	666.1
Cost	1 469.6
Accumulated depreciation	(803.5)
Additions	261.3
Modifications	(1.6)
Transfer to lease receivable	(14.5)
Transfer to NCAHFS	(3.3)
Depreciation	(194.7)
Impairment*	(232.0)
Carrying value at 26 September 2025	481.3
Cost	1 667.6
Accumulated depreciation and impairment	(1 186.3)

* *During the year, management changed the impairment assessment of South African corporate-owned retail stores from the distribution centre CGU to individual store-level CGUs. This revised assessment resulted in the recognition of an impairment loss on the related right-of-use assets. Refer to note 13 for further details on the impairment.*

24. Right-of-use assets and leases continued

Lease receivable

The balance sheet shows the following amounts relating to property leases where the Group is a lessee and lessor in back-to-back sublease arrangements:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Current	**960.3**	888.9	**941.4**	880.3
Non-current	**4 194.7**	4 215.1	**4 048.7**	4 149.0
Total	**5 155.0**	5 104.0	**4 990.1**	5 029.3

Minimum lease receipts on lease receivables on an undiscounted basis are as follows:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Within 1 year	**1 389.5**	1 299.3	**1 365.3**	1 297.1
Between 1 and 2 years	**1 276.7**	1 212.3	**1 250.2**	1 211.8
Between 2 and 3 years	**1 116.4**	1 073.0	**1 088.8**	1 072.4
Between 3 and 4 years	**927.2**	897.2	**898.6**	896.5
Between 4 and 5 years	**1 918.7**	2 164.7	**1 906.3**	2 083.8
Later than 5 years	**72.6**	–	**–**	–
	6 701.1	6 646.5	**6 509.2**	6 561.6

The total cash inflow for leases in 2025 was as follows:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Principle element of lease receipts	**952.5**	994.8	**903.8**	887.0
Finance income	**470.6**	456.7	**464.6**	433.4
Operating lease receipts	**52.0**	96.0	**15.1**	12.8
Total	**1 475.1**	1 547.5	**1 383.5**	1 333.2

Lease liability

The following amounts relate to both leases where the Group is a lessee, and where the Group is a lessee and lessor in back-to-back head and sublease arrangements:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Current	**1 462.0**	1 972.8	**1 115.2**	1 026.0
Non-current	**7 075.6**	11 931.6	**4 739.9**	4 798.0
Total	**8 537.6**	13 904.4	**5 855.1**	5 824.0

The total cash outflow for leases in 2025 was as follows:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Principal element of lease payments	**2 147.6**	2 248.7	**1 065.8**	1 031.7
Interest	**667.4**	764.2	**545.1**	510.0
Short-term lease payments	**83.4**	137.9	**77.0**	43.1
Low-value lease payments	**4.0**	12.2	**3.7**	1.6
Variable lease payments	**32.7**	59.9	**–**	–
Total	**2 935.1**	3 222.9	**1 691.6**	1 586.4

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024

25. Stated capital

25.1 Authorised

250 000 000 (2024: 250 000 000) ordinary shares				
Issued and fully paid				
192 602 355 (2024: 192 602 355) ordinary shares	**2 231.5**	2 231.5	**2 231.5**	2 231.5
Carrying value at end of year	**2 231.5**	2 231.5	**2 231.5**	2 231.5
Number of shares				
Ordinary shares				
Outstanding at beginning of year	**192 602 355**	192 602 355	**192 602 355**	192 602 355
Outstanding at end of year	**192 602 355**	192 602 355	**192 602 355**	192 602 355

All authorised and issued shares of the same class rank *pari passu* in every respect. The unissued shares of the Company are under the control of the directors to the extent that such shares may be required to satisfy option holders' requirements. This authority will expire at the forthcoming Annual General Meeting.

There are no conversion or exchange rights in respect of the ordinary shares and a variation of share rights requires approval by a special resolution from the shareholders at a general meeting in accordance with the Memorandum of Incorporation.

26. Treasury shares

During the year The SPAR Group Ltd purchased 61 155 shares (2024: 149 232) for the CSP, at an average purchase price per share of R137.40 (2024: R107.17) amounting to R8.4 million (2024: R16.9 million).

Rmillion	GROUP 2025	GROUP 2024
Cost of shares		
Carrying value at the beginning of year	**1.5**	1.5
Treasury shares acquired	**8.4**	16.9
Settlement of share-based payments – continuation participants	**(8.4)**	(8.5)
Settlement of share-based payments – retired participants	**–**	(8.4)
Carrying value at the end of year	**1.5**	1.5

	Number of shares held 2025	Number of shares held 2024
Shares held in trust	**17 689**	17 689

27. Employment benefit obligations

27.1 Retirement benefit funds

Rmillion	The BWG Group retirement funds 2025	The BWG Group retirement funds 2024	Discontinued Operation: The SPAR Handels AG retirement funds 2025	Discontinued Operation: The SPAR Handels AG retirement funds 2024	Total 2025	Total 2024
Fair value of fund assets						
Carrying value at beginning of year	**1 326.3**	1 178.6	**3 036.3**	2 889.7	**4 362.6**	4 068.3
Business combination	**–**	–	**100.8**	–	**100.8**	–
Interest income on plan assets	**45.9**	46.1	**31.2**	56.9	**77.1**	103.0
Remeasurement – return on plan assets (excluding interest income)	**(2.3)**	166.1	**35.9**	173.4	**33.6**	339.5
Contributions	**27.6**	36.8	**133.5**	135.3	**161.1**	172.1
Benefits paid	**(81.0)**	(44.3)	**(67.7)**	(176.8)	**(148.7)**	(221.1)
Exchange rate translation	**69.7**	(57.0)	**252.5**	(42.2)	**322.2**	(99.2)
Carrying value at end of year	**1 386.2**	1 326.3	**3 522.5**	3 036.3	**4 908.7**	4 362.6
Present value of defined benefit obligation						
Carrying value at beginning of year	**(1 216.9)**	(1 177.3)	**(2 978.3)**	(2 885.1)	**(4 195.2)**	(4 062.4)
Business combination	**–**	–	**(111.9)**	–	**(111.9)**	–
Interest cost	**(41.6)**	(45.3)	**(30.7)**	(56.6)	**(72.3)**	(101.9)
Remeasurement (effect of changes in financial assumptions)	**–**	–	**(2.0)**	(135.5)	**(2.0)**	(135.5)
Arising from a change in demographic assumptions	**–**	–	**(41.3)**	126.9	**(41.3)**	126.9
Arising from a change in financial assumptions	**–**	–	**39.3**	(262.4)	**39.3**	(262.4)
Current service cost	**(21.2)**	(18.5)	**(48.4)**	(50.6)	**(69.6)**	(69.1)
Benefits paid/accrued to be paid	**81.0**	44.3	**67.7**	176.8	**148.7**	221.1
Plan participants contributions	**(4.7)**	(4.8)	**(66.9)**	(67.8)	**(71.6)**	(72.6)
Gain on curtailment	**17.0**	–	**–**	–	**17.0**	–
Actuarial gain/(loss)	**43.5**	(67.1)	**–**	–	**43.5**	(67.1)
Exchange rate translation	**(62.9)**	51.8	**(245.5)**	40.5	**(308.4)**	92.3
Carrying value at end of year	**(1 205.8)**	(1 216.9)	**(3 416.0)**	(2 978.3)	**(4 621.8)**	(4 195.2)
Reconciliation of effect of asset ceiling						
Present value asset ceiling at beginning of year	**–**	–	**(58.0)**	(4.6)	**(58.0)**	(4.6)
Interest cost	**–**	–	**(0.6)**	(0.1)	**(0.6)**	(0.1)
Change in effect of asset ceiling	**–**	–	**(41.5)**	(55.0)	**(41.5)**	(55.0)
Exchange rate translation	**–**	–	**(6.4)**	1.7	**(6.4)**	1.7
Present value of asset ceiling at end of year	**–**	–	**(106.5)**	(58.0)	**(106.5)**	(58.0)
Amounts recognised on the statements of financial position						
Present value of fund obligations	**(1 205.8)**	(1 216.9)	**(3 416.0)**	(2 978.3)	**(4 621.8)**	(4 195.2)
Fair value of plan assets	**1 386.2**	1 326.3	**3 522.5**	3 036.3	**4 908.7**	4 362.6
	180.4	109.4	**106.5**	58.0	**286.9**	167.4
Impact of asset ceiling	**–**	–	**(106.5)**	(58.0)	**(106.5)**	(58.0)
Net assets recognised in the statement of financial position	**180.4**	109.4	**–**	–	**180.4**	109.4

27. Employment benefit obligations continued

27.1 Retirement benefit funds continued

Rmillion		The BWG Group retirement funds 2025	The BWG Group retirement funds 2024	Discontinued Operation: The SPAR Handels AG retirement funds 2025	Discontinued Operation: The SPAR Handels AG retirement funds 2024	Total 2025	Total 2024
Amounts recognised on the statement of profit or loss and other comprehensive income							
Statement of profit or loss		**0.1**	(17.7)	**(48.5)**	(50.4)	**(48.4)**	(68.1)
Current service cost		**(21.2)**	(18.5)	**(48.4)**	(50.6)	**(69.6)**	(69.1)
Gain on curtailment		**17.0**	–	**–**	–	**17.0**	–
Net interest on obligation		**4.3**	0.8	**(0.1)**	0.2	**4.2**	1.0
Interest on obligation		**(41.6)**	(45.3)	**(31.3)**	(56.7)	**(72.9)**	(102.0)
Interest income on fund assets		**45.9**	46.1	**31.2**	56.9	**77.1**	103.0
Other comprehensive income		**41.2**	99.0	**(7.6)**	(17.1)	**33.6**	81.9
Remeasurement – return on plan assets (excluding interest income)		**(2.3)**	166.1	**35.9**	173.4	**33.6**	339.5
Remeasurement – defined benefit obligation		**–**	–	**(2.0)**	(135.5)	**(2.0)**	(135.5)
Impact of asset ceiling		**–**	–	**(41.5)**	(55.0)	**(41.5)**	(55.0)
Net actuarial gains/(losses) recognised in the current year		**43.5**	(67.1)	**–**	–	**43.5**	(67.1)
The fair value of plan assets at the end of the year for each category are as follows:							
Cash and cash equivalents	(%)	**–**	–	**5.8**	3.1		
Equities	(%)	**45.9**	47.6	**39.1**	39.3		
Property	(%)	**2.2**	2.6	**21.7**	23.5		
Fixed interest bonds	(%)	**51.9**	49.8	**33.4**	34.1		
		100.0	100.0	**100.0**	100.0		
Sensitivity of pension cost trend rates							
The impact on the defined benefit obligation, based on a quantitative sensitivity analysis for the pension cost trend rate, is set out below:	(%)						
Defined benefit obligation	0.5	**(96.6)**	(97.5)	**(178.2)**	(160.9)		
Defined benefit obligation	(0.5)	**96.5**	109.5	**238.5**	197.2		
The key actuarial assumptions applied in the determination of fair values include:							
Inflation rate	(%)	**2.00**	2.00	**1.10**	1.10		
Salary escalation rate	(%)	**2.00**	2.00	**1.20**	1.20		
Discount rate	(%)	**3.60**	3.40	**1.15**	1.05		
Expected rate of return on plan assets	(%)	**3.60**	3.40	**3.04**	3.04		

The defined benefit plans typically expose the Group to actuarial assumptions such as investment risk, interest rate risk, longevity risk and salary risk. Changes in these variables will result in a change to the defined benefit plan liability.

