

better together

SPAR
International
Annual Review
2021

2021 OVERVIEW

3.3%

GROWTH IN
SALES

410,000

SPAR COLLEAGUES

€41.2

BILLION
RETAIL SALES

48

COUNTRIES

7.5

MILLION M²
OF RETAIL SALES
AREA

255

DISTRIBUTION
CENTRES

13,623

STORES

14.5

MILLION
CUSTOMERS
PER DAY



RESILIENCE AND PROGRESS WITH PURPOSE IN EVERCHANGING CONDITIONS

“ SPAR demonstrated sustained resilience as the impact of the pandemic continued to affect our operations internationally. We have grown both our presence and scale in ever-changing and demanding conditions. The competitive advantages of the SPAR multi-format strategy and the critical role of independent retailing in communities across the globe were again a clear factor of success throughout 2021.”

Tobias Wasmuht, Managing Director,
SPAR International

Despite the ongoing global pandemic and additional challenging circumstances, 2021 was a strong year for SPAR worldwide, with global sales increasing by 3.3% to €41.2 billion. When viewed over two years comparing the pre-COVID-19 period of 2019 to 2021, sales grew strongly by 10.5%, based on average annual exchange rates. This growth has been sustained over a longer period with a 2017-2021 CAGR (Compound Annual Growth Rate) of 5.1%.

The growth of SPAR has been built on the resilience of our supply chain and a strong network of 13,623 stores embedded in the communities they serve. Over 410,000 highly committed SPAR colleagues worldwide have shown continued strength in maintaining and growing our operations internationally in the face of ongoing volatility caused by lockdowns and COVID-19 restrictions.

In addition to the global pandemic, SPAR met challenges of natural catastrophes, including a volcanic eruption on the island of La Palma and flooding in Western Europe, as well as civil unrest and the resulting looting of stores in South Africa. As we reported in 2020, these crises brought out the best in SPAR. We can be proud of the ongoing selfless dedication of our SPAR colleagues worldwide in carrying out a key role in supplying their local communities with continued access to fresh food and daily essentials when they are needed most.

The SPAR multi-format, and increasingly multi-channel, retail strategy continues to be successful in ensuring growth across the organisation. SPAR internationally has a strong presence and strength in neighbourhood proximity and convenience retail.

The societal trends of increased remote working and living locally continue to drive growth in our neighbourhood and proximity channel, especially prevalent across our network in Western Europe with over 9,000 stores.

Our larger supermarket formats of EUROSPAR in Europe and SUPERSPAR in Africa, offering a strong fresh foods focus combined with a broad assortment and value, witnessed sustained growth of 5.8%. The INTERSPAR Hypermarket format, offering a full assortment on a sales area of between 2,000m² and 7,000m² with served departments focusing on fresh foods, performed strongly with a growth in sales per square metre of 16.5% compared to 2019.

SPAR online retail has undergone major development and expansion since 2019. The rapid development and roll-out of SPAR online grocery offerings to 35 countries worldwide marks a 192% growth in this channel since 2019. International collaboration and sharing of best practices and technologies within the worldwide SPAR organisation have expedited this rapid development.

In the second half of 2021, SPAR International concluded the development of a versatile and market adaptable global SPAR e-commerce platform for the benefit of all members of the worldwide SPAR organisation. The first SPAR countries to launch online grocery propositions utilising the infrastructure of this global platform shall be SPAR South Africa and SPAR Gran Canaria, Spain.

“ We look to the future with ever-growing confidence. Through continued innovation, accelerated developments and increased international collaboration across both retail and supply chain, SPAR is well placed to grow and prosper, building on its strong foundation.”

The development of online is part of a wider digital transformation strategy encompassing digital, data, and automation. In 2021, the development and resourcing of SPAR Data Services (SDS) further strengthened the scope of central international SPAR data consultancy services that we can provide to SPAR country teams. Consolidating transaction data internationally and conducting deep analysis of shopper behaviour across multiple markets and

regions, yields valuable insights for improving the productivity and profitability of our retail operations worldwide. The expansion of SPAR Data Services is a key objective for the organisation's future international development, including the integration of our supply chain partners worldwide.

A vital feature of the SPAR model is the importance of established local supply chains. Our ability to source regionally and locally has increasingly helped us maintain service levels to stores and our consumers at a time of global supply chain volatility. In the fourth quarter of 2021, we witnessed a continued global increase in commodity inflation, accelerating the need for supply chain collaboration with our supplier partners to use efficiency gains and jointly offset costs.

Together, by harnessing the strengths of our extensive worldwide network and collaborating seamlessly across borders, SPAR has internationally performed strongly, demonstrating great resilience over a sustained period to continue to grow our presence and brand in ever-changing conditions.

FUTURE OUTLOOK

After two years of successfully responding to the challenges of the global COVID-19 pandemic, SPAR worldwide has not only shown great resilience and adaptability but is also better positioned to respond to ongoing volatility and uncertainty.

Internationally, SPAR shall continue to expand our footprint with the opening in mid-2022 of SPAR Latvia, which shall be the 18th country in which the SPAR Brand has a presence in the European



Union. With the launch of SPAR in Kazakhstan, targeted for the second half of 2022, SPAR is set to establish a presence in Central Asia. We forecast further development in this region in the short- to mid-term. We have a strong and positive outlook for future expansion as independent retail chains in both developed and developing markets seek to join the SPAR organisation to benefit from the scale and synergies of the global SPAR Brand and its extensive network.

