UNAUDITED CONDENSED CONSOLIDATED **INTERIM FINANCIAL RESULTS**

FOR THE 26 WEEKS ENDED 28 MARCH

2025

SPAR

THE SPAR GROUP LTD

SALIENT FEATURES[#]

Group revenue at

R66.1 billion

(H1 2024: R66.2 billion)

Constant currency Group revenue

up 1.1%

Gross profit margin expansion to

10.7%

(H1 2024: 10.6%)

Operating profit before extraordinary items

up 1.6% to R1.46 billion

Earnings before interest, tax, depreciation and amortisation (EBITDA)

up 1.7% to R1.7 billion

Headline earnings per share (HEPS)

down 0.4% to 450.1 cents

Cash generated from total operations

up 50.1% to R1.9 billion

Improved net debt/EBITDA ratio:

SA 2.1x
Ireland 1.9x

[#] *Continuing operations earnings adjusted to allow for comparability after taking into account the impact of the adoption of the 52/26 week reporting framework.*

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Commentary

Financial overview (continuing operations on a comparable basis#)

Rmillion	26 weeks ended 28 March 2025#	26 weeks ended 29 March 2024#*	% change
Turnover[1]	**66 079**	66 236	(0.2)
Operating profit (before extraordinary items)	**1 464**	1 441	1.6
Earnings per share (cents)	**415.1**	438.9	(5.4)
Headline earnings per share (cents)	**450.1**	451.9	(0.4)
Diluted headline earnings per share (cents)	**449.5**	451.8	(0.5)

[1] *Turnover represents revenue from the sale of merchandise.*
* *Re-presented for discontinued operations (SPAR Switzerland and Appleby Westward Group (AWG)) in accordance with International Financial Reporting Standards (IFRS 5).*
\# *Continuing operations earnings adjusted to allow for comparability after taking into account the impact of the adoption of the 52/26 week reporting framework.*

Summary segment analysis

Rmillion	Continuing operations			Discontinued operations	
	The SPAR Group Ltd R million	Southern Africa R million	Ireland EUR million	AWG* EUR million	Switzerland* CHF million
Profit/(loss)					
Turnover[1]	66 079	49 935	837	125	353
Gross profit	7 089	4 913	113	33	66
Gross profit margin (%)	10.7	9.8	13.5	26.4	18.7
Operating profit/(loss) – before extraordinary items	1 464	989	25	(3)	(2)
Operating margin (%)	2.2	2.0	3.0	(2.4)	(0.7)
Profit/(loss) before taxation	1 039	641	21	(5)	(5)
Pre IFRS 16 – EBITDA	1 719	1 113	31	(1)	2
Financial position					
Net borrowings	6 637	3 783	143		147
Net debt/EBITDA		2.1x	1.9x		

[1] *Turnover represents revenue from the sale of merchandise.*
* *Excludes IFRS 5 impairments.*

As reported in the announcement published by the Company on SENS on 13 May 2025, SPAR adopted a 52/26 week reporting period to align with the retail industry best practice. Unless otherwise stated, commentary reflects comparable results from continuing operations and has been adjusted to align trading days across periods.

Commentary continued

Performance overview

Continuing operations

The Group navigated a challenging environment while making tangible progress on its strategic priorities. As part of its broader intent to stabilise the business and lay the foundation for future growth, SPAR identified five key focus areas: 1) the exit from Poland, 2) the restructuring of Group debt, 3) the completion of a strategic review of the European operations, 4) the further rollout of the SAP system, and 5) the improvement of the Southern Africa EBIT margin to 3% and attain a leverage ratio of 1.5 to 2.0 times by the end of FY2026.

Three of these milestones have been achieved in H1 2025 — the disposal of SPAR Poland was concluded in January 2025, the Group's debt restructure was completed in March 2025, and in May 2025 the Group announced its intention to dispose of its operations in Switzerland as well as AWG in the United Kingdom. This decision follows a comprehensive assessment of the Group's capital allocation priorities, long-term strategic focus and the structural and operational dynamics of these businesses. The board of directors of the Company (Board) believes that divestment aligns with SPAR's strategy to focus on its core Southern African and Irish operations.

Group performance for the 26 weeks demonstrated varying operational momentum across regions. Group revenue from continuing operations remained steady at R66.1 billion, while gross profit increased to R7.1 billion. Operating profit grew by 1.6% to R1.5 billion, supported by improved cost discipline, with the Group reporting EBITDA of R1.7 billion, up 1.7% from the prior period. Headline earnings per share from continuing operations was 450.1 cents, a marginal decrease of 0.4% from 451.9 cents in the prior comparable period.

In Southern Africa, wholesale turnover increased by 1.7%. Combined grocery and liquor wholesale revenue rose by 1.1%, while retail revenue increased by 1.9% (like for like (LFL) up 1.6%) in a difficult trading environment affected predominantly by lower food inflation, post-election unrest in Mozambique, the timing of Easter falling in the second half of the current financial year and store closures in Gauteng. Growth remained strong in the lower-income customer segments, while the middle and upper segments' performance lagged the market. The Group's on-demand shopping app, SPAR2U, demonstrated significant progress with a 174% increase in delivery volumes and broad network coverage driving improved customer convenience. Our partnership with Uber Eats, launched in Q1 2025, is live in 130 stores, enabling us to reach new customers with no physical footprint expansion.

Ongoing cost and margin improvements contributed to the EBIT margin expansion in Southern Africa, with significant advancements noted at the KwaZulu-Natal distribution centre. Furthermore, reductions in warehouse and distribution costs supported overall profitability, leading to a solid improvement in operating profit margin for grocery and liquor segments – maintaining the Group's trajectory towards its medium-term goal of achieving a 3% margin.

Build it, South Africa's largest building materials retail brand, recorded solid growth, increasing sales by 4.1% and achieving retail LFL growth of 5.4%, despite a difficult economic environment and unseasonal rainfall. This growth was supported by an improved gross margin due to effective product mix management.