In the current year, the actuarial gain is primarily attributable to an increase in discount and inflation rate assumptions.

27. Employment benefit obligations continued

27.1 Retirement benefit funds continued

The SPAR Group Ltd retirement funds (Southern Africa)

The Company contributes towards retirement benefits for substantially all permanent employees who, depending on preference, are members of either the Group's defined contribution pension fund, defined contribution staff provident fund, defined contribution management provident fund or defined benefit fund. Contributions to fund obligations for the payment of retirement benefits are recognised in profit or loss when due.

All funds are governed by the Pension Funds Act No. 24 of 1956. The funds are managed by appointed administrators and investment managers, and their assets remain independent of the Company.

The SPAR Group Ltd contribution funds

In terms of their rules, the defined contribution funds have annual financial reviews, which are performed by the funds' consulting actuaries. At the date of their last reviews the funds were judged to be financially sound. Contributions of R203.7 million (2024: R200.8 million) and R201.5 million (2024: R198.9 million) were expensed for the Group and Company respectively during the year.

The BWG Group retirement funds (Ireland)

The BWG Group contributes towards retirement benefits for approximately 657 (2024: 878) current and former employees who are members of either the Group's defined benefit staff pension scheme (BWG Foods Ltd Staff Pension Scheme), defined benefit executive pension scheme (BWG Ltd Executive Pension Scheme) or one of the defined contribution schemes. All schemes are governed by the Irish Pensions Act No 25 of 1990 (as amended per Irish statute). The bulk of the funds are invested with Irish Life Investment Managers, with small holdings managed by SSgA and F&C and directly by the scheme. The schemes' assets remain independent of the Group.

The BWG Group defined benefit funds

In terms of their rules, the defined benefit funds have annual financial reviews, which are performed by the funds' consulting actuaries. At the date of their last reviews the funds were judged to be on track to meet their obligations. Current service costs, past service cost or credit and net expense or income are recognised to profit or loss. The defined benefit pension scheme's obligations were valued at R1 205.9 million (2024: R1 216.9 million) using the projected unit credit method and the funds were found to be in a sound financial position. At that date the actuarial fair value of the plan assets represented 115.0% (2024: 109.0%) of the plan liabilities. Total employer contributions of EUR1.0 million are estimated in the 2026 financial year.

The next actuarial valuation of the defined benefit schemes will take place on 1 January 2027. These schemes are closed to further membership.

The BWG Group contribution funds

The BWG Group operates a number of defined contribution pension schemes. Contributions of R45.8 million (2024: R52.1 million) were expensed during the year.

The SPAR Holding AG retirement funds (Switzerland)

The pension plan of SPAR Holding AG and the undertakings economically linked to it is a contribution based plan which guarantees a minimum interest credit and fixed conversion rates at retirement. Disability and death benefits are defined as a percentage of the insured salary. The plan for additional risk benefits provides disability and death benefits defined as a percentage of the additional risk salary. IAS 19.139(a)(ii) provides benefits over the LPP/BVG law, which stipulates the minimum requirement of the mandatory employer's sponsored pension plan in Switzerland. The pension plan is set up as a separate legal entity. The foundation is responsible for the governance of the plan and the Board is composed of an equal number of representatives from the employer and the employees. The plan must be fully funded under LPP/BVG law on a static basis at all times. In case of under-funding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, or reduction of benefits or a combination of both. The foundation has set up investment guidelines, defining in particular the strategic allocation with margins.

SPAR Switzerland retirement funds contribute towards retirement benefits for approximately 1 573 (2024: 1 382) current and former employees.

During the current year, the Group continued with its strategic review of international operations. In line with this process, SPAR Holding AG was classified as held for sale in accordance with IFRS 5 *Non-Current assets held for sale*. This includes the net employment benefit obligations in SPAR Holding AG.

The sale of the Swiss subsidiary was successfully concluded on 8 September 2025.

27. Employment benefit obligations continued

27.2 Post-retirement medical aid provision

Rmillion		GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Carrying value – actuarial valuation at beginning of year		**(209.1)**	(182.6)	**(209.1)**	(182.6)
Recognised as an expense during the current year		**(22.1)**	(24.2)	**(22.1)**	(24.2)
Interest cost		**(21.3)**	(23.1)	**(21.3)**	(23.1)
Current service cost		**(0.8)**	(1.1)	**(0.8)**	(1.1)
Employer contributions		**18.3**	17.6	**18.3**	17.6
Actuarial loss		**(1.6)**	(19.9)	**(1.6)**	(19.9)
Arising from a change in demographic assumptions		**(4.0)**	(16.5)	**(4.0)**	(16.5)
Arising from a change in financial assumptions		**2.4**	(3.4)	**2.4**	(3.4)
Carrying value at end of year		**(214.5)**	(209.1)	**(214.5)**	(209.1)
The principal actuarial assumptions applied in the determination of fair values include:					
Discount rate – in service members	(%)	**9.7**	10.6	**9.7**	10.6
Discount rate – continuation members	(%)	**9.7**	10.6	**9.7**	10.6
Medical inflation – in service members	(%)	**5.9**	7.0	**5.9**	7.0
Medical inflation – continuation members	(%)	**5.9**	7.0	**5.9**	7.0
Average retirement age	(years)	**63/65**	63/65	**63/65**	63/65

The obligation of the Group to pay medical aid contributions after retirement is not part of the conditions of employment for employees engaged after 1 March 1997. There are 239 (2024: 246) pensioners and current employees who remain entitled to this benefit. The expected payments to retired employees for the next financial year is R19.1 million (2024: R13.6 million).

The impact on the defined benefit obligation, based on a quantitative sensitivity analysis for significant assumptions is set out below:

Rmillion	Sensitivity % change	Discount rate 2025	Discount rate 2024	Medical inflation 2025	Medical inflation 2024
Defined benefit obligation	1.0	**(15.9)**	(15.7)	**19.2**	19.2
Defined benefit obligation	(1.0)	**18.2**	18.2	**(16.9)**	(16.8)

The sensitivity analysis has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in the key assumptions occurring at the end of the reporting period. Based on past experience, life expectancy is assumed to remain unchanged. The last actuarial valuation was performed in September 2025 and the next valuation is expected to be performed in September 2026.

27.3 Other employment benefit obligations

Long-service awards are payable to employees per human resources policy. An actuarial valuation was performed in the current year and the associated obligation was recorded.

The carrying value of these awards are set out below:

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Long-service award obligation	**62.9**	88.8	**62.9**	60.0

28. Financial liabilities

Present value

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Financial guarantee liabilities	**31.3**	21.9	**31.3**	102.7
Financial liabilities – interest rate swap	**12.0**	–	**12.0**	–
Total financial liabilities	**43.3**	21.9	**43.3**	102.7
Less: Short-term portion of financial liabilities	**(34.0)**	(21.9)	**(34.0)**	(102.7)
Long-term portion of financial liabilities	**9.3**	–	**9.3**	–

Refer to notes 29, 34 and 39 for the carrying value of the borrowings guaranteed, the full exposure of the financial guarantees, the maturity analysis of the Group financial guarantees and risk disclosure relating to the interest rate swap respectively.

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
29. Borrowings				
Unsecured borrowings	**4 462.5**	2 440.8	**4 459.4**	1 183.5
Secured borrowings	**2 584.8**	4 253.8	**–**	–
Total borrowings	**7 047.3**	6 694.6	**4 459.4**	1 183.5
Current portion	**532.8**	1 623.3	**97.7**	1 183.5
Non-current portion	**6 514.5**	5 071.3	**4 361.7**	–
29.1 Reconciliation of carrying value of borrowings				
Carrying value at beginning of year	**6 694.6**	8 265.2	**1 183.5**	–
Proceeds from borrowings	**5 527.5**	1 187.7	**5 292.3**	1 182.3
Finance cost	**449.4**	351.0	**307.6**	1.2
Repayments of borrowings	**(2 721.2)**	(2 980.6)	**(2 324.0)**	–
Reclassified to liabilities held for sale	**(3 121.5)**	–	**–**	–
Foreign exchange adjustments	**218.5**	(128.7)	**–**	–
Carrying value at end of year	**7 047.3**	6 694.6	**4 459.4**	1 183.5

29.2 Analysis of total group borrowings

Secured/unsecured	Segment	Financial institution	Facility type
Unsecured borrowings	**Southern Africa**	Standard Bank and RMB	Term loan
		Syndicated Loan Facility A	Term loan
		Syndicated Loan Facility B	Term loan
		Wesbank	Asset finance
	Switzerland	Credit Suisse	Term loan
		Hypo Vorarlberg Bank AG	Rollover credit
		Thurgauer Kantonalbank	Rollover credit
Secured borrowings	**Southern Africa**	Rand Merchant Bank	Mortgage bond
	Switzerland	Thurgauer Kantonalbank	Mortgage bonds
		acrevis Bank	Mortgage bonds
		Hypo Vorarlberg Bank	Mortgage bonds
		BTV Vier Lander Bank	Mortgage bonds
		Raiffeisen Bank	Mortgage bonds
	Ireland	Irish banking syndicate	Term loan
		Irish banking syndicate	Rolling credit
		Irish banking syndicate	Rolling credit
	Poland	SGB Bank	Mortgage bond

29.3 Covenants

The Group renegotiated borrowing facilities and revised covenant positions during the current year.

Under the terms of the major borrowing facilities, the Group is required to comply with covenants as specified by the financial institution:

- Leverage ratio (pre-IFRS 16): Net debt (total borrowings and bank overdrafts less unencumbered cash) to earnings before interest, income tax, depreciation, and amortisation (EBITDA), as reported and adjusted for the impact of IFRS 16.
- The interest cover ratio: EBITDA to finance costs, as reported and adjusted for the impact of IFRS 16.