Following review and exploration for over two years of the market opportunities in partnership with local independent retail chains in Latin America, we are confident that the SPAR voluntary retail model shall be highly successful in this region and are finalising our launch plans for announcement by mid-2022. During continued volatility, the SPAR model of collaboration and uniting resources provides security and support to our new partners internationally.

The impact of supply chain disruptions and widespread commodity price increases prevalent in the second half of 2021 has continued into early 2022. Inflationary pressures combined with challenging economic conditions shall extend growing price sensitivity and polarisation of consumption patterns. This will see the increasing focus on value being interpreted into growth in share of own brand sales and switching between brands as supply chains continue to be impacted. In this regard, the introduction of the SPAR N°1 Value own brand range in 2021 was timely, showing product development that supports our SPAR country organisations in offering our customers value and competitive prices.





SPAR's multi-format and multi-channel strategy provides agility to respond to changes in retail channel sales. Our e-commerce operations have been extended to 35 countries in two years of rapid growth and transition in the online channel. Following this investment and scaling up of the channel, we forecast a year of consolidated growth, with further investment in the evolution of the consumer experience of our online and digital platforms.

New developments are planned for the roll-out of the SPAR international e-commerce platform to additional territories, as well as the scaling up of trials in quick e-commerce. Another element of this transition shall be the enhancement of our retail media strategy, providing a more personalised approach to communicating with our customers and partnering with our supplier partners. These developments within our Digital and Data strategic pillars form a key part of our future strategy towards 2025.

As we look to the future, we can do so with ever-growing confidence. SPAR has shown sustained resilience during the global pandemic, growing its presence and scale. With continued innovation, accelerated developments and increased international collaboration across retail and supply chain, we are well placed to grow and prosper on this strong foundation.

Tobias Wasmuht, Managing Director,
SPAR International



SPAR INTERNATIONAL STRATEGY

SPAR's defined purpose, goals, and growth model are at the heart of all our operations across the globe. They guide our strategic focus and how we collaboratively operate across the worldwide SPAR network.

OUR PURPOSE

To enhance the competitiveness, productivity and profitability of our retail and wholesale partners worldwide thus ensuring the continuous development of our brand presence and brand value.

OUR GOALS

- Be the No.1 retail brand of choice for partners globally.
- Fast track development of SPAR retailers in the face of international competition.
- Lead and innovate retail trends and developments.
- Provide insights and resources to allow our partners to excel globally.
- Grow and develop our SPAR people globally.

SPAR GROWTH MODEL

- Grow our presence.
- Grow our resources & services.
- Harness scale & resources.
- Leverage our international network.
- Reinvest value generation.

OUR STRATEGIC FOCUS

- 1 Targeted growth through **EXPANSION**.
- 2 **RETAIL** Development and Innovation.
- 3 Foster integration of **DIGITAL** solutions and enhance collaboration through **DATA** analysis.
- 4 Generating value through better **BUYING**.
- 5 Leveraging our scale in **PROCUREMENT**.
- 6 Investing together in our **BRAND** Communications.
- 7 Collaboration in our **SUPPLY CHAIN**.
- 8 Growing our **PEOPLE** through building an international training and people development platform.

Building on the contributions SPAR makes as a **RESPONSIBLE RETAILER** by amplifying our local activity through international roll-out.



BOARD MEMBERS



Chairman

Graham O'Connor, South Africa

Members

Fritz Poppmeier, Austria

Paul Klotz, Italy

John van der Ent, Netherlands

Knut Johansson, Norway

Dominic Hall, United Kingdom

Tobias Wasmuht and

David Moore, SPAR International

SPAR INTERNATIONAL BOARD

Working together with SPAR International, the SPAR International Board members drive the strategic direction for the brand globally.

Through their extensive knowledge of both the brand and the industry, the SPAR International Board continues to guide SPAR's global development to ensure a strong future for all. By drawing on their own market strategies, the Board members assist SPAR International in identifying priorities for the delivery of long-term strategic objectives which address the ever-changing needs of the global marketplace.

Coming together four times each year, the Board reviews the brand's development and opportunities for continued expansion and growth, providing both guidance and a strategic direction. As a result of the restrictions of the continuing pandemic, in 2021 these meetings were all held virtually.

During 2021, the SPAR International Board also supported the development of mitigation strategies to reduce the impact of the economic challenges being experienced across the globe as a result of the pandemic.

During the year, the Board members meet with the International SPAR Guild, which comprises retail representatives, representing the needs of independent retailers and company-owned stores around the globe. Since being founded in the Netherlands in 1932, the SPAR Guild system has been a cornerstone of the success of SPAR representation of both wholesale and retail divisions to discuss strategic direction and challenges.

The International SPAR Guild Member are: Christian Prauchner, Austria; Suzanne Weldon, Ireland; Martin Pircher, Italy; Per Irgens Skjerdal, Norway; Dean Jankielsohn, South Africa; and Peter McBride, United Kingdom.