SPAR Health revenue grew by 13.7%, primarily driven by strong gains in Wholesale and Scriptwise. Loyalty improved to 58.0%, up from 53.2% in the financial year ended 30 September 2024, demonstrating increased relevance and retailer trust. SPAR Health experienced continued momentum in the performance of its own brand, which supported margin and strengthened customer loyalty.

Ireland reported local currency revenue marginally down by 0.6%, in an environment where inflation is challenging volumes in the retail convenience sector. Notwithstanding this, gross margin was positively impacted by product mix, with local performance bolstered by lower gearing and cost savings, partially offset by increased labour costs due to the minimum wage increase.

Balance sheet and liquidity

The Group made progress in strengthening its balance sheet, with a clear focus on improving gearing. Net borrowings for continuing operations stood at R6.6 billion. The successful refinancing in South Africa and Switzerland improved liquidity and balance sheet stability with an improved debt maturity profile. The Group anticipates that the successful completion of the divestments of SPAR Switzerland and AWG will materially deleverage and strengthen the balance sheet.

Cash flow performance improved materially, driven by tighter working capital management and reduced capital expenditure. CapEx was strategically moderated to prioritise critical projects, and the Group remains committed to disciplined, needs-based investment aligned with long-term strategy.

Discontinued operations

As part of its strategic review, the Group has classified SPAR Switzerland and AWG as discontinued operations. These businesses recorded aggregate post-tax losses of R4.4 billion, including impairments of R4.2 billion. As stated above, the disposal of SPAR Poland was concluded in January 2025. These efforts aim to realise value and ensure business continuity in these regions.

Dividend

In line with the Group's capital allocation priorities and ongoing restructuring, no interim dividend for the 26 weeks ended 28 March 2025 has been declared (2024: 0.0 cents per share). This decision will be reconsidered based on future macro-economic and operating conditions.

Outlook

Looking ahead, SPAR's focus is on continued margin improvement, operational execution in its core markets, a disciplined approach to capital allocation and delivering the remaining elements of its strategic reset. Encouragingly, post-period trade has shown positive momentum across key regions.

The intended divestments of SPAR Switzerland and AWG are aligned with the SPAR Group's broader portfolio optimisation objectives and represent a meaningful opportunity to unlock value by transitioning the businesses to owners with strong local knowledge and relevant experience in the European retail sector.

The Group is presently engaged in advanced negotiations with entities capable of acquiring these businesses and realising their long-term potential. Regarding AWG, the Group has entered into exclusive discussions with a reputable UK-based business, well positioned to develop and expand AWG in South-West England. In Switzerland, the Group is negotiating with a well-established local investment house renowned for its extensive market knowledge and strong track record in asset and business management.

SPAR's Southern African operations' growth prospects are grounded in a multifaceted approach that aims to enhance its various retail segments and operational efficiencies. Initiatives include enhancing the category mix, leveraging off the strategic partnerships with Uber Eats and Vida e Caffè, and expanding on-demand services, including Build it 2U. Increasing pharmacist training facilities together with establishing distribution centres in the Western Cape and KwaZulu-Natal will support the growth of SPAR Health as we work towards doubling the pharmacy network by 2028. Additionally, increasing private label product penetration in response to evolving consumer needs will also bolster loyalty improvements. Emphasis is placed on improving distribution centre efficiency and developing customer insight platforms such as SPAR Mobile and Flex, a communications portal allowing the brand and retailers alike to personalise communication to Rewards users. Through these strategies, SPAR aims to leverage its innovative approaches to drive topline growth and enhance overall market execution.

BWG Group's growth prospects are centred on enhancing Ireland's leading convenience retail brands by increasing the own brand range, driving everyday value, and growing their food services business. The appointment of a Food & Beverage Innovation Director will support the development of key categories, while range and pricing optimisation will focus on new and high-margin categories. Additionally, the BWG Group plans to increase warehouse and logistics capacity, implement cutting-edge store designs and explore acquisition opportunities, all of which contribute to their growth strategy.

The Group expects continued margin improvement in the second half of the financial year ending 26 September 2025 as operational efficiency initiatives mature. While macro-economic challenges remain, including pressure on consumer wallets and uncertainty from global trade tensions, SPAR remains focused on delivering the remaining key priorities which includes the further SAP roll-out, margin expansion and reducing debt. The focus will be on core market execution, topline growth, cost discipline and unlocking value through strategic portfolio decisions.

By order of the Board

Umhlanga
4 June 2025

Condensed consolidated statement of profit or loss and other comprehensive income

