



**The SPAR Group Limited**

(Incorporated in the Republic of South Africa)

Registration number: 1967/001572/06

Share Code: SPP

ISIN: ZAE000058517

("SPAR" or the "Group")

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**UPDATE TO THE GROUP DIVIDEND POLICY**

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Shareholders are referred to the preliminary reviewed results for the year ended 30 September 2021 published on SENS on Wednesday, 17 November 2021, wherein the Board of Directors (the "Board") advised shareholders that it was investigating various financing alternatives, which may include a possible adjustment to the current dividend policy, to fund the strategic SAP implementation and the Polish business.

Having assessed the alternatives, the Board has determined that it would not be appropriate to expose the Group to higher levels of debt and is comfortable with the existing levels of gearing and related risk profile.

Accordingly, the Board hereby announces that it has approved a change in the dividend policy from dividends covered 1.45 times by headline earnings to 2.90 times. This will become effective in respect of dividends declared for the next two financial years ending 30 September 2022 and 30 September 2023.

The Board believes that this decision will provide sufficient flexibility for the Group to manage its medium-term capital requirements and to pursue growth initiatives, while continuing to return dividends to shareholders.

By order of the Board

Pinetown

16 February 2022

Sponsor: One Capital

Corporate Broker: Rand Merchant Bank, a division of FirstRand Bank Ltd