**“Door Eendrachtig Samenwerken
Profiteren Allen Regelmatig –
Through United Co-operation
All Shall Benefit Regularly.”**

Mr. Adriaan van Well, Founder of SPAR





RESPONSIBLE RETAILING

As a global business, we tailor our strategies and priorities to bring real and tangible benefits to local communities.

Our Responsible Retailing Strategy – which focuses on health, sourcing, community, climate, environment, and people – is designed and executed by our SPAR retailers and wholesalers, whom we are proud to call our SPAR family. These strategic pillars have been designed to align with the United Nations' Sustainable Development Goals (SDGs) and key regional developments including the EU Green Deal. We are committed to tackling the key social and environmental challenges that our communities face today.

In 2021, the COVID-19 pandemic highlighted the importance of SPAR's strong focus on responsible retailing across our global operations. A key priority remained to ensure that all our customers had access to groceries which are nutritious, supporting healthy eating habits. Our purpose is to serve local communities – a goal that extends beyond customers to incorporate local producers and suppliers. As a result, 2021 saw a wider-scale adoption of local supplier sourcing collaborations within fresh and ambient supply chains.

Significant investments within SPAR's supply chain were further implemented to address the global challenges of greenhouse gas (GHG) emissions, energy consumption, and natural resource depletion. An increased focus on actionable solutions, equipment, and technologies within Distribution Centres, stores and logistical operations is supporting SPAR in addressing key environmental and climate challenges. This approach will also help SPAR support customers in the face of rising energy costs while together working towards a sustainable future.

SPAR
OPERATES IN
48 COUNTRIES

6 STRATEGIC
PILLARS OF
RESPONSIBLE
RETAILING
STRATEGY

14 SUSTAINABLE
DEVELOPMENT
GOALS INTEGRATED
IN OUR STRATEGY



COMMUNITY

Our Commitment: SPAR's commitment to local communities extends beyond providing a high-quality, value-for-money shopping experience. SPAR also offers employment opportunities and supports those in need by volunteering time, generating funding for charities, and bringing the local community together through SPAR sponsored events.

Our Initiatives: SPAR Hungary donated 188 tonnes of food as part of its 25th 'Joy to Give' donation campaign, resulting in the delivery of 26,000 gift packages to people in need together with the Maltese Charity service. ASPIAG Service in Italy actively promotes healthy eating habits through their 'Good Habits' school initiative, which has involved 2,000 teachers and 15,000 children over the last 11 years. SPAR UK celebrated a huge fundraising milestone of £2 million for Marie Curie, the UK's largest end-of-life charity. SPAR South Africa's Eastern Cape retailers raised funds to donate a total of 1,400 wheelchairs to those in need.

Our SDG Contributions:

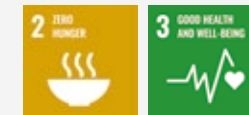


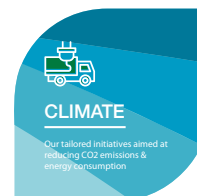
HEALTH

Our Commitment: SPAR's commitment to promoting healthy eating has seen improvements for consumers in fresh foods and groceries. SPAR has a clear strategy for offering customers organic and natural products and products that fit within specific dietary requirements. In addition to our focus on healthy eating, SPAR recognises the benefits of exercise and promotes numerous sporting initiatives.

Our Initiatives: SPAR Austria has launched a product range comprising 200 no-added-sugar, organic food products that meet children's nutritional needs. SPAR Scotland launched its 'Healthy Living Programme' with the Scottish Grocers' Federation, whereby children receive free fruit from participating stores. SPAR Hungary reached a milestone of 97 tonnes of sugar cut from its own brand products, including juices, ice cream, cereals, dairy products, condiments, and biscuits.

Our SDG Contributions:





SOURCING

Our Commitment: SPAR is committed to providing customers with a wide range of fresh and dry goods that are locally and sustainably sourced. SPAR retailers and wholesalers worldwide continue to develop ways to provide customers with products that have a reduced impact on the environment, promote animal welfare, and provide equal opportunities for farmers and fishers.

Our Initiatives: SPAR Nigeria introduced new vegetable varieties at its store in Lekki in collaboration with seed breeder Rijk Zwaan. SPAR Slovenia launched the 5th season of its 'Start it up, Slovenia!' initiative, which saw the producers of organic fruit spreads made from surplus fruit take the title. SPAR Netherlands celebrated the 10th anniversary of its regional range 'SPAR uit de streek', which promotes products sourced from local farmers and small-scale producers. In China, SPAR Shandong's farm-to-fork sourcing programme involves 1,600 preferred farming fields. This direct sourcing approach is boosting efficiency, transparency, and traceability along the whole supply chain.

Our SDG Contributions:



ENVIRONMENT

Our Commitment: SPAR internationally seeks to minimise post-harvest losses, improve cold chains, shorten the supply chain where possible, and reduce food waste throughout the business. SPAR's commitment to reduce plastic waste drives us to continuously review product packaging, thereby removing excess and ensuring that the packaging SPAR does use is recyclable or reusable, where ever possible.