Rmillion	% Change	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024 re-presented*	Unaudited Year ended 30 September 2024 re-presented*
Continuing operations				
Revenue – sale of merchandise	(2.0)	**65 160.2**	66 456.6	131 013.6
Cost of sales		**(58 162.2)**	(59 445.4)	(117 168.8)
Gross profit	(0.2)	**6 998.0**	7 011.2	13 844.8
Revenue – other		**730.2**	708.3	1 678.1
Other income		**104.0**	84.0	204.5
Net operating expenses		**(6 478.5)**	(6 367.9)	(13 069.8)
Operating profit	(5.7)	**1 353.7**	1 435.6	2 657.6
Other non-operating items		**(2.2)**		1.5
Finance income		**307.3**	280.6	586.5
Finance costs		**(669.0)**	(605.4)	(1 173.7)
Share of equity-accounted associate profits		**4.4**	3.3	6.3
Profit before taxation	(10.8)	**994.2**	1 114.1	2 078.2
Taxation		**(226.1)**	(262.9)	(471.5)
Profit after taxation from continuing operations	(9.8)	**768.1**	851.2	1 606.7
Discontinued operations*		**(5 026.4)**	(794.3)	(1 254.8)
(Loss)/Profit after taxation for the period		**(4 258.3)**	56.9	351.9
Attributable to:				
Equity holders of the Company		**(4 258.3)**	56.9	351.9
Non-controlling interests				
(Loss)/profit after taxation attributable to owners:		**(4 258.3)**	56.9	351.9
From:				
Continuing operations	(9.8)	**768.1**	851.2	1 606.7
Discontinued operations	532.8	**(5 026.4)**	(794.3)	(1 254.8)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of employee benefits				(6.8)
Deferred tax relating to remeasurement of employee benefits				1.8
Remeasurement of retirement funds		**(51.2)**	(43.0)	81.9
Deferred tax relating to remeasurement of retirement funds		**6.7**	8.2	(9.9)
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences from translation of foreign operations		**299.0**	19.5	(260.9)
Total comprehensive (loss)/income		**(4 003.8)**	41.6	158.0
Attributable to:				
Equity holders of the Company		**(4 003.8)**	41.6	158.0
Non-controlling interests				
Total comprehensive (loss)/income attributable to owners:		**(4 003.8)**	41.6	158.0
From:				
Continuing operations		**878.7**	995.7	1 539.4
Discontinued operations		**(4 882.5)**	(954.1)	(1 381.4)
Earnings per share from continuing operations attributable to owners:				
Basic (cents)	(9.8)	**398.8**	442.0	834.3
Diluted (cents)	(9.9)	**398.3**	441.9	834.0
Earnings per share from discontinued operations attributable to owners:				
Basic (cents)	532.9	**(2 610.0)**	(412.4)	(651.6)
Diluted (cents)	532.2	**(2 606.7)**	(412.3)	(651.3)
Earnings per share				
Basic (cents)	(7 595.3)	**(2 211.1)**	29.5	182.7
Diluted (cents)	(7 585.8)	**(2 208.3)**	29.5	182.7

* *The Swiss and UK operations have been classified as discontinued and comparative numbers re-presented. Refer to note 6 for further detail.*

Condensed consolidated statement of financial position

Rmillion	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024	Audited Year ended 30 September 2024
ASSETS			
Non-current assets	**20 169.7**	32 518.1	31 416.6
Property, plant and equipment	**5 069.2**	10 164.3	9 602.8
Right-of-use assets	**2 787.7**	8 547.7	8 004.4
Lease receivable	**4 223.4**	4 139.8	4 215.1
Goodwill and intangible assets	**6 651.6**	8 451.1	8 165.0
Investment in associates and joint ventures	**159.2**	154.2	159.2
Other investments	**18.2**	17.7	19.1
Operating lease receivable		6.3	0.1
Loans and other receivables	**682.2**	665.6	771.4
Block discounting loan receivable	**0.5**	15.8	1.4
Prepayments	**352.7**	55.4	235.9
Employee benefit assets	**96.5**	106.2	109.4
Deferred taxation asset	**128.5**	194.0	132.8
Current assets	**23 424.4**	27 782.8	26 583.0
Inventories	**4 739.3**	6 586.4	6 364.3
Trade and other receivables	**15 888.3**	18 253.8	17 234.2
Prepayments	**336.0**	385.0	340.8
Loans and other receivables	**92.5**	132.6	118.7
Current portion of block discounting loan receivable	**2.1**	8.0	2.3
Income tax receivable	**0.6**	11.1	11.6
Current portion of lease receivable	**945.8**	896.2	888.9
Cash and cash equivalents – SPAR	**1 026.9**	1 106.1	1 276.2
Cash and cash equivalents – Guilds and trusts	**392.9**	403.6	346.0
Disposal group held for sale – assets	**11 827.6**	1 422.6	1 257.1
Total assets	**55 421.7**	61 723.5	59 256.7
EQUITY AND LIABILITIES			
Capital and reserves	**6 529.1**	10 239.9	10 373.7
Stated capital	**2 231.5**	2 231.5	2 231.5
Treasury shares	**(1.5)**	(1.5)	(1.5)
Reserves	**1 473.0**	1 219.4	1 014.4
Retained earnings	**2 826.1**	6 790.5	7 129.3
Non-current liabilities	**14 292.8**	19 053.2	17 835.8
Deferred taxation liability	**209.9**	547.7	533.5
Employment benefit obligations	**273.7**	384.9	297.9
Long-term borrowings	**6 740.9**	5 748.0	5 071.3
Block discounting loan payable	**0.5**	16.1	1.5
Lease liability	**7 067.8**	12 356.5	11 931.6
Current liabilities	**23 569.8**	31 019.5	29 684.5
Trade and other payables	**20 987.9**	22 449.9	22 275.6
Current portion of financial liabilities	**21.9**		21.9
Current portion of long-term borrowings	**337.8**	2 012.1	1 623.3
Current portion of block discounting loan payable	**2.2**	8.3	2.3
Current portion of lease liability	**1 413.2**	2 026.5	1 972.8
Provisions	**62.5**	56.1	50.4
Income tax payable	**159.4**	40.3	41.3
Bank overdrafts	**584.9**	4 426.3	3 696.9
Disposal group held for sale – liabilities	**11 030.0**	1 410.9	1 362.7
Total equity and liabilities	**55 421.7**	61 723.5	59 256.7