	Covenant level set by lenders	Level achieved	Compliant
IN-COUNTRY COVENANTS (Calculated on segment results only)			
Southern Africa*			
Leverage ratio (pre-IFRS 16)	**Must not exceed 3.0 times**	**1.82**	**Yes**
Interest cover	**Minimum of 3.5 times**	**4.50**	**Yes**
Ireland			
Leverage ratio	**Must not exceed 3.5 times**	**1.78**	**Yes**
Interest cover	**Minimum of 4 times**	**11.19**	**Yes**

* *Southern Africa covenants are based on the Obligor Group which is made up of SPAR Group Limited, Encore and SPAR Health only.*

At the 2025 year end reporting date, the covenant levels are all within the required amended levels set by the lenders.

Covenant positions which existed at the 2024 year end reporting date were all within the required levels set by the lenders.

Currency	Maturity date	Interest rate	Carrying value 2025	Carrying value 2024
ZAR	31/12/2024	JIBAR+2.5%		1 183.6
ZAR	28/03/2027	JIBAR + 1.9%	**1 911.0**	
ZAR	28/03/2030	JIBAR + 2.2%	**2 548.4**	
ZAR	01/10/2025 – 01/06/2027	Prime less 0.5% – Prime	**3.1**	6.4
CHF	31/03/2027	SARON plus 2.0%		653.1
CHF	30/11/2024 – 31/01/2025	SARON plus 0.85% – SARON plus 1.45%		367.3
CHF	31/12/2024 – 31/12/2028	SARON plus 0.90% – SARON plus 1.9%		230.6
	Total unsecured borrowings		**4 462.5**	2 441.0
ZAR	01/06/2025	6.74%		113.4
CHF	31/12/2024 – 08/11/2029	SARON plus 0.75% – SARON plus 2.47%		367.3
CHF	31/12/2025	SARON + 1.95%		157.1
CHF	31/12/2025 – 30/06/2028	SARON plus 0.65% – SARON plus 1.80%		171.3
CHF	30/06/2025 – 30/06/2031	SARON plus 0.75% – SARON plus 1.88%		340.8
CHF	31/10/2024 – 31/10/2028	SARON plus 0.75% – SARON plus 0.80%		749.9
EUR	18/12/2026	EURIBOR plus 1.2%	**2 265.8**	2 197.5
EUR	18/12/2026	EURIBOR plus 1.05%		
GBP	18/12/2026	SONIA plus 1.05%	**319.0**	98.3
PLN	28/11/2031	WIBOR 3M plus 1.95%		58.2
	Total secured borrowings		**2 584.8**	4 253.8

30. Trade and other payables*

Rmillion	GROUP 2025	GROUP 2024 Restated*	GROUP 2023 Restated*	COMPANY 2025	COMPANY 2024 Restated*	COMPANY 2023 Restated*
Trade payables*	**17 713.0**	16 808.7	17 299.5	**11 279.9**	9 491.8	9 579.0
Accrued expenses	**1 707.1**	1 655.3	1 780.4	**740.3**	651.2	591.6
Accrual for rebates and discounts	**1 054.1**	1 022.9	1 092.1	**686.2**	707.8	733.1
Development fund payables**	**679.6**	585.7	298.4	**–**	–	
Amount payable in respect of Encore acquisition	**–**	–	198.3	**–**	–	198.3
Other payables**	**1 183.0**	1 588.3	2 629.0	**1 096.7**	1 282.0	1 798.5
Trade and other payables	**22 336.8**	21 660.9	23 297.7	**13 803.1**	12 132.8	12 900.5

* *During the current financial year, the Group identified a prior period error pertaining to 2024 of R614.7 million (2023: R477.1 million) in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period and opening balance of the prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

** *During the current financial year, the Group identified a prior year reclassification error between the development fund payables and other payables. Consequently the comparative values have been restated to reflect the correction.*

The directors consider the carrying amount of trade and other payables to approximate their fair values due to their short-term duration.

Further information regarding risk assessment for these payables have been detailed in note 39.

31. Related-party transactions

Related-party relationships exist between the Company, its subsidiaries, key personnel within the Group and its shareholders.

These transactions occurred under terms and conditions no more favourable than transactions concluded with independent third parties, unless otherwise stated below:

31.1 Company

During the year, the following related-party transactions occurred:

Rmillion	2025	2024
Transactions and balances with associates of the Group's subsidiaries		
Sales	**40.3**	124.1
Trade receivable due to the Group	**–**	29.7
Transactions with subsidiaries of the Company		
Dividends received	**121.1**	232.6
Marketing and selling fees received	**80.6**	121.3
Sales	**279.5**	209.2
Purchases	**(5 716.1)**	(5 714.4)
Inter-company guarantee fee	**16.8**	86.5
Balances with subsidiaries of the Company		
Inter-company receivable due to The SPAR Group Limited*	**402.9**	746.6
Inter-company payable by The SPAR Group Limited	**(598.3)**	(564.5)
Transactions and balances with associates of the Company		
Sales	**101.0**	106.2

* *These inter-company receivables due to The SPAR Group Limited are interest-free, unsecured and no date has been set for payment.*

31.2 Investment in subsidiaries

Details of the Company's investment in its subsidiaries are disclosed in note 14.

31.3 Investment in associates and joint ventures

Details of the Company's investment in its associates and joint ventures are disclosed in note 15.

31.4 Shareholders

Analysis of ordinary shareholders as at 26 September 2025:

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	**7**	**0.05%**	**200 482**	**0.11%**
Directors	**5**	**0.03%**	**125 571**	**0.07%**
Treasury	**1**	**0.01%**	**61 922**	**0.03%**
Share schemes	**1**	**0.01%**	**12 989**	**0.01%**
Public shareholders	**16 797**	**99.95%**	**192 401 873**	**99.89%**
Total	**16 804**	**100.00%**	**192 602 355**	**100.00%**

Beneficial shareholders with a holding greater than 5% of the issued shares	Number of shares	% of issued capital
Government Employees Pension Fund	**35 878 582**	**18.63%**
Allan Gray	**16 420 888**	**8.53%**
M & G Investments	**12 710 485**	**6.60%**
Alexander Forbes Investments	**11 187 876**	**5.81%**
Coronation Fund Managers	**10 815 192**	**5.62%**
Total	**87 013 023**	**45.19%**

31.5 Key management personnel

Key management personnel are directors and those executives having authority and responsibility for planning, directing and controlling the activities of the Group. No key management personnel had a significant interest in any contract with any group company during the year under review. Details of directors' emoluments and shareholding in the Company are disclosed in notes 36 and 37 as well as in the directors' statutory report. The Board has determined that there are no prescribed officers in accordance with the Companies Act.

Group and Company key management personnel remuneration comprises:

Rmillion	2025	2024
Directors' fees	**14.2**	14.8
Remuneration for management services	**130.0**	103.3
Retirement contributions	**10.0**	10.4
Medical aid contributions	**3.7**	3.2
Performance bonuses	**22.5**	35.0
Fringe and other benefits	**4.8**	1.8
Expense relating to share options granted	**3.4**	6.0
Total	**188.6**	174.5

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of the individual and market trends.

32. Cash generated from operations

32.1 Cash generated from operations

Rmillion	GROUP 2025	GROUP 2024 Restated*	COMPANY 2025	COMPANY 2024 Restated*
Operating profit from continuing operations	**1 983.5**	2 657.6	**–**	–
Operating loss from discontinued operations**	**(5 260.8)**	(862.8)	**–**	–
Operating (loss)/profit including discontinued operations	**(3 277.3)**	1 794.8	**(2 319.7)**	12.8
Adjusted for the following items recognised in profit or loss:				
Depreciation and amortisation	**1 603.7**	2 277.1	**489.4**	463.8
Loss on sale of PPE and intangible assets	**22.3**	21.1	**7.2**	12.5
Write-off of SAP asset under construction	**–**	13.0	**–**	13.0
Movement in employee benefit provisions	**5.4**	14.1	**5.4**	14.1
Movement in employee benefit provisions – retirement fund	**(37.3)**	4.7	**–**	–
Movement in financial guarantee liability	**9.4**	21.9	**(71.4)**	(317.6)
Share-based payment expenses	**26.7**	30.7	**25.5**	29.2
Movement in provisions raised against trade receivables and loans	**14.6**	296.8	**0.5**	128.6
Gain on lease modification	**(7.2)**	(11.0)	**(10.1)**	(8.0)
Lease smoothing adjustment	**–**	0.6	**–**	–
Loss on disposal of businesses	**562.0**	17.9	**29.8**	17.9
Impairment of subsidiary investment	**–**	–	**2 903.7**	1 654.0
Impairment of goodwill	**353.5**	19.7	**347.2**	19.7
Impairment of PPE and intangible assets	**13.9**	–	**13.9**	–
Impairment to right-of-use asset	**232.0**	–	**232.0**	–
Loan write off	**164.4**	(13.8)	**164.4**	–
Fair value adjustment – other investments	**(0.5)**	(0.5)	**(0.5)**	(0.5)
Impairment of assets held for sale	**4 684.3**	995.1	**78.1**	21.9
Dividend income	**–**	–	**(121.1)**	(232.6)
Other	**(0.6)**	(4.8)	**4.1**	3.9
Foreign exchange adjustments	**(6.1)**	(93.7)	**(6.0)**	17.1
Cash generated from operations before:	**4 363.2**	5 383.7	**1 772.4**	1 849.8
Net working capital changes	**1 082.7**	(578.1)	**1 099.3**	(722.4)
(Decrease)/increase in inventories	**(76.8)**	135.7	**2.3**	(73.3)
(Decrease)/increase in trade and other receivables*	**(463.2)**	108.2	**(596.1)**	134.1
Increase/(decrease) in trade payables and provisions*	**1 622.7**	(822.0)	**1 693.1**	(783.2)
Cash generated from operations	**5 445.9**	4 805.6	**2 871.7**	1 127.4

32.2 Net movement in loans and investments

Rmillion	GROUP 2025	GROUP 2024 Restated*	COMPANY 2025	COMPANY 2024 Restated*
Net movement in loans and investments	**205.8**	(5.4)	**(1 896.7)**	(1 727.0)
Cash inflows on loans and investments	**305.4**	319.6	**268.3**	145.7
Proceeds from disposal of other investments	**0.8**	–	**–**	–
Repayments of retailer and subsidiary loans	**304.6**	319.6	**268.3**	145.7
Repayments of loan to the share trust	**–**	–	**–**	–
Cash outflows of loans and investments	**(99.6)**	(325.0)	**(2 165.0)**	(1 872.7)
Other investments acquired	**(1.1)**	(0.8)	**(1.1)**	(0.8)
Advances on retailer and subsidiary loans	**(98.5)**	(324.2)	**(98.5)**	(276.8)
Investment in associates	**–**	–	**–**	–
Investment in subsidiaries	**–**	–	**(2 065.4)**	(1 595.1)
Advances to the share trust	**–**	–	**–**	–