Our Initiatives: The global agreement reached with social impact company Too Good To Go in 2020 has expanded to include over 2,800 participating stores, saving over 1.3 million meals by the end of 2021. These food bags avoided food waste-related CO2 emissions by 750 tonnes. SPAR Spain has launched its sustainability campaign 'El Futuro lo Hacemos Hoy', which includes the introduction of 100% recyclable bottles, 100% recyclable containers for household product lines, and industrial bakery lines packed in 100% biodegradable plastic. SPAR International's SPAR Eco range offers sustainable alternatives for home cleaning products and tableware disposables.

Our SDG Contributions:



CLIMATE

Our Commitment: As a global retail business with a key role in reducing the impact of CO2 emissions and energy consumption, SPAR is continuously adapting its operations. At SPAR, we are committed to reducing our environmental footprint while providing our customers with the excellent service and quality they expect.

Our Initiatives: SPAR Switzerland added a modern and eco-friendly hydrogen-electric truck to its fleet, which will see the 36-tonne trailer truck deliver food emission-free for around 400km per charge. SPAR organisations continue to ensure that each time a store is built or renovated, low environmental impact systems such as state-of-the-art refrigeration and energy-efficient LED lighting systems are used. SPAR Gran Canaria has invested €426,000 into expanding the photovoltaic solar generation plants at its fruit and vegetable logistics centre, bringing the total to 1,525 panels. The solar power generated by these panels helps avoid an estimated 214 tonnes of CO2 emissions created when using less environmentally friendly energy sources.

Our SDG Contributions:



PEOPLE

Our Commitment: SPAR's goal is to develop and grow people within the organisation while actively contributing to the communities we serve. Across SPAR, we are committed to ensuring inclusivity and equality across all our operations. We value diversity and look to provide equal opportunities to all current and prospective employees.

Our Initiatives: SPAR Switzerland has once again offered 100 trainees vocational training in retail, administration, logistics, and transport – with seven graduates especially receiving an additional bonus for their excellent performances. As the largest private employer and training company in Austria, SPAR Austria created another 900 new traineeships in 2021, with 23 specialisations available. SPAR Netherlands has been awarded the 'Top Employer' certification by the International Top Employers Institute, celebrating excellence in people practices.

Our SDG Contributions:





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While SPAR has a strong global presence, it is fundamentally and strategically driven by committed independent local retailers who win the trust and loyalty of their customers. SPAR retailers are truly positioned at the heart of their communities, supporting those most in need, in line with SPAR's responsible retailing strategy. This resolve became even stronger during the COVID-19 pandemic when economic and health challenges deepened the importance of strong community ties.

REDUCING OUR ENVIRONMENTAL IMPACTS

With supply chains and operations that cross the globe, SPAR can make a significant contribution towards reducing negative environmental impacts related to waste. Our SPAR country organisations continue to develop durable and sustainable packaging and seek ways to curb food waste. SPAR's commitment to reduce plastic waste prompts us to continuously review product packaging to remove excess and ensure the packaging SPAR does use is recyclable or reusable, where possible. SPAR also seeks to minimise post-harvest losses, improve cold chains, shorten the supply chain where possible, and reduce food waste throughout the business.

2021 saw numerous investments and partnerships to reduce waste along the supply chain and tackle this issue instore. SPAR stores' innovative food waste schemes provide consumers with the high-quality products they expect but significantly reduce food waste for fresh and long-life products.

SPAR has developed a roadmap that addresses the issue of food waste through digital solutions in automatic replenishment systems, instore improvement processes, real-time discounting, and surplus redistribution. Alongside such solutions, donating food and discounting products remain core strategies in SPAR's operations.

SPAR Norway has introduced its NGFlyt solution

(developed by ASKO), which helps optimise the ordering suggestions for stores by providing visual indicators of the shelf. Using AI technologies, this solution highlights which products are nearing their sell-by date and thus may go to waste. It then prompts sell-through actions. The application acts as an automatic ordering system, improving store ordering volumes and reducing waste.

Our partnership with social impact company Too Good To Go is a major part of our strategy to reduce food waste. Using the Too Good To Go app, customers can locate discounted food packages in SPAR stores. The SPAR Too Good To Go food packages, named 'Magic Bags' on the app, consist primarily of fresh food products and other items from the SPAR range. SPAR stores in 13 European countries currently use Too Good To Go. By October 2021, 1,178,439 meals and 2,946,098kg of CO₂ were saved between 2,750 active stores.

Building on previous successes in Northern Ireland, SPAR has established a global agreement with Gander. The technology company offers an automatic mobile platform that allows customers to have real-time visibility of close-to-expiry date, discounted food products in their SPAR app, SPAR website or the dedicated Gander app.

With the focus of the circular economy on reducing, reusing, and recycling, SPAR's drive to redesign packaging has gained increased importance. SPAR country organisations have significantly stepped-up their recycling initiatives – working with and educating customers on ways to reduce negative environmental impacts through tailored recycling programmes.

Our country organisations are working hard to ensure unnecessary packaging and non-recyclable materials are removed wherever possible – within primary and tertiary packaging. To reduce waste, SPAR is looking to make our recycling efforts win-win situations for all parties involved through close cooperation across industries and stakeholders.