Condensed consolidated statement of changes in equity

Rmillion	Stated capital	Treasury shares	Currency translation reserve	Share-based payment reserve	Retained earnings	Equity reserve	Hedging reserve	Non-controlling interest	Total equity
Balance at 30 September 2023	2 231.5	(1.5)	1 237.1	31.6	6 771.4	(26.8)	(28.2)	6.5	10 221.6
Profit for the period					56.9				56.9
Remeasurement of retirement funds					(34.8)				(34.8)
Recognition of share-based payments				5.0					5.0
Settlement of share-based payments		14.0		(18.8)	4.8				–
Treasury shares acquired		(14.0)							(14.0)
Additional shareholding acquired from non-controlling interest					(7.8)			(6.5)	(14.3)
Exchange rate translation			19.5						19.5
Balance at 31 March 2024	2 231.5	(1.5)	1 256.6	17.8	6 790.5	(26.8)	(28.2)	–	10 239.9
Profit for the period					295.0				295.0
Remeasurement of employee benefits					(5.0)				(5.0)
Remeasurement of retirement funds					106.8				106.8
Recognition of share-based payments				23.9					23.9
Settlement of share-based payments		2.9		(3.5)	0.6				–
Treasury shares acquired		(2.9)							(2.9)
Additional shareholding acquired from non-controlling interest					(3.6)				(3.6)
Transfer to retained earnings					(55.0)	26.8	28.2		–
Exchange rate translation			(280.4)						(280.4)
Balance at 30 September 2024	**2 231.5**	**(1.5)**	**976.2**	**38.2**	**7 129.3**	**–**	**–**	**–**	**10 373.7**
Loss for the period					**(4 258.3)**				**(4 258.3)**
Remeasurement of retirement funds					**(44.5)**				**(44.5)**
Recognition of share-based payments				**5.0**	**(0.3)**				**4.7**
Settlement of share-based payments		**6.8**		**(6.7)**	**(0.1)**				**–**
Treasury shares acquired		**(6.8)**							**(6.8)**
Reclassification of currency translation reserve			**161.3**						**161.3**
Exchange rate translation			**299.0**						**299.0**
Balance at 28 March 2025	**2 231.5**	**(1.5)**	**1 436.5**	**36.5**	**2 826.1**	**–**	**–**	**–**	**6 529.1**

Condensed consolidated statement of cash flows

Rmillion	Notes	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024	Audited Year ended 30 September 2024
CASH FLOWS FROM OPERATING ACTIVITIES		**1 346.9**	521.6	3 467.5
Operating (loss)/profit including discontinued operations before:	6	**(3 563.1)**	852.0	1 794.8
Non-cash items		**1 628.7**	1 192.2	2 553.0
Impairment of assets held for sale and disposal groups		**4 295.3**	721.1	995.1
Impairment of goodwill		**5.2**	11.8	19.7
Loss on disposal of property, plant and equipment (PPE)		**8.0**	8.1	21.1
Net working capital changes		**(508.0)**	(1 542.0)	(578.1)
– (Increase)/decrease in inventories		**(367.4)**	41.4	135.7
– Increase in trade and other receivables		**(463.4)**	(518.4)	(29.4)
– Increase/(decrease) in trade payables and provisions		**322.8**	(1 065.0)	(684.4)
Cash generated from operations		**1 866.1**	1 243.2	4 805.6
Finance income received		**345.1**	320.3	614.9
Finance costs paid		**(751.1)**	(823.5)	(1 595.0)
Taxation paid		**(113.2)**	(218.4)	(358.0)
CASH FLOWS USED IN INVESTING ACTIVITIES		**(651.2)**	(120.3)	(334.1)
Investment to expand PPE and intangible assets		**(284.0)**	(424.4)	(659.1)
Investment to maintain operations		**(130.2)**	(217.1)	(473.6)
– Replacement of PPE and intangible assets		**(176.9)**	(256.8)	(599.3)
– Proceeds on disposal of PPE and Intangible assets		**46.7**	39.7	125.7
Acquisition of businesses/subsidiaries	4.2	**(125.5)**	(45.0)	(192.3)
Proceeds from disposal of businesses				1.5
Cash outflow from disposal of businesses	4.5	**(525.0)**		
Principal element of lease receipts		**485.0**	489.4	994.8
Cash inflows on loans and investments		**60.3**	131.2	319.6
Cash outflows on loans and investments		**(131.8)**	(54.4)	(325.0)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**2 253.8**	(1 814.7)	(3 724.9)
Treasury shares acquired		**(6.8)**	(14.0)	(16.9)
Principal element of lease payments		**(1 034.3)**	(1 115.8)	(2 248.7)
Proceeds from borrowings		**7 427.5**	368.6	1 187.7
Non-controlling interest share repurchases			(14.3)	(14.3)
Principle element of repayments of borrowings		**(4 132.6)**	(1 039.2)	(2 632.7)
Net increase/(decrease) during the period		**2 949.5**	(1 413.4)	(591.5)
Net overdrafts at beginning of period		**(2 074.7)**	(1 449.9)	(1 449.9)
Exchange rate translation		**7.1**	(53.3)	(33.3)
Net bank balances/(overdrafts) at end of period		**881.9**	(2 916.6)	(2 074.7)

The cash flows above are derived from both continuing and discontinued operations, refer to note 6 for cash flows relating to the discontinued operations.

Notes to the condensed consolidated financial results

1. Statement of compliance and basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for interim reports, and the requirements of the Companies Act, No. 71 of 2008 (as amended) (Companies Act) applicable to interim financial statements. The Listings Requirements require interim reports to be prepared in accordance with and containing the information required by International Accounting Standards (IAS) 34: Interim Financial Reporting, as well as the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous annual financial statements. The condensed consolidated financial statements have been prepared on the going concern and historical cost basis, except where otherwise indicated.

In March 2025, the board of directors of SPAR approved an amendment to the group's financial reporting practice to align with the retail industry's general practice of dividing the financial reporting calendar into 52 weeks of 7 days each, ending on a Friday, rather than the end of the calendar month. Accordingly, the current interim period covers the 26 weeks ended 28 March 2025 (2024: 6 months ended 31 March 2024). The impact of this change is further detailed in note 3, Segmental reporting.

The presentation currency is the South African rand, except where otherwise indicated.

The condensed consolidated interim 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. The information contained in this report has neither been audited nor reviewed by the group's external auditors.