32.3 Net debt reconciliation

Rmillion	GROUP 2025	GROUP 2024 Restated*	COMPANY 2025	COMPANY 2024 Restated*
Carrying value at beginning of year	**20 599.0**	23 771.3	**7 007.5**	5 871.6
Reclassified to liabilities held for sale**	**(1 029.9)**	(907.1)	**–**	–
New leases**	**1 992.2**	1 725.9	**1 122.3**	984.1
Proceeds from borrowings	**5 670.1**	1 187.7	**5 311.5**	1 182.3
Principal element of repayments of borrowings	**(2 776.5)**	(2 632.7)	**(2 136.2)**	–
Principal element of lease payments	**(2 147.6)**	(2 248.7)	**(1 065.8)**	(1 031.7)
Foreign exchange adjustments	**878.6**	(300.4)	**–**	–
Disposal of subsidiaries	**(7 685.2)**	–	**–**	–
Other changes	**84.2**	3.0	**75.2**	1.2
Carrying value at end of year	**15 584.9**	20 599.0	**10 314.5**	7 007.5

* *During the current financial year, the Group identified a prior period error of R614.7 million in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

** *The UK and Switzerland operations have been classified as discontinued and comparative numbers represented. Refer to note 42 for further detail.*

33. Business combinations

33.1 Acquisitions

Retail stores acquired

During the current year SPAR acquired the assets of six retail stores in South Africa (2024: five). The BWG Group acquired the assets of five stores in the Ireland (2024: four stores in the UK and Ireland). The principal activity of these acquisitions is that of retail trade and all its aspects. The retail stores were purchased as part of the strategy for growth in the respective regions, and the goodwill arising on the business combinations is indicative of future turnover expected to be made by the Group as a result of wholesale sales to these acquired stores as well as net profits to be made by the stores. These acquisitions were funded from available cash resources.

McHales Wholesale business

On 1 March 2025, the BWG Group purchased McHales Wholesale (McHales) for R6.0 million, R1.7 million of which was settled in July 2025. The remainder of the purchase price remains a contingent consideration and is based on the retained sales of this company during the measurement period. The measurement period for this acquisition is 12 months, commencing 1 April 2025. McHales is a protein business in the West of Ireland with a strong customer base.

Neue Schnellmann Detailhandels AG

On 30 April 2025, Neue Schnellmann Detailhandels AG was purchased by SPAR Holding AG for cash. The principal business activity of all the business acquisitions listed above is that of retail trade and all its aspects.

For all business combinations concluded during the year, the Group and Company acquired 100% of the voting equity interests of the respective acquirees.

Assets acquired and liabilities assumed at date of acquisition

	GROUP					COMPANY
	2025					2025
Rmillion	**SA retail stores**	**Ireland retail stores**	**McHales**	**Neue Schnellmann Detailhandels AG**	**Total**	**SA retail stores**
Assets	**30.6**	**231.7**	**–**	**392.4**	**654.7**	**30.6**
Property, plant and equipment	30.6	90.1	–	–	120.7	30.6
Right-of-use assets	–	133.8	–	–	133.8	–
Trade and other receivables	–	1.8	–	–	1.8	–
Cash and cash equivalents	–	0.7	–	–	0.7	–
Inventories	–	5.3	–	–	5.3	–
Assets held for sale	–	–	–	392.4	392.4	–
Liabilities	**–**	**(80.5)**	**–**	**(426.1)**	**(506.6)**	**–**
Lease liability	–	(78.0)	–	–	(78.0)	–
Trade and other payables	–	(2.5)	–	–	(2.5)	–
Liabilities held for sale	–	–	–	(426.1)	(426.1)	–
Total identifiable net assets/(liabilities) at fair value	30.6	151.2	–	(33.7)	148.1	30.6
Goodwill arising from acquisition	30.6	10.0	6.0	190.1	236.7	30.6
Purchase consideration	61.2	161.2	6.0	156.4	384.8	61.2
Overdrafts/(cash balances) acquired	–	(0.7)	–	20.1	19.4	–
Business acquisition costs	–	5.0	–	2.0	7.0	–
Contingent consideration (refer to note 33.5)	–	(5.3)	(4.3)	–	(9.6)	–
Net cash outflow on acquisition	**61.2**	**160.2**	**1.7**	**178.5**	**401.6**	**61.2**

33. Business combinations continued

33.2 Assets and liabilities at date of disposal

The assets and liabilities disposed of relate to seven South African retail stores (2024: Three retail stores).

BWG Group disposed of their ATM business. Management adopted a prudent approach regarding recoverability of the deferred consideration of this sale, thus reducing proceeds to the legal costs of the sale.

Furthermore, the sale of the Polish subsidiary, New Polish Investments, was successfully concluded on 31 January 2025, and the sale of the Swiss business, SPAR Holding AG, was successfully concluded on 8 September 2025.

	GROUP					COMPANY		
	2025					2025		
Rmillion	SA retail stores	BWG Group – ATM division	New Polish Investments	SPAR Holdings AG	Total	Subsidiary investments*	SA retail stores	Total
Assets	61.4	0.1	531.4	1 055.7	1 648.6	–	61.4	61.4
Non-current assets								
Property, plant and equipment	17.1	–	–	–	17.1	–	17.1	17.1
Goodwill	44.3	–	–	–	44.3	–	44.3	44.3
Current assets								
Trade and other receivables	–	2.9	–	–	2.9	–	–	–
Cash and cash equivalents	–	2.5	534.5	–	537.0	–	–	–
Assets held for sale	–	–	1 079.6	12 218.5	13 298.1	–	–	–
Current liabilities								
Trade and other payables	–	(5.3)	–	–	(5.3)	–	–	–
Liabilities held for sale	–	–	(1 244.0)	(10 409.9)	(11 653.9)	–	–	–
Capital and reserves								
Foreign currency translation reserve reclassified to profit and loss	–	–	161.3	(752.9)	(591.6)	–	–	–
Loss on disposal of businesses	(29.8)	(0.1)	(531.4)	(0.7)	(562.0)	–	(29.8)	(29.8)
Proceeds less costs to sell	31.6	–	–	1 055.0	1 086.6	–	31.6	31.6
Proceeds receivable	–	–	–	(1 055.0)	(1 055.0)	–	–	–
Disposal and other costs	–	(1.4)	(51.7)	(126.7)	(179.8)	(178.4)	–	(178.4)
Cash balances disposed	–	(2.5)	(534.5)	(249.6)	(786.6)	–	–	–
Net cash inflow/(outflow) on disposal	31.6	(3.9)	(586.2)	(376.3)	(934.8)	(178.4)	31.6	(146.8)

* *These disposal costs were incurred in South Africa relating to the disposal of the Company's interest in New Polish Investments and SPAR Holding AG.*

33.3 Contribution to results for the year

	GROUP					COMPANY
	2025					2025
Rmillion	SA retail stores	Ireland retail stores	McHales	Neue Schnellmann Detailhandels AG	Total	SA retail stores
Revenue	218.4	26.8	33.3	1 043.3	1 321.8	218.4
Operating (loss)/profit	(37.7)	16.9	2.4	41.4	23.0	(37.7)

Had all acquisitions been consolidated from the beginning of the financial year, the contribution to the result would have been as follows:

	GROUP					COMPANY
	2025					2025
Rmillion	SA retail stores	Ireland retail stores	McHales	Neue Schnellmann Detailhandels AG	Total	SA retail stores
Revenue	366.4	88.3	57.1	1 788.5	2 300.3	366.4
Operating (loss)/profit	(60.9)	24.5	4.1	71.0	38.7	(60.9)

Revenue figures included are those contributed by the business inclusive of inter-company sales to SPAR.

33. Business combinations continued

33.4 Cash flow on acquisition of business/subsidiaries

The cash flow on acquisition of businesses/subsidiaries is noted as being the amount disclosed in note 33.1 and the contingent consideration and deferred consideration as described below.

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Net cash outflow (refer to note 33.1)	**401.6**	192.3	**61.2**	55.9
Business acquisition costs	**3.9**	–	**–**	–
Contingent consideration cash outflow on prior year business combinations	**88.7**	–	**–**	–
Total net cash outflow relating to acquisitions	**494.2**	192.3	**61.2**	55.9

33.5 Contingent and deferred consideration

McHales contingent consideration of R4.3 million will be payable in March 2026 and is based on the 12-month retained sales performance in the measurement period. During the year, R88.7 million was paid to settle deferred consideration on prior year business acquisitions in Ireland.

As part of the consideration received for the disposal of the Group's Swiss operations, the Group is entitled to a contingent consideration (earn-out) based on the future performance of the disposed business. The earn-out is linked to specified post-disposal financial performance metrics of the business over the agreed measurement period. Management has assessed the expected future performance of the disposed business and determined that the fair value of the contingent consideration approximates nil at year-end.

34. Financial guarantees

Financial guarantees may be provided by the Group to subsidiaries and affiliates. These financial guarantees are accounted for in terms of IFRS 9 and measured at the higher of fair value or expected credit loss. Management has formally assessed the IFRS 9 fair values of the guarantees and confirms that no legal obligation exists at the reporting date to settle these guarantees issued.

Management's assessment is based on the principles of IFRS 13 *Fair value measurement* and on the ability of subsidiaries and affiliates having sufficient cash resources, in country, to service the underlying debt instrument's obligations as and when these become due.

The risk relating to financial guarantees is managed per geographical region through review of cash flow forecasts, budgets and monitoring of covenants.

The SPAR Group had a facility with WesBank where SPAR undertook to stand guarantee for loans issued to retailers up to a limit of R1.0 billion. This facility arrangement was concluded under a direct deal basis which meant that the retailer signed the loan agreement directly with the bank and SPAR signed a separate guarantee for this loan. Exposure on the direct deals facility is disclosed as a financial guarantee and is not recognised on the statement of financial position. The balance disclosed in the statement of financial position as at September 2025 relates to the full recourse deals.

Upon disposal of NPI sp. z o.o. and SPAR Holdings AG, the Company has terminated the financial guarantees over their respective bank facilities.

The Company has also terminated a financial guarantee on the TIL JV Ltd bank facilities (2024: EUR249.8 million).