SPAR International's SPAR Eco range supports SPAR's product offering and works towards environmental prosperity for all. The range consists of home care and disposable tableware products, which support our commitment to environmental sustainability and aim to reduce the negative impacts of production and waste on the environment. The products are packaged in 100% recyclable materials and produced without harmful or toxic ingredients.

SPAR Austria facilitates the packaging of cold cuts, cheese, and meat at service counters into boxes brought to the store by customers. Special trays ensure that stringent hygiene laws are adhered to and that the boxes brought in by customers do not come into contact with the counter, scales or cutlery. Transparent, FSC-certified parchment paper bags have been available for fruit and vegetables since 2019. These bags are reusable, fully recyclable, and moisture resistant.

TACKLING GHG EMISSIONS & ENERGY CONSUMPTION



The supply chain is at the heart of the retail industry. As a global retail business with a key role in reducing CO2 emissions and energy consumption, SPAR is continuously adapting its operations. At SPAR, we are committed to reducing our environmental footprint while

providing our customers with the excellent service and quality they expect. As SPAR grows, so does our potential impact on the climate.

Many SPAR country organisations have already taken steps to reduce their environmental impacts, implementing the latest technological innovations in their logistical operations and at store and Distribution Centre levels. Further positive impacts have been achieved through close cooperation with preferred suppliers, who offer environmentally friendly retail solutions.

Reducing CO2 emissions has become an important aspect of sustainable building designs and processes. Across SPAR markets, SPAR wholesalers and retailers are looking to integrate sustainable materials and technologies that improve efficiency and reduce emissions. In our logistical operations, continuous adaptation and implementation of new innovations help SPAR optimise the efficiency of our transport and resource collection processes.

Similarly, renewable sources have allowed for more sustainable transport solutions to be adopted within our transport fleets. Through this combination, SPAR can reduce time on the road and work towards greener deliveries.

Six SPAR Distribution Centres in South Africa now have operational solar panels. Like all other renewable energies, solar energy is clean, safe, and environmentally friendly. With an average payback period ranging between three and six years per DC, solar panels are also a sound investment from a long-term financial perspective.

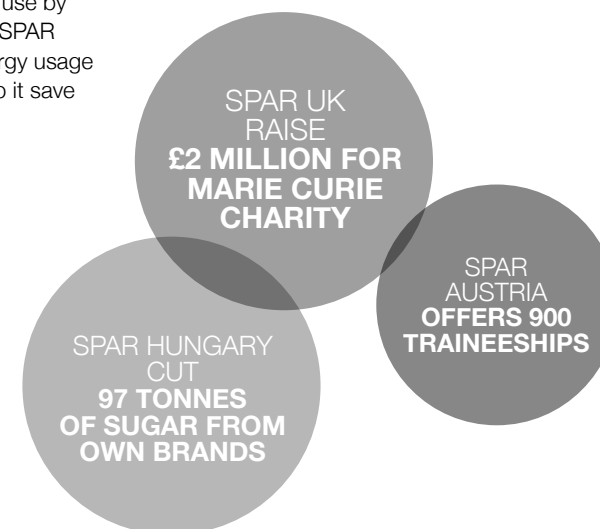
SPAR Switzerland has added a modern and eco-friendly hydrogen-electric truck to its fleet. The 36-tonne Hyundai XCIENT Fuel Cell truck has been tailored to SPAR's needs and will facilitate long-distance, emission-free food deliveries on the Central Switzerland route. The green hydrogen used comes from 100% sustainable energy and will allow the truck to travel up to 400km to service stores.

Our commitment extends beyond reducing CO2 emissions, with SPAR country organisations looking to minimise the consumption of energy and reduce energy waste. Across the globe, SPAR organisations adopt energy-saving equipment in their stores and distribution centres, ranging from innovative refrigeration and lighting solutions to solar panel installations. SPAR Preferred Suppliers play a pivotal role in developing and implementing these technologies.

SPAR Scotland has switched to intelligent and reliable Fronius charging technology for internal goods handling. After replacing the manual handling equipment fleet, the company wanted to introduce a more efficient charging system to increase energy efficiency and reduce emissions. This is expected to reduce CO2 emissions by 265,000kg and battery charging energy costs by approximately €115,000 in the next five years.

SPAR Norway has been investigating opportunities to reduce CO2 emissions and energy consumption. Realising its existing refrigeration system was not designed for Norway's specific operating conditions, SPAR Norway has implemented a new refrigeration system projected to decrease energy use by 58%. With this new, smaller solution, SPAR Norway estimates it can lower its energy usage by 200,000kWh a year, which will help it save more than €15,000 per store.

“ As a global brand, we recognise our responsibility to support social and environmental prosperity for all.”



EXPANSION



SPAR GLOBAL GROWTH 2017-2021

ADDED
MORE THAN
840 STORES

22.17%
INCREASE IN
RETAIL TURNOVER
WORLDWIDE

COMBINED
SALES AREA
GREW BY
97.301m²

2021 saw steady growth in store networks across the globe. SPAR's total store network comprises 13,623 stores, covering 7,521,137m² in 48 countries on four continents.

Throughout our global network, the combination of independently operated and company-owned stores within coordinated national retail networks continues to prove a successful formula for facilitating deep market penetration. SPAR's well-established multi-format strategy provides adaptability across retail channels and markets. This diversity provides a wealth of retail knowledge and expertise from which our SPAR retailers can prosper by combining their skills and expertise with a trusted and well-established international brand.

