

**THE SPAR GROUP LIMITED**  
(Incorporated in the Republic of South Africa)  
Registration number 1967/001572/06  
JSE Code: SPP  
ISIN: ZAE000058517  
("SPAR" or the "Group")

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**TRADING UPDATE AND TRADING STATEMENT**

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### **Trading Update**

SPAR achieved revenue growth of 10.1% for the six months ended 31 March 2020, with strong trading reported in all geographies, and assisted by the turnover from its business in Poland for the first time.

During the period, the Group completed the acquisition of the Polish business, Piotr i Pawel and secured the rights to the SPAR license to trade in Poland. As expected, this business has reported losses, as it is being restructured and operations re-organised. This process has taken longer than expected and the finalisation of the legal administration of Piotr i Pawel has been further impacted by the COVID-19 pandemic, as a result of the suspension of court activity. These delays have obstructed the resumption of normal trading operations, with adverse effects on both retail and wholesale performance reported. The adoption of IFRS 16 and a foreign exchange loss incurred on the Euro-denominated funding also adversely impacted the Polish business' result.

Notwithstanding the setbacks in Poland, the Group remains positive about the medium to long-term prospects in this region. Excluding the impact of the Polish business, the Group has delivered strong results and looks forward to providing an update on the overall Group results in due course.

### **Trading Statement**

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that, with a reasonable degree of certainty, the financial results for the current reporting period will differ by at least 20% from the financial results of the previous corresponding period.

SPAR is currently in the process of finalising its financial results for the six months ended 31 March 2020 ("**Results**") and due to the impact of the Polish business on the Group, as detailed above, shareholders are hereby advised that the Group expects to report:

- basic earnings per share between 20% and 30% lower (between 416.0 cents and 364.0 cents per share) compared to the 520.0 cents per share for the previous corresponding period; and
- headline earnings per share between 17% and 27% lower (between 434.6 cents and 382.2 cents per share) compared to the 523.6 cents per share for the previous corresponding period.

Shareholders are advised that this announcement does not constitute an earnings forecast, that the financial information provided herein is the responsibility of the directors, and that such information has neither been reviewed nor reported on by the Group's auditors.

It is anticipated that the Group's Results will be published on or about 21 May 2020.

Pinetown  
15 May 2020

Sponsor  
One Capital