2. Salient statistics & headline earnings reconciliation

Rmillion		% Change	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024 re-presented*	Year ended 30 September 2024 re-presented*
2.1 Salient statistics					
Headline earnings per share	(cents)	(29.2)	**296.2**	418.3	736.7
Headline earnings per share from continuing operations	(cents)	(4.7)	**433.8**	455.0	896.0
Diluted headline earnings per share	(cents)	(29.3)	**295.8**	418.1	736.4
Diluted headline earnings per share from continuing operations	(cents)	(4.8)	**433.2**	454.9	895.6
Net asset value per share	(cents)	(36.2)	**3 390.2**	5 317.1	5 386.6
Operating profit margin from continuing operations	(%)	(4.5)	**2.1**	2.2	2.0
2.2 Headline earnings reconciliation					
(Loss)/Profit for the period attributable to equity holders of the Company			**(4 258.3)**	56.9	351.9
Adjusted for:					
Loss on disposal of property, plant and equipment			**8.0**	8.1	21.1
Impairment of goodwill			**5.2**	11.8	19.7
Impairment of assets held for sale and disposal groups			**4 295.3**	721.1	995.1
Loss on disposal of businesses			**520.2**	7.4	17.9
Impairment of right of use asset				0.2	
Write-off of SAP asset under construction					13.0
Headline earnings		(29.2)	**570.4**	805.5	1 418.7
Headline earnings from continuing operations		(4.7)	**835.4**	876.3	1 725.5
Headline earnings from discontinued operations		274.3	**(265.0)**	(70.8)	(306.8)

* *The Swiss and UK operations have been classified as discontinued and comparative numbers re-presented. Refer to note 6 for further detail.*

3. Segmental reporting

Segment accounting policies are consistent with those adopted for the preparation of the condensed consolidated interim financial results.

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 (the Chief Operating Decision-Maker (CODM)) 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 and Switzerland (as well as Poland in the prior periods, which was disposed of in the current reporting period) 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 and Switzerland (as well as Poland in the prior periods, which was disposed of in the current reporting period). 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 operating 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.

3. Segmental reporting continued

Analysis per reportable segment:

Rmillion	Southern Africa	Ireland*	Switzerland*	Poland	Consolidated Total
Unaudited for the 26 weeks ended 28 March 2025					
Statement of profit or loss – Continuing operations					
Revenue from contracts with customers	**49 697.9**	**16 192.5**			**65 890.4**
Cost of sales	**44 378.6**	**13 783.6**			**58 162.2**
Depreciation and amortisation	**258.7**	**293.0**			**551.7**
Total employment costs	**1 825.0**	**977.4**			**2 802.4**
Impairment of goodwill	**2.0**				**2.0**
Delivery costs – Fuel	**385.5**	**202.2**			**587.7**
Advertising	**606.8**	**127.9**			**734.7**
Operating profit	**867.7**	**486.0**			**1 353.7**
Profit before tax	**602.9**	**391.3**			**994.2**
Finance income	**299.6**	**7.7**			**307.3**
Finance costs	**568.8**	**100.2**			**669.0**
Share of equity-accounted associate profits	**4.4**				**4.4**
Taxation	**167.3**	**58.8**			**226.1**
Statement of financial position – Total Group					
Total assets	**28 681.8**	**17 268.6**	**9 471.3**		**55 421.7**
Total liabilities	**26 230.2**	**13 208.2**	**9 454.2**		**48 892.6**
Unaudited six months ended March 2024					
Statement of profit or loss – Continuing operations					
Revenue from contracts with customers	49 768.3	17 396.6			67 164.9
Cost of sales	44 595.2	14 850.2			59 445.4
Depreciation and amortisation	240.6	314.6			555.2
Total employment costs	1 755.4	984.3			2 739.7
Impairment of goodwill	11.8				11.8
Delivery costs – Fuel	433.4	93.9			527.3
Advertising	489.1	127.1			616.2
Operating profit	929.7	505.9			1 435.6
Profit before tax	740.1	374.0			1 114.1
Finance income	273.7	6.9			280.6
Finance costs	466.6	138.8			605.4
Share of equity-accounted associate profits	3.3				3.3
Taxation	216.9	46.0			262.9
Statement of financial position – Total Group					
Total assets	28 111.8	19 123.4	13 052.8	1 435.5	61 723.5
Total liabilities	23 545.5	14 371.8	10 057.8	3 508.5	51 483.6
Audited year ended September 2024					
Statement of profit or loss – Continuing operations					
Revenue from contracts with customers	97 110.6	35 581.1			132 691.7
Cost of sales	86 868.6	30 300.2			117 168.8
Depreciation and amortisation	496.0	627.3			1 123.3
Total employment costs	3 520.4	1 995.6			5 516.0
Impairment of goodwill	19.7				19.7
Delivery costs – Fuel	950.1	188.2			1 138.3
Advertising	1 102.2	253.0			1 355.2
Operating profit	1 461.0	1 196.6			2 657.6
Profit before tax	1 108.0	970.2			2 078.2
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
Taxation	368.5	103.0			471.5
Statement of financial position – Total Group					
Total assets	27 750.6	18 177.5	12 281.8	1 046.8	59 256.7
Total liabilities	24 395.4	13 120.1	9 227.4	2 140.1	48 883.0

* *The Swiss and UK operations have been classified as discontinued and comparative numbers re-presented. Refer to note 6 for further detail.*

3. Segmental reporting continued

Rmillion	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024 re-presented*	Audited Year ended 30 September 2024 re-presented*
Disaggregated Revenue as reviewed by the CODM			
Southern Africa			
Revenue – sale of merchandise	**49 229.9**	49 341.1	95 997.1
SPAR (including Encore)	**37 088.9**	37 720.1	73 149.3
TOPS at SPAR	**6 122.4**	6 031.9	11 156.6
Build It	**5 074.8**	4 750.6	9 928.4
S Buys	**943.8**	838.5	1 762.8
Revenue – other	**468.0**	427.2	1 113.5
Revenue from contracts with customers	**49 697.9**	49 768.3	97 110.6
Ireland			
Revenue – sale of merchandise	**15 930.3**	17 115.5	35 016.5
BWG	**15 930.3**	17 115.5	35 016.5
Revenue – other	**262.2**	281.1	564.6
Revenue from contracts with customers	**16 192.5**	17 396.6	35 581.1
Total revenue – sale of merchandise	**65 160.2**	66 456.6	131 013.6
Total revenue – other	**730.2**	708.3	1 678.1
Total revenue from contracts with customers	**65 890.4**	67 164.9	132 691.7
Disaggregated total revenue – other:	**730.2**	708.3	1 678.1
Marketing and service revenues	**471.0**	433.8	1 246.5
Franchise fees	**116.1**	122.2	245.1
Other services	**143.1**	152.3	186.5