SPAR celebrated numerous anniversaries across the global network in 2021. The brand has had a growing presence in the United Kingdom for 75 years. We also marked 30 successful years of retail operations in Hungary and Slovenia and 20 years in Ukraine. SPAR has been serving communities in Portugal for 15 years and ten years in the UAE. Moreover, SPAR country organisations in Albania, Malta, and Saudi Arabia marked five years of successful growth and expansion.

WESTERN EUROPE

In Western Europe, SPAR achieved a retail turnover of €25.93 billion from 9,992 stores in 16 countries. Sales grew at 1.8% in 2021. When comparing growth over a two year period prior to the outbreak of the COVID-19 pandemic, we can be proud of a growth of 13.4% across this region, which contributes nearly two-thirds of our global sales.

Following a landmark year in 2020, in which SPAR Austria became the market leader of Austria for the first time in its history, SPAR Austria impressively expanded its market leadership position to a 36% market share, with retail sales reaching €8.56 billion, equivalent to a sales growth of 3% in 2021 and 19.1% over a two-year period.

SPAR in Austria focuses heavily on the organic further development of the stores, i.e. the expansion of existing supermarkets. Almost 70 former SPAR stores (400m² to 1000m² sales area) have now been expanded into EUROSPAR stores (1,000m² to 2,500m² sales area), eight of them in 2021. Ten SPAR Supermarkets operated by independent SPAR retailers have also been expanded into state-of-the-art EUROSPAR markets, four of them in 2021.

INTERSPAR also relies on the expansion of existing locations: In Perg (Upper Austria), a EUROSPAR was expanded into a state-of-the-art INTERSPAR Hypermarket. In total, SPAR Austria Group invested over €750 million in the growth and development of its footprint in Austria and neighbouring countries.

In Italy, DESPAR Italia grew the brand's retail footprint by investing aggressively in multi-format store developments and renovation of the existing store portfolio. In 2021, SPAR Italy outperformed the Italian retail market and expanded its operations with regional store expansion in the Emilia-Romagna province, supported via a new logistics facility in Castel San Pietro Terme with an investment of €32 million. In Sicily, regional SPAR wholesale partner Ergon acquired 43 stores. Maioresi, the SPAR regional partner for Southern Italy, opened two INTERSPAR Hypermarkets and 18 new stores. At the end of 2021, SPAR Italy's store portfolio comprised 1,374 stores with a combined retail sales area of 806,102m².

SPAR Spain's store portfolio increased by 14 stores to 1,269, bringing the brand to new neighbourhoods and communities. The integration of environmentally friendly materials in refurbishments and new stores is part of the retailer's focus on sustainability.

The number of stores in Switzerland grew by 31% to 251, reaching a total sales area of 73,575m². In 2021, SPAR Switzerland expanded its position in the country's forecourt business by adding 66 SPAR Express stores. The opening of the new stores followed the acquisition of 60 AVIA forecourt stores from Store Service AG as of 1 January 2021.



“ SPAR’s global reputation and established voluntary trading system continue to attract international and local independent retailers and wholesale partners, keen to benefit from the strength of the SPAR Brand and the expertise and adaptability of the SPAR worldwide organisation.”

TOTAL NUMBER
OF STORES
13,623

8,755
STORES OWNED
BY INDEPENDENT
RETAILERS



In the United Kingdom, SPAR supported independent retailers in partnership with the five regional distribution companies who continued to invest in stores, with retail floor space growing to 412,610m² in 2021.

SPAR in the UK opened 200 new or refurbished stores in 2021, bringing the total to 2,512 stores nationwide. A flagship EUROSPAR development programme was introduced in Northern Ireland, refreshing the already popular format in the country.

CENTRAL AND EASTERN EUROPE

SPAR is present and growing in 11 countries in Central and Eastern Europe and has a strong portfolio of 2,019 stores generating a retail turnover of €7.05 billion in 2021.

SPAR Hungary celebrated its 30th anniversary in 2021 and ended the year with a portfolio of 614 stores, comprising 380 company-owned stores and 234 independently-owned stores. In line with its expansion programme, six new company-owned stores were opened and 18 stores modernised. A highlight of 2021 was the opening of the 35th INTERSPAR Hypermarket, following an investment of over €29.5 million. Independent retailers added 30 new stores to the local SPAR store network.



Strong store network growth was seen in Georgia, where SPAR opened its 321st store. Thanks to an active expansion strategy, SPAR stores are operating across Georgia and in almost all districts of the capital city, Tbilisi.

ASIA PACIFIC

In Asia Pacific, a retail turnover of €1.83 billion was reported in 2021, with a SPAR presence in six countries operating a combined 488 SPAR stores in a multi-format and multi-channel strategy.

Since its market introduction in 2005, SPAR has developed a significant presence in China. At the end of 2021, SPAR China generated retail sales of €1.38 billion, operating 330 stores with a total of 720,000m² of retail space. All SPAR China Partners operate a multi-format strategy ranging from large scale hypermarkets to lifestyle convenience stores, with stores being highly digitally integrated offer online shopping and digital services via first and third-party applications.