The Group has provided a limited guarantee relating to a loan facility held by Numlite (Pty) Ltd exposing the Group to credit risk in the event that Numlite (Pty) Ltd defaults on its loan facility payments. In 2009, the Company sold its investment in retail computer equipment and ceded its right to receive payment of the existing and future rental streams to Numlite (Pty) Ltd, who in turn raises finance via a loan facility with an independent financial institution. At year end, 1 053 SPAR stores (2024: 1 067), 796 TOPS at SPAR stores (2024: 788), 18 Pharmacy at SPAR stores (2024: 22) and 135 Build it stores (2024: 133) were participants in the IT retail scheme, with an average debt of R109 420 per store (2024: R107 065).

The table below represents the full exposure of the Group in relation to utilisation on these financial guarantees as at 26 September:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Guarantee of TIL JV Ltd borrowing facilities	**–**	–	**–**	2 541.8
Guarantee of SPAR Holding AG borrowing facilities	**–**	–	**–**	653.0
Guarantee of SPAR Retail Stores (Pty) Ltd finance obligations	**–**	–	**1.2**	0.3
Guarantee of SPAR Mopani Rural Hub (Pty) Ltd finance obligations	**–**	–	**–**	6.3
Guarantee of SPAR Supplier Development Hub	**–**	–	**6.0**	–
Guarantee of Wesbank direct deal loan agreements	**333.2**	359.1	**333.2**	359.1
Guarantee of NPI sp. z o.o.	**–**	–	**–**	810.7
Guarantee of retailer finance obligation	**29.3**	31.7	**29.3**	31.7
Guarantee of Numlite (Pty) Ltd finance obligations	**219.1**	215.2	**219.1**	215.2
	581.6	606.0	**588.8**	4 618.1

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024

35. Commitments

Capital commitments				
Contracted	**494.1**	668.2	**478.6**	362.2
Approved but not contracted	**611.8**	716.6	**383.1**	531.3
Total capital commitments	**1 105.9**	1 384.8	**861.7**	893.5
Analysed as follows:				
Property, plant and equipment	**282.3**	411.0	**64.0**	144.0
Intangible assets	**658.6**	820.8	**632.7**	749.5
Investments	**165.0**	153.0	**165.0**	

36. Directors' remuneration and interests report

36.1 Emoluments

R'000	Basic salary	Performance-related bonus[2]	Retirement funding contributions	Allowances and other benefits[1]	Lumpsum payment	Share scheme gains	Total
2025							
Executive directors							
AP Swartz	**11 177**	**3 754**	**799**	**271**	**–**	**–**	**16 001**
ML Pydigadu	**11 234**	**3 150**	**369**	**1**	**–**	**–**	**14 754**
MR Isaacs*	**8 108**	**4 158**	**418**	**–**	**–**	**–**	**12 684**
MW Godfrey**	**1 849**	**–**	**216**	**1 881**	**9 500**	**–**	**13 446**
Total emoluments	**32 368**	**11 062**	**1 802**	**2 153**	**9 500**	**–**	**56 885**
2024							
Executive directors							
AP Swartz	9 559	4 359	1 111	1 016	–	–	16 045
ML Pydigadu	10 083	4 135	–	–	–	–	14 218
MW Godfrey	7 045	3 523	824	698	–	1 084	13 174
Total emoluments	26 687	12 017	1 935	1 714	–	1 084	43 437

* *MR Isaacs was appointed as the Group CFO on 1 January 2025.*
** *MW Godfrey resigned as the Group CFO on 31 December 2024.*
(1) *Other benefits include medical aid contributions, leave pay and long-service awards as applicable, which are standard benefits across all employees.*
(2) *The performance-related bonuses relate to amounts earned in the current year.*

36.2 Fees for services as non-executive directors

R'000	2025	2024
MJ Bosman (Chairman)[bcf]	**5 716**	6 140
AG Waller	**–**	110
LM Koyana[ade]	**1 275**	1 335
JA Canny	**–**	112
ST Naran[acde]	**1 314**	1 054
SA Zinn[bce]	**1 640**	1 828
PMP da Silva[df]	**1 658**	1 909
GB Makhaya[de]	**241**	957
EC Botha[bdef]	**1 239**	765
O Ighodaro[ad]	**1 744**	1 255
MJ Jamieson[ef]	**792**	566
Total fees	**15 619**	16 031

GB Makhaya resigned on 31 December 2024.
MJ Jamieson and EC Botha were appointed as an independent non-executive directors on 1 February 2024.
O Ighodaro was appointed as an independent non-executive director on 21 February 2024.
A Waller and J Canny resigned on 17 November 2023.

a *Member of Audit Committee.*
b *Member of Remuneration Committee.*
c *Member of Nominations Committee.*
d *Member of Risk Committee.*
e *Member of Social and Ethics Committee.*
f *Member of Business Transformation Committee.*

36. Directors' remuneration and interests report continued

36.3 Directors' interests in the share capital of the Company

Number of shares	GROUP 2025	GROUP 2024
Executive directors		
AP Swartz – direct beneficial holding	**6 037**	12 637
MW Godfrey – direct beneficial holding*	**–**	84 452
ML Pydigadu – direct beneficial holding	**9 610**	–
MR Isaacs – direct beneficial holding	**6 887**	–
Non-executive directors		
EC Botha – direct beneficial holding**	**2 451**	–

* *Mark Godfrey resigned effective 31 December 2024.*
** *Shares purchased by EC Botha done via a platform that allows for the purchase of fractional shares.*

As at the date of this report the directors' interests in the share capital of the Company remained unchanged. No SPAR ordinary shares are indirectly held by directors and/or their associates, both at the date of this report and in the prior financial year.

36.4 Declaration of disclosure

Other than that disclosed above and in note 37 to the annual financial statements, no consideration was paid to or by any third party, or by the Company itself, in respect of the services of the Company's directors, as directors of the Company, during the year ended 26 September 2025.

37. Directors' share scheme interests

Shares held by participants in terms of the Conditional Share Plan

In terms of the Conditional Share Plan, the Group has granted shares to executives, senior management and key talent specifically identified in the form of performance share awards. These shares vest over a period of three years subject to performance conditions at year end. No exercise price is allocated to these awards.

Awards to participants in terms of the Conditional Share Plan are as follows:

	Award date	Share price on date of grant Rand	Number of awards held 2025	Number of awards held 2024
Executive directors				
AP Swartz	2020/02/11	198.01	**–**	2 334
AP Swartz	2021/02/16	181.15	**3 333**	6 667
AP Swartz	2022/08/11	142.83	**2 000**	13 300
AP Swartz	2023/12/07	113.00	**18 400**	18 400
AP Swartz	2024/02/20	107.22	**52 640**	52 640
AP Swartz	2025/02/28	133.09	**46 184**	–
MW Godfrey	2020/02/11	198.01	**–**	2 800
MW Godfrey	2022/08/11	142.83	**–**	23 100
MW Godfrey	2023/12/07	113.00	**–**	31 600
MW Godfrey	2024/02/20	107.22	**–**	49 450
ML Pydigadu	2024/02/20	107.22	**52 640**	52 640
ML Pydigadu	2025/02/28	133.09	**46 184**	–
MR Isaacs	2025/02/28	133.09	**46 184**	–
			267 565	252 931

38. Share-based payments

38.1 Share option scheme

The Company has an equity-settled share option scheme in place which is operated through The SPAR Group Ltd Share Employee Trust (2004) (the trust). On election by option holders, one-third of the options granted vest after three years, with a further third vesting on the expiry of years four and five respectively. Options issued by the trust expire 10 years from grant date. Options are forfeited if the employee leaves the Group before vesting date.

Share options outstanding at year end are as follows:

	Number of options	
	2025	2024
Balance at the beginning of the year	**–**	307 500
Options exercised and paid in full	**–**	–
Options expired	**–**	(306 200)
Options forfeited	**–**	(1 300)
Balance at the end of the year	**–**	–
Weighted average grant price of options exercised during the year	**–**	–
Weighted average selling price of options exercised during the year	**–**	–

No further issues of options have been granted under the share option scheme. Refer to the Conditional Share Plan in note 38.2.

38.2 Conditional Share Plan

The Group operates a CSP under which it receives services from employees as consideration for equity instruments of the Company.

Shares granted in terms of the CSP meet the definition of an equity-settled, share-based payment.

In terms of the CSP, the Group has granted shares to executives, senior management and key talent specifically identified in the form of performance share awards. Awards can comprise shares (restricted shares) that are subject to the condition that the participants remain employed with the Group (employment condition) and/or shares (performance shares) that are subject to an employment condition and company-related performance conditions (performance condition) over a predetermined period (performance period). The award will only be settled after the vesting date and the participant will not have any shareholder or voting rights prior to the vesting date.

Participants do not receive dividends during the vesting period and will only begin receiving dividends if and after the awards have vested. Participants terminating employment due to resignation or dismissal on grounds of misconduct, proven poor performance or proven dishonest or fraudulent conduct, or any reason other than stated below will be classified as bad leavers and will forfeit all unvested awards.

Participants terminating employment due to death, retirement, retrenchment, ill health, disability, injury or sale of SPAR will be classified as good leavers and a portion of all unvested awards will vest on the date as soon as reasonably possible after the date of termination of employment.

The CSP officially grants performance share awards to employees which vest over a period of three years. These shares were awarded subject to the following three performance conditions:

- Headline earnings per share (HEPS) growth
- Return on net assets (RONA)/Return on capital employed (ROCE)
- Total shareholder return (TSR)

The fair value (excluding attrition) is calculated as the share price at grant date, multiplied by the number of shares granted. The fair value is then adjusted for attrition. To determine the number of shares that will vest at the end of the vesting period as a result of the performance conditions, a model is used that has both stochastic and deterministic features. The assumptions and inputs used in the valuation of the units issued are summarised in the table that follows. Also taken into account in this calculation are: SPAR forecast HEPS growth, SPAR Remuneration Committee HEPS tentative target set in November 2014 had raised the expectation for future RONA to midway between the tentative target and upper target; SPAR forecast average RONA; SPAR forecast average ROCE and consumer price index to grant date. As expectations are revised during the performance period, the value per unit will be restated accordingly.

The volatilities of the TSR of SPAR and each of the peer companies were based on the three-year historical annualised standard deviations of the weekly log returns. It should be noted that the absolute values of the volatility assumptions are less important than most other schemes. This is because the proportion of shares vesting under the TSR performance condition is determined largely by performance relative to the peer group.

