

# FACT SHEET | COMMONLY USED TERMS

SPAR	SPAR refers to the brand under which independent retailers choose to trade. It is used as an overarching term for our retail brands, namely SPAR, KWIKSPAR, SUPERSPAR, TOPS at SPAR, SPAR Express, Build it, Pharmacy at SPAR and SaveMor, unless otherwise stated. In this report, we also use the word SPAR to refer to the listed company, The SPAR Group Ltd.
BWG GROUP	SPAR operates in Ireland and South West England through its ownership of BWG, and references thereto encompass BWG's SPAR branded stores (SPAR and EUROSPAR) and other brands, namely Gala, MACE, XL, Londis and Value Centre Cash and Carry, unless otherwise stated.
SPAR SWITZERLAND	SPAR operates in Switzerland through its ownership of SPAR Switzerland, and references thereto encompass SPAR Switzerland's branded stores (SPAR, SPAR Express and SPAR Mini) and other brands, namely MAXI and TopCC, unless otherwise stated.
CORPORATE STORES	Corporate stores are retail outlets acquired by SPAR to protect strategic sites or effect a turnaround before selling to an independent retailer.
DISTRIBUTION CENTRE	SPAR operates eight distribution centres in South Africa, which supply goods and services to our retailers. This function is performed by the national distribution centre in Ireland, the Appleby Westward warehouse and distribution facility in South West England, and the centralised St Gallen warehouse in Switzerland.
DROPSHIPMENT	Dropshipment is a form of delivery whereby SPAR purchases merchandise from our suppliers, who directly deliver to our retailers without the merchandise passing through the group's distribution centres.
GUILDS	The SPAR and Build it Guilds of Southern Africa are non-profit companies and custodians of the SPAR and Build it brands. Guild members comprise independent retailers and representatives of the listed company. The guilds are an integral part of the voluntary trading model.
INDEPENDENT RETAILERS	SPAR is essentially a wholesaler and distributor of goods and owns a few retail stores. We provide a service to independent retailers who own or lease their stores and choose to operate under the SPAR brand. Each store owner can source stock as they choose, but operate under specific guidelines, and can take advantage of the support provided by SPAR and the relevant regional guild.
VOLUNTARY TRADING	The relationship between the listed company and our independent retailers is a voluntary trading partnership, where retailers must follow certain operating guidelines to use the brand, but are not obligated to source their stock from SPAR. The success of this model depends on SPAR's ability to attract and retain their business.
GROCERY RETAIL AND CONVENIENCE RETAIL	Grocery retail generally refers to larger-format stores providing a comprehensive range of groceries. This is more common in South Africa and Switzerland, where shoppers buy groceries for a few days or more. Convenience retail stores are physically smaller, predominantly focusing on convenience items. This is similar to garage forecourt stores in South Africa, and is the predominant store format in Ireland, where shoppers pay a short visit for a handful of convenience items, mostly food and drink.
HOUSE BRANDS	The group has two primary house brands that it sources centrally. SPAR branded products cover a wide range of over 3 510 fresh and dry goods stock keeping units, and are positioned as a premium choice at competitive prices. SaveMor products are available in stores, offering a basic range of 162 items targeted at the value-conscious consumer. Build it offers a wide range of quality building products at competitive prices through its house brand, Build it. SPAR Ireland has a three-tier house brand strategy with S-Budget (entry level), SPAR (emphasis on value and quality) and SPAR Select (a premium offering). SPAR Switzerland also offers consumers a discount product range.