In northern China, SPAR grew its presence with the expansion of Hypermarkets and lifestyle Supermarkets in Shandong province. The opening of the 4,000m² flagship Rongchuang Mall SPAR Hypermarket in Yantai was a clear highlight of 2021, as was the strong development of the SPAR network within the region of Zhangjiakou in time for the Winter Olympics, which were being hosted in part in the region.

In Australia, SPAR is investing in the future and has broken ground on a new central distribution centre in Brisbane. SPAR in Australia’s multi-format strategy continues to flourish, and in 2021 SPAR was recognised as the best convenience store in Australia.

In the Indian subcontinent, SPAR has a growing presence in India, Pakistan, and Sri Lanka. The impact of the COVID-19 pandemic has been far-reaching and severe in the region. Thankfully, the



stabilisation of the outbreak in the second half of the year resulted in a positive and vibrant uplift in footfall to our stores and subsequent sales.

SPAR in Sri Lanka has established a strong presence in five years of operations in the country, having opened eight SPAR Supermarkets, launched e-commerce and most recently expanded with stand-alone Tops at SPAR offering beer, wine, spirits, and other beverages.

AFRICA AND MIDDLE EAST

SPAR in Africa and the Middle East generated sales of €6.34 billion from 1,124 stores in 15 countries.

In a year marked by the continuing pandemic as well as civil unrest during July, SPAR South Africa's retail turnover for 2021 was €5.3 billion, a 1.4% growth year-on-year using average constant currency values. Investment in modernisation saw 219 stores being upgraded during the year, representing 22% of the full retail estate of 898 stores.

The looting and destruction during this period in South Africa impacted 184 stores. Despite the devastation caused, the rebuilding and reuniting of communities around our affected retailers has been truly inspiring. In the true spirit of SPAR, we witnessed the SPAR values of entrepreneurship, family values, and passion come together through the willingness of our people to stand up and start again.

Despite difficult trading conditions, SPAR Zimbabwe has continued to successfully serve its communities from 39 stores with a combined retail sales area of 28,145m² specifically tailored to their catchment area. The SPAR country organisation achieved retail sales of €110 million in 2021, representing year-on-year growth of 26% using constant currency averages. SPAR Zimbabwe's e-commerce platform continues to be highly popular among customers.

SPOTLIGHT ON: BRAND EXPANSION TO LATVIA AND KAZAKHSTAN

BRAND EXPANSION TO LATVIA AND KAZAKHSTAN

Expanding its global reach, SPAR International has granted a licence to operate the SPAR Brand in Kazakhstan to the SKIF Trade LLP, effective on 1 January 2022. The group has an existing retail and distribution network in the country, with sales of €400 million and a 15% market share.

SPAR International in 2021 also granted a licence to operate the brand in Latvia to S&P Logistics, which founded SPAR Latvia with the vision of uniting independent retail groups to collaborate in the face of growing international discount competition. SPAR in Latvia will offer consumers a high quality, modern, and relevant food shopping experience.

The first SPAR stores in Kazakhstan and Latvia will open in 2022, with store network development supported by SPAR International.



RETAIL

“As a global retail brand operating in 48 countries with over 13,600 stores, SPAR works with wholesale and retail partners to bring communities a high-quality grocery offer tailored to local needs and preferences.”



SPAR GLOBAL GROWTH 2017-2021

**22% INCREASE IN
TURNOVER IN SPAR
SUPERMARKETS**

**28% INCREASE
IN NUMBER OF
SPAR EXPRESS
STORES**

**37% INCREASE
IN SALES PER M²
IN INTERSPAR
HYPERMARKETS**

SPAR operates a multi-format strategy. The global portfolio comprises formats tailored to shopping missions and local customer needs: SPAR – the local neighbourhood supermarket; EUROSPAR – the supermarket for weekly family shopping; INTERSPAR – the hypermarket format; and SPAR Express – the convenience format for high traffic and transient locations. The growing portfolio of e-commerce solutions further enhances SPAR's ability to serve communities with online grocery services utilising our extensive store network for agility and speed of delivery.

PART OF THE COMMUNITY

2021 saw innovative, collaborative store development projects, resulting in openings and relaunches of top-tier stores that exemplify the strengths of SPAR's multi-format strategy.

The growing preference for neighbourhood grocery locations, driven in part by the COVID-19 pandemic, has been a key consideration across SPAR's store development strategies. Proximity retailing is traditionally a strength of SPAR and continues to be a key growth channel.

In Northern Ireland, two EUROSPAR flagship stores opened following a collaborative project between SPAR Northern Ireland partner Henderson Group, SPAR UK, and SPAR

International. This project sought to advance and modernise the already successful EUROSPAR format within the Northern Ireland market. Combining local knowledge and global SPAR best practices, EUROSPAR Doagh and EUROSPAR Rosstown show an industry-leading store environment where local and fresh take centre stage. These community supermarkets have been designed and built with a data-driven approach to tailor a mission-focused customer proposition for local shoppers.