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 for 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 26 weeks ended 28 March 2025 have been prepared on this basis. 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, these results included an additional three days of trading results which would have been recognised in the 26 weeks ended 28 March 2025 had the year end results been prepared on the 52-week basis. Below, are the results for the 26 weeks ended 28 March 2025 including the three additional trading days, had these been included in the current period, to provide comparability to the adjusted 26 weeks ended 29 March 2024 below.

	Unaudited 26 weeks ended 28 March 2025			
	Consolidated total		Per reportable segment as adjusted	
Rmillion	As reported	As adjusted	Southern Africa	Ireland
Continuing operations*				
Statement of profit or loss				
Revenue from contracts with customers	**65 890.4**	**66 822.4**	**50 411.6**	**16 410.8**
Operating profit	**1 353.7**	**1 403.4**	**909.0**	**494.4**
Profit before tax	**994.2**	**1 039.3**	**641.2**	**398.1**
Net finance costs	**361.7**	**366.3**	**272.2**	**94.1**
Taxation	**226.1**	**212.1**	**154.4**	**57.7**

* *Excludes results relating to the discontinued operations – refer to note 6 for further detail.*

3. Segmental reporting continued

Below, are the results for the 26 weeks ended 29 March 2024, adjusted for the additional trading days in the 2024 financial year reported financial results in order to allow comparability to the adjusted 26 weeks ended 28 March 2025 above.

	Unaudited 26 weeks ended 29 March 2024			
	Consolidated total		Per reportable segment as adjusted	
Rmillion	As reported	As adjusted	Southern Africa	Ireland
Continuing operations*				
Statement of profit or loss				
Revenue from contracts with customers	67 164.9	66 940.6	49 548.1	17 392.5
Operating profit	1 435.6	1 425.0	915.6	509.4
Profit before tax	1 114.1	1 105.7	727.4	378.3
Net finance costs	324.8	322.6	191.5	131.1
Taxation	262.9	265.3	220.0	45.3

* *Excludes results relating to the discontinued operations – refer to note 6 for further detail.*

Below are the results for the earnings and headline earnings per share adjusted to allow for comparability:

Rmillion	**26 weeks ended 28 March 2025**	26 weeks ended 28 March 2024	% change
Earnings per share (cents)	**415.1**	438.9	(5.4)
Headline earnings per share (cents)	**450.1**	451.9	(0.4)

4. Business combinations

4.1 Acquisition during the period

Retail stores acquired

During the financial period SPAR acquired the assets of four retail stores in South Africa (March 2024: two). The BWG Group acquired three retail stores in Ireland (March 2024: one in the UK). The principal activity of these acquisitions is that of retail trade and all its aspects. The stores purchased by BWG Group and SPAR were largely for defensive reasons. 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 R4.8 million. The purchase price for this acquisition 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.

4.2 Assets acquired and liabilities assumed at date of acquisition

	Unaudited 26 weeks ended 28 March 2025			
Rmillion	**SA retail stores**	**Irish retail stores**	**McHales**	**Total**
Assets	**25.3**	**121.9**		**147.2**
Property, plant and equipment	**25.3**	**19.3**		**44.6**
Right-of-use assets		**102.6**		**102.6**
Liabilities		**(63.0)**		**(63.0)**
Lease liability		**(63.0)**		**(63.0)**
Total identifiable net assets at fair value	**25.3**	**58.9**		**84.2**
Goodwill arising from acquisition	**29.4**	**9.7**	**4.8**	**43.9**
Purchase consideration transferred	**54.7**	**68.6**	**4.8**	**128.1**
Business acquisition costs		**2.2**		**2.2**
Contingent consideration (refer to note 4.4)			**(4.8)**	**(4.8)**
Net cash outflow on acquisition	**54.7**	**70.8**	**–**	**125.5**

4. Business combinations continued

4.3 Contribution to results for the period

Rmillion	SA retail stores	Irish retail stores	McHales	Total
Revenue	64.4	3.8	2.2	70.4
Operating (loss)/profit	(7.3)	(1.0)	0.1	(8.2)

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

Rmillion	SA retail stores	Irish retail stores	McHales	Total
Revenue	227.3	8.8	41.7	277.8
Operating (loss)/profit	(10.9)	(1.7)	2.8	(9.8)

4.4 Contingent consideration

McHales contingent consideration of R4.8 million will be payable in March 2026 and is based on the 12 month retained sales performance in the measurement period.

4.5 Assets and liabilities at date of disposal

Five retail stores were sold in South Africa in the period ended March 2025 (March 2024: one). BWG Group disposed of their ATM business. Furthermore, the sale of the Polish subsidiary, New Polish Investments, was successfully concluded on 31 January 2025.