38. Share-based payments continued

38.2 Conditional Share Plan continued

Model inputs and assumptions as at 26 September 2025	2025	2024	2023
Description	**February 2025 grant**	February 2024 grant	December 2023 grant
Grant date	**28 February 2025**	20 February 2024	7 December 2023
Vesting date	**28 February 2028**	22 February 2027	7 December 2026
Performance period for TSR condition	**1 October 2024 to 24 September 2027**	1 October 2023 to 25 September 2026	1 October 2022 to 26 September 2025
Total number of units granted	**839 554**	847 730	587 300
Total number of retention units granted*		63 951	
Fair value of retention shares vesting in 2027		107.22	
Fair value of retention shares vesting in 2028		107.22	
Fair value of retention shares vesting in 2029		107.22	
Total number of units outstanding at 26 September 2025	**812 797**	775 542	506 000
Share price at grant date	**133.09**	107.22	113.0
Expected total CPI over the performance period	**8.64%**	10.21%	13.17%
Risk-free rate	**Term structure used**	Term structure used	Term structure used
Dividend yield	**Term structure used**	Term structure used	Term structure used
Volatility	**Varies by company**	Varies by company	Varies by company
Forfeiture rate	**5.00% p.a.**	5.00% p.a.	5.00% p.a.

* *Retention grants will expire in three equal tranches following the three-, four- and five-year anniversaries from the allocation date of these instruments. All of the retention awards granted issued in November 2019 have vested. Two-thirds of the retention awards granted in November 2020 have already vested with a remaining balance of 31 848 still to vest. One-third of the retention awards granted in August 2022 have already vested with a remaining balance 28 674 still to vest.*

Movement in the number of full share grants awarded in terms of the CSP

	GROUP 2025	GROUP 2024
Balance at the beginning of the year	**1 992 941**	1 020 544
Shares granted during the year	**882 104**	1 456 431
Shares forfeited during the year	**(656 032)**	(334 802)
Shares vested during the year	**(64 152)**	(149 232)
Balance at the end of the year	**2 154 861**	1 992 941
Charge to profit or loss for the year (Rmillion)	**26.7**	30.7

39. Financial risk management

Rmillion	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Financial instruments classification				
Financial assets held at amortised cost				
Loans and other receivables	**469.5**	890.1	**367.3**	689.5
Block discounting loan receivable	**1.8**	3.7	**1.8**	3.7
Lease receivable	**5 155.0**	5 104.0	**4 990.1**	5 029.3
Trade and other receivables*	**16 107.3**	16 619.5	**11 148.2**	10 770.0
Net cash and cash equivalents	**2 072.4**	–	**258.6**	–
Financial liabilities at amortised cost				
Net bank overdrafts	**–**	(2 074.7)	**–**	(2 640.4)
Block discounting loan payable	**(1.8)**	(3.8)	**(1.8)**	(3.8)
Lease liability	**(8 537.6)**	(13 904.4)	**(5 855.1)**	(5 824.0)
Trade and other payables*	**(22 336.8)**	(21 660.9)	**(13 803.1)**	(12 132.8)
Borrowings	**(7 047.3)**	(6 694.6)	**(4 459.4)**	(1 183.5)
Financial guarantee liabilities	**(31.3)**	(21.9)	**(31.3)**	(102.7)
Financial liabilities at fair value				
Interest rate swap	**(12.0)**	–	**(12.0)**	–

* *During the current financial year, the Group identified a prior period error of R614.7 million in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

The Company and Group's financial instruments primarily consist of bank balances and overdraft funding from banks, trade payables, loans and other receivables, block discounting loans, borrowings, financial liabilities and trade receivables. The carrying amount of trade receivables, after accounting for the expected credit losses and bad debts written off, approximates fair value.

Trade receivables represent the estimated future cash to be received in the short-term. The book values of the other categories of financial instruments approximate fair value.

39. Financial risk management continued

In the normal course of its operations the Group is, *inter alia*, exposed to credit, interest, liquidity and currency risk on its financial instruments. Executive management meets on a regular basis to analyse these risks and to re-evaluate financial management strategies.

The Group does not have any exposure to commodity price movements.

Currency risk

The Group is subject to translation exposure through the import of merchandise and its investments in foreign operations by way of translation risks and currency risks relating to the financial liabilities.

Foreign currency risks that do not influence the Group's cash flows (i.e., the risks resulting from the translation of assets and liabilities of foreign operations in the Group's reporting currency) are not hedged.

Southern Africa

Import of merchandise

It is the Group's policy to cover its material foreign currency exposure in respect of liabilities and purchase commitments. Forward exchange contracts have been taken out to hedge this currency risk at year end. There were no speculative positions in foreign currencies.

Interest rate risk

The Group is exposed to interest rate risk on its cash deposits, loan receivables and loan payables which impacts the cash flow arising from these instruments. In the current year, net interest paid on bank overdrafts was R221.1 million (2024: R315.1 million), interest received from loans was R16.3 million (2024: R21.1 million) and interest paid on loans was R422.1 million (2024: R255.5 million).

The exposure of cash deposits and overdrafts to interest rate risk is managed through the Group's cash management system which enables the Group to maximise returns while minimising risk. Loan receivables are funded from the Group's cash resources.

The Group is not exposed to interest rate risk on the block discounting loan receivable and payable balances, as the loan receivable at the prime interest rate is immediately sold at prime less one to an approved financial institution.

Sensitivity analysis

Changes in market interest rates relating to loan receivables do not have a material impact on the Group's profits or losses and hence no sensitivity analysis has been presented.

Total borrowings of R7 047.4 million (2024: R6 694.6 million) expose the Group to interest rate risk. The sensitivity of these balances are assessed below:

Southern Africa

Southern African debt has increased since 2024 due to the business funding the exit of Poland to conclude the disposal. If interest rates relating to total debt balances had been 0.5% higher/lower and all other variables held constant, the Group's profit before tax for the year would (decrease)/increase by:

	GROUP		
Rmillion	Sensitivity % change	**2025**	2024
Profit before tax	0.5	**(27.2)**	(13.7)
Profit before tax	(0.5)	**27.2**	13.7

Ireland

If interest rates relating to Irish loans had been 0.5% higher/lower and all other variables held constant, the Group's profit before tax for the year would decrease/increase by:

	GROUP		
Rmillion	Sensitivity % change	**2025**	2024
Profit before taxation	0.5	**(12.9)**	(11.5)
Profit before taxation	(0.5)	**12.9**	11.5

39. Financial risk management continued

Derivatives

In the current financial year, the Company entered a three-year interest rate swap at 7.35% on R800 million of funding. Hedge accounting is being applied to the interest rate swap with gains or losses recognised in Other Comprehensive Income (OCI).

The Group has the following derivative financial instruments in the following line items in the statement of financial position:

Rmillion	2025	2024
Non-current liabilities		
Interest rate swaps – cash flow hedges	**12.0**	–

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group's accounting policy for its cash flow hedges is set out in note 1.16.

Hedging reserves

The Group's hedging reserves disclosed in the Statement of Changes in Equity relate to the following hedging instruments:

Rmillion	Interest \rate swap
Opening balance as at the beginning of the year	**–**
Recognition of Interest rate swap liability	**(12.0)**
Change in fair value of hedging instrument recognised in OCI	**1.3**
Closing balance as at the end of the year	**(10.7)**

There were no reclassifications from the cash flow hedge reserve to profit or loss during the period in relation to the interest rate swap.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

The Group performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Hedging ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; and
- differences in critical terms between the interest rate swaps and loans.

Hedge ineffectiveness in relation to the interest rate swap was negligible for 2025.

Credit risk

Trade receivables, short-term investments, loans and guarantees to retailers represent the significant categories of the Group's financial instruments exposed to credit risk amounting to R17 048.9 million (2024: R18 734.0 million). Concentration risk is mitigated as the Group deals with a broad spread of customers.

Trade receivables consist of:

Southern Africa:	SPAR, Build it and Pharmacy retailer debts
Ireland:	Retailer and hospitality customers

Overdue trade receivables balances, representing 14.7% (2024: 14.3%) of the total trade receivables balance, amounted to R2 348.2 million (2024: R2 441.8 million) at the reporting date. Expected credit losses totalling R1 545.0 million (2024: R1 587.1 million) have been raised against overdue balances.

39. Financial risk management continued

Credit risk continued

Impairment of financial assets

The Group has five types of financial assets that are impacted by IFRS 9's expected credit loss model:

- Trade receivables for sales of inventory
- Loans provided by The SPAR Group
- Block discounting loans
- Cash and cash equivalents
- Lease receivables

Expected credit losses on cash and cash equivalents are calculated in terms of the general model for impairment. All cash and cash equivalents were determined to be in stage 1 as counterparties have a low risk of default and a strong capacity to meet contractual cash flows. There was no significant increase in credit risk relating to the cash and cash equivalents. The expected credit losses were therefore limited to 12-month expected losses and the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables making use of a provision matrix.

To measure the expected credit losses, trade and other receivable balances have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses are based on the payment profiles of historical sales for customers and associated write-offs. The historical loss rates are adjusted to reflect current and forward looking information on macro-economic factors affecting the ability of customers to settle the receivables. The Group has identified the inflation rate, fuel cost, prime rate fluctuations and the unemployment rate to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. Management considers these the most significant factors which effect the business's operations, and their ability to service trade debt as the Group's customers are independent retailers who heavily rely on the disposal income of end-consumers.

Distribution centres have adopted a robust model in assessing and raising allowances relating to trade receivables with specific financial issues.

The credit risk associated with lease receivables are low as these relate to "back-to-back" sublease arrangements for which SPAR acts as an intermediary between the head lessor and the lessee giving rise to the respective receivable and payable. SPAR has assessed the risk associated with this lease receivables as low since SPAR has the right to terminate the sublease in less than one month, step into the lease, run the business and in doing so, service the amount due to the head lessor. The historic loss rate on these lease receivables have been insignificant.

Credit impaired financial assets are defined as financial assets for which there is any level of non-performance in terms of contractual arrangements and the Group has exposure after taking into consideration the financial assets' security held. SPAR assesses the ability of each retailer individually by store to service their debt. SPAR holds close relationships with its retailers so that all factors are understood, including macro-economic factors which have different effects on different stores' consumers.

Trade receivables are written off when there is no reasonable expectation of recovery. Debt is considered to be irrecoverable if continuous attempts to collect outstanding amounts are unsuccessful, which have been handed over to legal for collection or if management has identified a specific financial issue with the customer.

The loss allowance is calculated using the matrix approach based on the total trade receivables balances, segregated for the below:

	GROUP		COMPANY	
Rmillion	**2025**	2024	**2025**	2024
Total trade receivables and other receivables*	**17 663.4**	18 206.6	**12 105.4**	11 714.7
Excluded from assessment	**(868.8)**	(1 327.6)	**(517.5)**	(692.2)
Trade receivables with specific financial issues – these are credit impaired financial assets which have been specifically identified	**(2 206.3)**	(2 086.5)	**(1 830.8)**	(1 734.5)
Remaining balance subject to matrix approach	**14 588.3**	14 792.5	**9 757.1**	9 288.0

* *During the current financial year, the Group identified a prior period error of R614.7 million in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

Amounts excluded from the provisioning matrix assessment include supplier rebates, Guild loan balances and bridging loans which have been extended to retailers awaiting Wesbank funding. These are considered to have low credit risk as the supplier rebates could be credited against payable balances, Guilds are in a cash surplus position and bridging loans are supported by acknowledgement of debts as well as notarial bonds gives the Group the ability to recover the full amount.