	Unaudited 26 weeks ended 28 March 2025			
Rmillion	**SA retail stores**	**BWG Group – ATM division**	**New Polish Investments**	**Total**
Non-current assets	12.4			12.4
Property, plant and equipment	3.5			3.5
Goodwill	8.9			8.9
Current assets		5.4	1 614.1	1 619.5
Trade and other receivables		2.9		2.9
Assets held for sale			1 079.6	1 079.6
Cash and cash equivalents		2.5	534.5	537.0
Current liabilities		(5.7)	(1 244.0)	(1 249.7)
Trade and other payables		(5.7)		(5.7)
Liabilities held for sale			(1 244.0)	(1 244.0)
Capital and reserves			161.3	161.3
Foreign currency translation reserve reclassified to profit and loss			161.3	161.3
(Loss)/Profit on disposal of business	(0.4)	11.6	(531.4)	(520.2)
Purchase consideration transferred	12.0	11.3		23.3
Deferred consideration		(11.3)		(11.3)
Cash balances disposed off		(2.5)	(534.5)	(537.0)
Net cash inflow/(outflow) on disposal	12.0	(2.5)	(534.5)	(525.0)

5. 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 is measured at the higher of fair value or expected credit loss. Management has formally assessed these IFRS 9 fair values of the guarantees below to be immaterial and also 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 table below represents the full exposure of the group in relation to these financial guarantees.

Rmillion	**Unaudited results for the 26 weeks ended 28 March 2025**	Unaudited six months ended 31 March 2024	Audited Year ended 30 September 2024
Guarantees issued in respect of the finance obligations	**624.9**	719.2	606.0
– Guarantee of Wesbank loan agreements[(1)]	**376.2**	450.1	359.1
– Guarantee of Numlite (Pty) Ltd finance obligations[(2)]	**217.6**	236.1	215.2
– Guarantee of retailer finance obligation	**31.1**	33.0	31.7

[(1)] *SPAR assists retailers to obtain loans at the prime interest rate through an approved financial institution. These loans are backed by a guarantee from SPAR in favour of the institution, enabling our retailers access to finance at attractive rates. 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. 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. The board of directors of SPAR (board) has limited the guarantee facility to R1.0 billion (2024: R1.0 billion).*

[(2)] *The board has limited the guarantee facility to R250.0 million (2024: R250.0 million) relating to Numlite (Pty) Limited, which provides retail computer equipment to our independent retailers.*

6. Discontinued operations

During the financial period, the group continued with its strategic review of international operations. In line with this process:

- The Switzerland and UK subsidiaries were classified as held for sale in accordance with the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. As at 28 March 2025, these businesses met the criteria for classification as held for sale based on approved disposal plans, the active search for buyers, and the expectation that the sales will be concluded within 12 months of classification.
- Accordingly, the associated assets and liabilities of the Swiss and UK businesses have been presented as held for sale, and all related financial effects for the discontinued operations have been disclosed in accordance with IFRS 5.
- The sale of the Polish subsidiary, New Polish Investments, which was classified as held for sale and discontinued on 1 December 2023, was successfully concluded on 31 January 2025.

6. Discontinued operations continued

Financial performance

Rmillion	% Change	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024 re-presented*	Unaudited Year ended 30 September 2024 re-presented*
Revenue – sale of merchandise	(14.8)	**10 461.8**	12 278.0	24 272.5
Cost of sales		**(8 267.9)**	(9 769.4)	(19 289.4)
Gross profit	(12.5)	**2 193.9**	2 508.6	4 983.1
Revenue – other		**648.9**	773.6	1 471.9
Other income		**74.7**	59.6	123.2
Net operating expenses		**(7 834.3)**	(3 925.4)	(7 441.1)
Operating loss	742.5	**(4 916.8)**	(583.6)	(862.9)
Other non-operating items		**(30.0)**	(0.2)	(3.4)
Finance income		**18.2**	19.6	42.5
Finance costs		**(111.3)**	(216.5)	(411.7)
Loss before taxation	545.6	**(5 039.9)**	(780.7)	(1 235.5)
Taxation		**13.5**	(13.6)	(19.3)
Loss from discontinued operation[(1)]	532.8	**(5 026.4)**	(794.3)	(1 254.8)
Remeasurement of retirement funds		**(11.6)**	(140.2)	(17.1)
Deferred tax relating to remeasurement of retirement funds		**1.7**	20.3	2.5
Exchange loss differences from translation of discontinued operation		**153.8**	(39.9)	(112.0)
Total comprehensive loss	411.7	**(4 882.5)**	(954.1)	(1 381.4)

* *The Swiss and UK operations have been classified as discontinued and comparative numbers re-presented.*

(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 period	92.3	59.3	57.7	209.3
Disposal costs	15.5	30.0	13.8	59.3
Impairment losses	3 015.9	1 210.5		4 226.4
Loss on disposal[(2)]			531.4	531.4
Total	3 123.7	1 299.8	602.9	5 026.4

(2) *This loss has been recognised 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 disposal. The finalisation of these conditions resulted in adjustments to the disposal proceeds and associated costs.*

Cash flow information

Statement of cash flows	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024 re-presented*	Unaudited Year ended 30 September 2024 re-presented*
Net cash outflows from operating activities	**(48.4)**	192.8	965.3
Net cash inflows from investing activities	**(673.5)**	(163.6)	(226.4)
Net cash outflows from financing activities[#]	**(359.9)**	(572.3)	(2 719.9)

\# *Excludes intergroup financing from SPAR.*

6. Discontinued operations continued

Details of disposal groups held for sale (Switzerland and UK)	Unaudited for the 26 weeks ended 28 March 2025
Assets	**11 827.6**
Property, plant and equipment	**3 619.3**
Right-of-use assets	**3 903.7**
Lease receivable	**18.9**
Goodwill and intangible assets	**50.6**
Loans and other receivables	**136.3**
Deferred tax	**33.4**
Inventories	**2 069.4**
Trade and other receivables	**1 802.8**
Prepayments	**34.5**
Cash and cash equivalents	**120.2**
Other investments	**0.9**
Income tax receivable	**37.6**
Liabilities	**11 030.0**
Lease liability	**5 589.4**
Trade and other payables	**1 864.5**
Deferred tax liabilities	**351.8**
Post-employment benefit obligations	**29.6**
Bank overdrafts	**73.2**
Long-term borrowings	**3 121.5**

7. Related party transactions

During the period, the following significant related party transactions occurred with the subsidiaries of the Company.