39. Financial risk management continued

Credit risk continued

Impairment of financial assets continued

On that basis, the loss allowance as at the 26 September 2025 and 30 September 2024 for trade and other receivables.

	GROUP				COMPANY			
Rmillion	1 – 4 Weeks	5 – 8 Weeks	8+ Weeks	Total	1 – 4 Weeks	5 – 8 Weeks	8+ Weeks	Total
26 September 2025								
Expected loss rate	**0.5%**	**1.4%**	**37.4%**	**–**	**0.3%**	**0.4%**	**3.6%**	**0.0%**
Trade and other receivables – balance subject to matrix	**12 097.3**	**1 721.4**	**769.6**	**14 588.3**	**8 716.2**	**798.0**	**242.9**	**9 757.1**
Loss allowance excluding VAT	**75.0**	**24.1**	**287.8**	**386.9**	**44.0**	**2.9**	**7.4**	**54.3**
Specific allowances raised	**–**	**–**	**–**	**1 169.2**	**–**	**–**	**–**	**902.9**
Total loss allowance	**–**	**–**	**–**	**1 556.1**	**–**	**–**	**–**	**957.2**
30 September 2024								
Expected loss rate	0.5%	1.1%	23.6%	–	0.4%	0.6%	4.5%	–
Trade and other receivables – balance subject to matrix*	11 599.7	1 918.8	1 274.0	14 792.5	7 726.0	1 059.2	502.8	9 288.0
Loss allowance excluding VAT	56.2	20.5	300.1	376.8	28.0	5.4	19.5	52.9
Specific allowances raised	–	–	–	1 210.3	–	–	–	891.8
Total loss allowance	–	–	–	1 587.1	–	–	–	944.7

* *During the current financial year, the Group identified a prior period error of R614.7 million in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

The ECL allowance represents management's estimate of the extent to which trade receivables at the reporting date will not be subsequently recovered. This estimate takes into consideration past trends and makes an assessment of additional risk factors which are likely to impact recoverability such as significant actual or expected changes in the operating results or business conditions of the retailer. To the extent considered irrecoverable, debts are written off. Debt is written off when all legal attempts to recover the debt have been exhausted.

It is a prerequisite for appropriate forms of security to be obtained from retailers to reduce exposure on trade receivable balances. Trade receivable balances are secured by general and specific notarial bonds over movable assets, deeds of suretyship, cession and pledge of shares and in some instances, lease options. General notarial bonds constitute the majority of the security held, which provide the Group with a preferential claim over the movable assets. This bond can be perfected when the retailer's account is in arrears. As at 26 September 2025 security to the value of R13 786.2 million (2024: R12 987.6 million) was held by the Group. Ongoing credit evaluations are performed including regular reviews of security cover held (refer to note 21).

The Group selectively assists retail members suffering financial stress in order to ensure the continued operation of stores, thereby preserving the recoverability of trade receivable balances.

The directors are of the opinion that the credit risk in respect of short-term cash investments is low as funds are only invested with acceptable financial institutions of high credit standing and within specific guidelines laid down by the Board of Directors.

Loans receivables and block discounting loans

The Group extends loans to retailers in the form of block discounting loans (refer to note 17) and retailer loans (refer to note 18). These loans are fully secured, and as such the Group has not incurred a loss on these balances in the past five years.

The Group has adopted the general approach for loans receivable, which involves a three-stage approach to the recognition of credit losses and interest.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding looking information. Default is generally considered a missed payment.

A significant increase in credit risk has not been presumed if a debtor is more than 30 days past due in making a contractual payment, but has been treated as an indicator for further investigation of credit risk assessment.

39. Financial risk management continued

Credit risk continued

Loans receivables and block discounting loans continued

Three categories of loans have been determined which reflect the credit risk profile based on default and timely payment history as follows:

Category	Company definition of category	Basis for recognition of expected credit losses
Performing	Loans whose credit risk is in line with original expectations, no defaults or late payments recorded in previous 12-month period.	12 months expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Under-performing	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due, which is defined as a late payment but no default.	Lifetime expected losses (stage 2).
Non-performing	Interest and/or principal repayments are 90 days past due, i.e., three consecutive missed payments or it becomes probable a customer will enter bankruptcy.	Lifetime expected losses (stage 3).
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery.	Asset is written off.

The expected credit losses have been determined using the formula:

Probability of default (PD) x loss given default (LGD) x exposure at default (EAD).

PD is considered on initial recognition of an asset and credit risk is assessed throughout each reporting period for significant increases. To assess whether a significant increase has occurred, the Group will compare the credit risk at the reporting date with that of the credit risk at initial recognition, taking into account macro-economic conditions and supportable forward looking information. These mirror the factors in the trade receivables section above.

LGD is the loss which is expected to arise at the date of default. The Group has securities over the financial assets which are preferential to the settlement of any trade debts, management has applied judgement in determining an amount which could be recorded as a loss should a default event occur.

EAD is the outstanding balance at reporting date.

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Company considered historical loss rates for each category of loans, which includes the leverage ratios of the lender, and adjusts for forward looking macro-economic data. The Group provides for credit losses against loans to customers as follows:

	GROUP		COMPANY
	Southern Africa	Ireland	South Africa
Category of expected credit loss and rates			
Performing	0.09%	12.11%	0.09%
Under-performing	5.12%	46.66%	5.12%
Non-performing	10.06%	100.00%	81.38%
Gross carrying amounts			
Performing	437.1	36.8	353.3
Under-performing	–	–	–
Non-Performing	–	35.1	75.2
	437.1	71.9	428.5

39. Financial risk management continued

Credit risk continued

Loans receivables and block discounting loans continued

The loss allowance for loans to customers as at 26 September 2025 and 30 September 2024 reconciles to the opening loss allowance for that provision as follows:

	GROUP				COMPANY			
Rmillion	**Performing**	**Under-performing**	**Non-performing**	**Total**	**Performing**	**Under-performing**	**Non-performing**	**Total**
Opening loss allowance as at 1 October 2024	**8.7**	**7.8**	**36.9**	**53.4**	**–**	**–**	**73.2**	**73.2**
Change in expected credit loss %	**(1.1)**	**(1.1)**	**2.3**	**0.1**	**–**	**–**	**(12.0)**	**(12.0)**
Reclassified to assets held for sale	**(2.4)**	**(2.6)**	**(1.5)**	**(6.5)**	**–**	**–**	**–**	**–**
New financial assets	**0.1**	**–**	**–**	**0.1**	**–**	**–**	**–**	**–**
Recoveries	**(1.2)**	**(1.1)**	**(4.4)**	**(6.7)**	**–**	**–**	**–**	**–**
Write-offs	**–**	**(3.1)**	**–**	**(3.1)**	**–**	**–**	**–**	**–**
Foreign exchange differences	**0.4**	**0.1**	**1.7**	**2.2**	**–**	**–**	**–**	**–**
Loss allowance as at 26 September 2025	**4.5**	**–**	**35.0**	**39.5**	**–**	**–**	**61.2**	**61.2**
Opening loss allowance as at 1 October 2023	15.2	95.8	62.6	173.6	–	–	73.2	73.2
Change in expected credit loss %	(0.3)	(0.2)	1.2	0.7	–	–	–	–
Reclassified to assets held for sale	–	(78.7)	(8.1)	(86.8)	–	–	–	–
Reclassified from trade and other receivables	–	(25.7)	–	(25.7)	–	–	–	–
New financial assets	–	21.7	–	21.7	–	–	–	–
Recoveries	(4.8)	(3.6)	(17.6)	(26.0)	–	–	–	–
Write-offs	–	(6.3)	–	(6.3)	–	–	–	–
Foreign exchange differences	(1.4)	4.8	(1.2)	2.2	–	–	–	–
Loss allowance as at 30 September 2024	8.7	7.8	36.9	53.4	–	–	73.2	73.2

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Concentrations of risk are assessed by considering financial instruments with similar maturity profiles and those which are payable in foreign currencies. Although current liabilities exceed current assets at year-end, the Group's short-term liquidity risk is managed through access to established general banking facilities, which provide sufficient headroom to meet all short-term obligations as they fall due.

The Group has the following overdraft/call facilities at its disposal:

	Southern Africa		Ireland	
Rmillion	**2025**	2024	**2025**	2024
Unsecured bank overdraft facilities, reviewed annually, and at call:				
– Utilised as at year end	**670.0**	2 697.2	**–**	237.1
– Unutilised	**3 627.0**	4 301.8	**930.4**	470.5
Total available overdraft and call facilities	**4 297.0**	6 999.0	**930.4**	707.6

39. Financial risk management continued

Liquidity risk continued

Maturity analysis of group financial liabilities:

	GROUP					
	2025			2024		
Rmillion	Less than 1 year	Between 2 and 5 years	More than 5 years	Less than 1 year	Between 2 and 5 years	More than 5 years
Trade payables*	**17 713.0**	**–**	**–**	16 808.7	–	–
Block discounting loans	**1.8**	**–**	**–**	2.3	1.8	–
Borrowings**	**914.4**	**7 566.0**	**–**	1 745.9	3 062.9	2 184.6
Lease liability	**2 059.1**	**5 850.1**	**3 142.7**	2 627.6	8 201.2	6 261.6
Financial guarantees (refer to note 34)	**581.6**	**–**	**–**	606.0	–	–

	COMPANY					
	2025			2024		
Rmillion	Less than 1 year	Between 2 and 5 years	More than 5 years	Less than 1 year	Between 2 and 5 years	More than 5 years
Trade payables*	**11 279.9**	**–**	**–**	9 491.8	–	–
Block discounting loans	**1.8**	**–**	**–**	2.3	1.8	–
Borrowings	**407.7**	**5 396.5**	**–**	1 183.5	–	–
Lease liability	**1 613.2**	**4 478.4**	**1 551.6**	1 482.1	4 419.7	1 670.0
Financial guarantees (note 34)	**588.8**	**–**	**–**	4 618.1	–	–

* *During the current financial year, the Group identified a prior period error of R614.7 million in relation to an inter-company receivable and payable balance which was not correctly eliminated. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected this prior period error. The prior period Group and Company statement of financial position, and related notes, have been restated to reflect the impact of this prior period error. This restatement had no impact on equity, on the statement of profit and loss and other comprehensive income and the statement of cash flows.*

** *Management intends refinancing those debt instruments, as presented in note 29.2, maturing in December 2026 to manage liquidity risk.*

Financial guarantees disclosed in less than 1 year represent the maximum total exposure to the Group. Refer to note 34 for further detail.

The majority of the trade payables at year end will be paid within 30 days of year end from available facilities or cash received from trade debtors.

The Group has long-term borrowings giving rise to cash payment obligations. The Company has unlimited borrowing powers in terms of the Memorandum of Incorporation. For further disclosures regarding group borrowings and covenant compliance, refer to note 29.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The Group's overall capital management strategy remained unchanged in 2025. The strategy entails a philosophy of tight risk management and minimum use of derivative instruments. Hedging options are to be considered when >30% of funding is longer term funding (tenor of two years or more).

The capital structure of the Group consists of equity attributable to shareholders comprising issued capital, reserves and retained earnings as disclosed in notes 25 and 38 respectively and borrowings as disclosed in note 29.

Treasury shares (refer to note 26) are held from time to time for the purpose of settling option holder obligations and these are only acquired on approval from shareholders and where the market presents value in their acquisition.

The strong cash inflow generated by Group operations is utilised to fund distribution centre expansions and other capital expenditure, and to settle dividends declared, taxation and trade payable obligations.

40. Events after the reporting date

On 1 November 2025, Malan & Buys Wholesaler (Pty) Ltd, a subsidiary in the Group completed the acquisition of 100% of the share capital of Aptekor Wholesale (Pty) Ltd and Aptekor Sneldiens (Pty) Ltd for a total consideration of R13.7 million. The acquisition is a strategic investment aimed at expanding the Group's pharmaceutical wholesale footprint in South Africa.

On 25 November 2025, the Company received Competition Commission approval for the acquisition of four SPAR and TOPS corporate stores from the Hajimarkos group for R162.0 million with an effective date of 1 February 2026.

These events are classified as a non-adjusting event after the reporting period in accordance with IAS 10: *Events After the Reporting Period*. Accordingly, no adjustments have been made to the annual financial statements as at 26 September 2025.

41. Contingent liability

As was initially reported in the annual financial statements in respect of the year ended 30 September 2022, summons was served on the Company by one of its larger retailers, the Giannacopoulos Group, for alleged damages of R2.1 billion arising from a membership dispute. The Company denied any liability and has filed a plea to defend the matter. Management have engaged extensively with the retailer and while many issues have been successfully resolved, a few major dispute matters could not be finalised. The parties have agreed that the dispute be dealt with through a legal process. The Company continues to remain satisfied that, based on legal opinion, there is insufficient evidence to substantiate the claim and does not recognise any liability for damages.

42. Discontinued operations

During the financial year, the Group continued with its strategic review of the European operations.

As part of this process, as at 28 March 2025, the Switzerland and UK subsidiaries met the criteria for classification as held for sale based on approved disposal plans, the active search for buyers, and the expectation that the disposals would be concluded within 12 months of classification.

On 8 September 2025, the disposal of the Switzerland subsidiary was successfully completed. The results of the Swiss operation up to the date of disposal, as well as the loss on disposal, have been presented as discontinued operations in accordance with IFRS 5.

The UK business continues to be classified as held for sale at 26 September 2025, as the Group remains committed to a plan to sell this operation and an active process to locate a buyer is ongoing. The associated assets and liabilities continue to be presented as held for sale, and the financial effects of the UK operation have been presented as discontinued operations in accordance with IFRS 5.

The sale of the Polish subsidiary, New Polish Investments (NPI), which had previously been classified as held for sale and discontinued on 1 December 2023, was successfully concluded on 31 January 2025.

Financial performance

Rmillion	Year ended 26 September 2025	Year ended 30 September 2024 Represented*
Revenue – sale of merchandise	**20 697.7**	24 272.5
Cost of sales	**(16 444.5)**	(19 289.4)
Gross profit	**4 253.2**	4 983.1
Revenue – other	**1 275.2**	1 471.9
Other income	**111.9**	123.2
Net operating expenses	**(10 901.1)**	(7 441.0)
Operating loss	**(5 260.8)**	(862.8)
Other non-operating items	**(178.9)**	(3.4)
Finance income	**24.4**	42.4
Finance costs	**(195.5)**	(411.7)
Loss before taxation	**(5 610.8)**	(1 235.5)
Taxation	**(37.1)**	(19.3)
Loss from discontinued operation(1)	**(5 647.9)**	(1 254.8)
Remeasurement of retirement funds	**(7.6)**	(17.1)
Deferred tax relating to remeasurement of retirement funds	**1.1**	2.5
Reclassification of FCTR to profit or loss	**(591.6)**	–
Exchange loss differences from translation of discontinued operation	**65.3**	(112.0)
Total comprehensive loss	**(6 180.7)**	(1 381.4)

* *The Swiss and UK operations have been classified as discontinued and comparative numbers represented.*
(1) *Included in the profit or loss of the discontinued operations in the current period are the following:*

Rmillion	Switzerland	UK	Poland	Total
Loss after tax for the year	**119.8**	**164.5**	**92.5**	**376.8**
Disposal costs	**76.4**	**40.8**	**16.9**	**134.1**
Impairment losses	**3 015.9**	**1 589.0**	**–**	**4 604.9**
Loss on disposal(2)	**0.7**	**–**	**531.4**	**532.1**
Total	**3 212.8**	**1 794.3**	**640.8**	**5 647.9**

(2) *This loss in relation to the disposal of the Polish operation and reflects the impact of certain suspensive conditions that were pending at the reporting date but have since been fulfilled, enabling completion of the transaction. The finalisation of these conditions resulted in adjustments to the disposal proceeds and associated costs.*

42. Discontinued operations continued

Financial performance continued

Rmillion	Year ended 26 September 2025	Year ended 30 September 2024 Represented*
Cash flow information		
Statement of cash flows		
Net cash outflows from operating activities	**247.9**	965.3
Net cash inflows from investing activities	**(1 081.6)**	(226.4)
Net cash outflows from financing activities#	**(824.1)**	(2 719.9)

Rmillion	Year ended 26 September 2025	Year ended 30 September 2024
Details of disposal group held for sale		
Assets	**1 472.2**	1 032.6
Property, plant and equipment	**199.4**	–
Right-of-use assets	**427.6**	–
Lease receivable	**19.6**	398.1
Goodwill and intangible assets	**90.5**	–
Deferred tax	**1.0**	–
Loans and other receivables	**–**	83.6
Inventories	**386.5**	219.9
Trade and other receivables	**314.9**	320.2
Prepayments	**32.7**	10.8
Liabilities	**1 538.0**	1 362.7
Lease liability	**1 007.2**	907.1
Trade and other payables	**510.7**	416.0
Provisions	**–**	39.6
Deferred tax liabilities	**20.1**	–

Excludes inter-group financing from SPAR.

Other assets held for sale

At both Company and Group level, land owned by the Company with a carrying value of R76.0 million has been classified as held for sale. In addition, the Company holds other assets relating to corporate-owned stores that are classified as held for sale, amounting to R15.4 million at Company level and R17.6 million at Group level.

Abbreviations and definitions

AGM
Annual General Meeting

B.V. BIGS
The Buying International Group SPAR

Company
The SPAR Group Limited

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CGU
Cash-generating unit

CODM
Chief Operating Decision Maker

CSP
Conditional Share Plan

Companies Act
Companies Act, No. 71 of 2008 (as amended)

ECL
Expected credit loss

EBRD
European Bank for Reconstruction and Development

ETI
Employee tax incentive

EURIBOR
Euro Interbank Offered Rate

ESP
Employee Share Plan

FCTR
Foreign Currency Translation Reserve

FV
Fair value

GRH
Group Risk Holdings (Pty) Ltd

Group companies
Subsidiaries, joint ventures and associates of SPAR

Guild
The SPAR and Build it Guilds of Southern Africa

HEPS
Headline earnings per share

IFRS
IFRS Accounting Standards

IRBA
Independent Regulatory Board for Auditors

JSE
JSE Limited

JSE Listings Requirements
Listings Requirements of the JSE Limited

Leases
Lease liabilities and lease assets

Loss allowances
All ECL allowances calculated in accordance with IFRS 9

NCAHFS
Non-current assets held for sale

OCI
Other comprehensive income

OECD
Organisation for economic co-operation and development

Operating profit
Excludes equity-accounted profits/(losses), business acquisition costs, interest and tax

p.a.
Per annum

PiP
The Piotr i Pawel Group

P/L
Profit or loss

PPE
Property, plant and equipment

PwC
PricewaterhouseCoopers Inc.

ROU
Right-of-use

SAICA
South African Institute of Charted Accountants

SARON
Swiss Average Rate Overnight

SONIA
Sterling overnight index average

SGB
Spółdzielcza Grupa Bankowa

SPAR or the Group
The SPAR Group Ltd, all of its subsidiaries, joint operations and equity-accounted investees

the Board
The Board of Directors of The SPAR Group Ltd

the current year
The financial year ended 26 September 2025

the next year
The financial year ending 25 September 2026

the previous year
The financial year ended 30 September 2024

The Share Trust
The SPAR Group Ltd Employee Share Trust (2004)

WACC
Weighted average cost of capital

WIBOR
Warsaw Interbank offer rate

Corporate information

The SPAR Group Ltd

(SPAR or the Group)

Registration number: 1967/001572/06

ISIN: ZAE000058517

JSE share code: SPP

https://thespargroup.com

Directors

MJ Bosman* (Chairman), SA Zinn* (Deputy Chairperson), AP Swartz (Group CEO), MR Isaacs (Group CFO), M Pydigadu (Group COO), EC Botha*, PMP da Silva*,O Ighodaro*, MJ Jamieson*, LM Koyana*, ST Naran*

** Independent non-executive.*

Group Company Secretary

M Chetty

Registered office

The Umhlanga Arch

1 Ncondo Place

Umhlanga Ridge

Durban

Transfer secretaries

JSE Investor Services (Pty) Ltd

PO Box 4844

Johannesburg

2000

Auditor

PricewaterhouseCoopers Inc.

Waterfall City Heliport

4 Lisbon Lane

Jukskei View, Midrand

2090

Sponsor

One Capital

17 Fricker Road

Illovo

2196

Bankers and corporate brokers

Rand Merchant Bank, a division of FirstRand Bank Ltd

PO Box 4130

The Square

Umhlanga Rocks

4021

Notes

THE SPAR GROUP LTD

WWW.THESPARGROUP.COM