Rmillion	Unaudited for the 26 weeks ended 28 March 2025	Unaudited six months ended 31 March 2024
Inter-company guarantee fees	**15.6**	45.9
Marketing and selling fees received	**40.3**	66.4
Dividends received	**66.2**	50.0
Sales	**103.9**	136.8
Purchases	**(2 984.3)**	(2 978.0)

8. Contingent liability

Southern Africa

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.

Switzerland

As was initially reported in the annual financial statements in respect of the year ended 30 September 2024, The Swiss business has received a notification of an “intention to sanction” from the Swiss Competition Commission (WEKO) regarding findings in connection with compensation received from a trading and service cooperative. The Company has been given the opportunity to respond to the notice, make representations relating to the findings and to make submissions as to why some, or all, of the intended sanctions should not be imposed. The Company has engaged a specialist lawyer to examine the claim and to prepare formal responses. It is therefore not yet possible to reliably estimate the form of any resolution or amount of any possible sanction.

9. Events after the reporting period

Acquisition of Schnellmann Finanzholding AG

On 2 May 2025, the group’s Swiss business completed the acquisition of 100% of the share capital of Schnellmann Finanzholding AG for a total consideration of CHF 7.0 million. The acquisition is a strategic investment aimed at expanding the group’s retail footprint in the greater Zurich area.

Schnellmann Finanzholding AG holds the operating rights to 14 SPAR supermarkets. This acquisition is expected to enhance the Swiss business’s market position and increase revenue-generating capacity.

At the date of this report, the initial accounting for the business combination is incomplete as the fair values of the identifiable assets acquired and liabilities assumed are still being finalised.

This event is 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 condensed consolidated interim financial statements as at 28 March 2025.

Corporate information

The SPAR Group Ltd

(SPAR or the Group)

Registration number: 1967/001572/06

ISIN: ZAE000058517

JSE and A2X share code: SPP

https://thespargroup.com

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* *Independent non-executive.*

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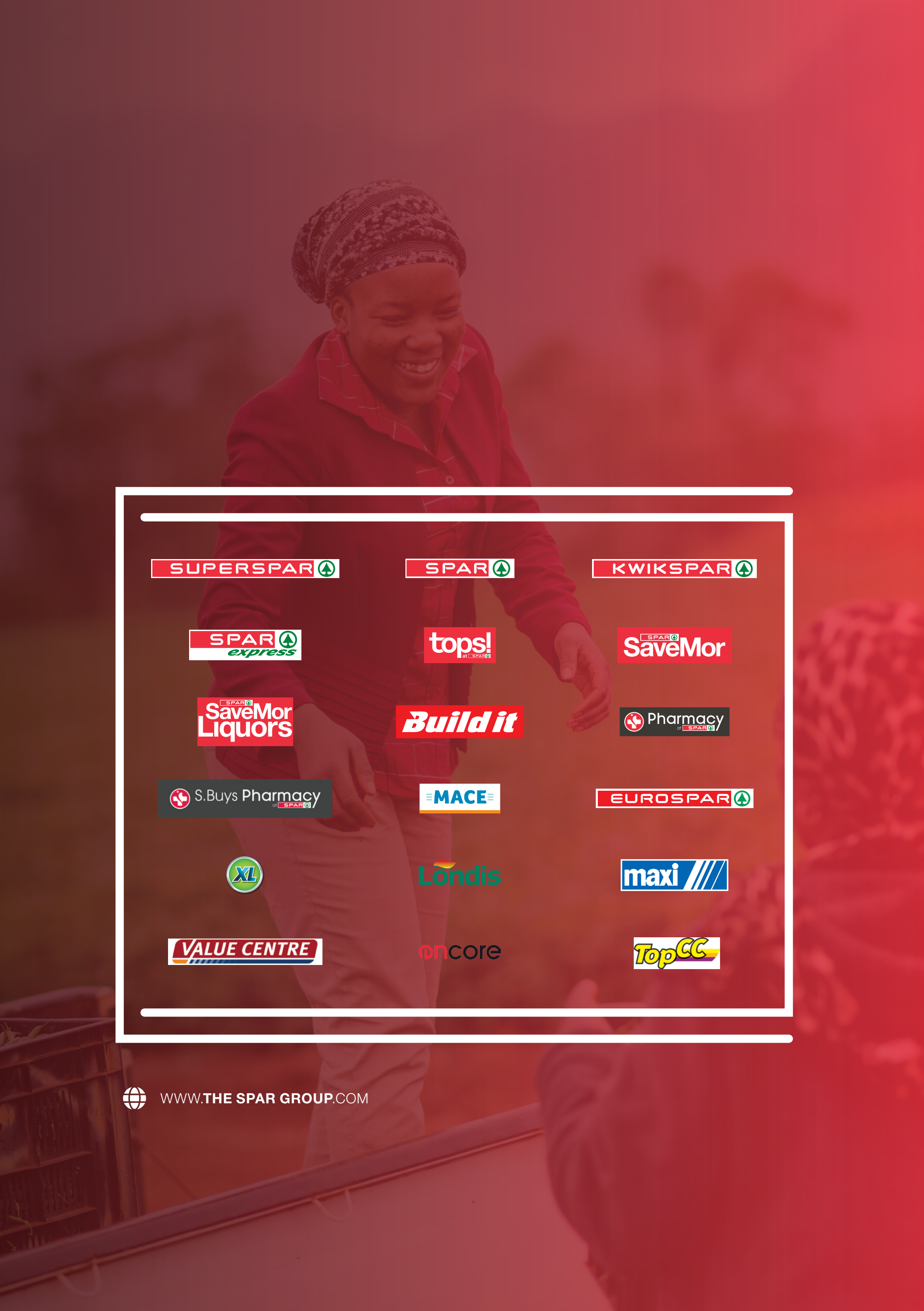

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