In Austria, SPAR opened a new flagship INTERSPAR Hypermarket in the former headquarters of the Viennese Association of Banks, a listed building in the first district of Austria's capital city. Located close to the Schottentor, one of Vienna's city gates, the flagship store features a sales area of 1,770m², a comprehensive assortment of goods and services, and the first à la carte INTERSPAR restaurant. Following three years of planning and renovation and an investment of €10 million, the ultra-modern hypermarket is breathing new life into the former bank halls, creating 160 jobs in the process.

SPAR Italy consortium are actively promoting the revitalisation of local economies by investing in expanding the SPAR store network.



© SPAR / Brunnbauer

The assortment available at these newly-opened and relaunched stores reflects SPAR's close-knit relationship with its local producers, in line with our local sourcing strategy. Sustainable technologies incorporated in these stores include energy-efficient refrigeration, air-conditioning and heat recovery systems, as well as LED lighting systems.

After a complete renovation, Maiora, responsible for SPAR in Central and Southern Italy, relaunched its INTERSPAR Hypermarket in Corato, Bari. A major shopping destination since its initial opening in the 1990s, this upgraded INTERSPAR store provides innovative services and even greater product variety and quality with clearly defined departments and a focus on local and fresh. The restyling is part of Maiora's three-year renovation plan, offering customers renewed efficiency and quality across its retail store network.



FOODSERVICE & BARISTA COFFEE

During the pandemic, customers looked increasingly to retailers for food service solutions. Although restrictions hampered instore dining, both ready-to-eat and ready-to-heat choices attracted existing and new shoppers. As restrictions eased, the hospitality industry in many European markets faced staff shortages, allowing instore dining to gain ground. SPAR's strong local sourcing strategy helps meet the growing customer demand for sustainably sourced ingredients, healthier options, and more plant-based alternatives in the food service area.

Within the foodservice offering at SPAR, the roll-out of the CENSA Coffee concept continued to gain traction. SPAR Kosovo launched a flagship SPAR Supermarket in Arbëria, Pristina, complementing its foodservice department with a full CENSA barista coffee solution.



In China, SPAR regional partners continue to take an industry-leading approach to create premium hypermarkets in prime convenience locations. SPAR China partner Jiajiayue in 2021 opened a premium hypermarket in the popular Rongchuang Mall featuring a sales area of over 4,000m² and 18,800 internationally and locally sourced products. The SPAR China partner also opened a comprehensive high-end hypermarket in Wuyue Plaza in Jinan, Shandong province. This 6,800m² store offers shoppers more than 10,000 high-quality SKUs and excellent instore services. Both hypermarkets see high footfall, with many customers combining their grocery shop with a visit to the plaza's other stores.

In the forecourt segment, continuous upgrades in assortment and services mean that SPAR Express stores offer significant ranges of fresh food and freshly prepared to-go options adapted to changing purchasing needs of consumers. The expanded ranges also make these stores ideal for daily top-up grocery shopping. Following a partnership with AVIA, SPAR Switzerland in 2021 furthered the rollout of SPAR Express stores in highly convenient forecourt locations nationwide.

FOODSERVICE DEVELOPMENTS

SPAR continues to innovate in food service and food production areas in tune with growing consumer demand for fresh, healthy, and convenient options.

With solid growth in its SPAR Express and inner-city store locations, SPAR Netherlands has continued to implement innovative retail solutions tailored to local customers and commuters. After taking a majority stake in the premium grilled sandwich chain The Tosti Club in October 2020, SPAR Netherlands is rapidly integrating this popular food service concept in SPAR inner-city stores across the country. The shop-in-shop concept widens these stores' fresh foodservice offerings while boosting customers' hospitality experience.

SPAR UK regional partner A.F. Blakemore has launched a new concept store in Aberystwyth, which includes exciting new fresh food-to-go solutions inspired by street food vendors under one roof. The SPAR regional partner's 'Eat Some...' is the first of its kind food-to-go concept to open in the UK, offering local shoppers a variety of food to take away, including fresh soups, shakes, and toasties.

SPAR International's versatile CENSA Coffee solution is rapidly being rolled out across the SPAR network worldwide, elevating the instore coffee experience. The CENSA Coffee concept provides SPAR retailers with a more premium positioning, strengthening the convenience category offering within SPAR stores, and offering retailers the opportunity to drive both footfall and category value.

The SPAR Bake-Off Solution is also seeing widespread adoption across the SPAR network. This branded plug-and-play solution allows retailers to optimise their bakery assortments, gain more control in operations, and create cost efficiencies. The fully-developed solution provides shoppers with the same variety and freshness attributed to a traditional bakery.



© SPAR / Brunnbauer

BOOSTING SHOPPER EXPERIENCE

Digital innovations support SPAR in providing convenient grocery solutions that give customers the best possible shopping experience. Beyond the growing role of e-grocery platforms and click-and-collect services, instore digital solutions feature strongly improving engagement with our shoppers.

SPAR UK partner Henderson Group has implemented Glory's CASHINFINITY™ back-office cash recycling solution across 26 Henderson owned stores in Northern Ireland. The system provides customers with full service yet touch-less cash payment solutions at the tills and the option of self-scan checkouts for faster and contactless checkout experiences.

The rollout of cutting-edge digital price tags and screens has continued across the global SPAR network, boosting the customer experience by offering expanded information while curbing the use of printed communication materials. SPAR Norway has implemented Zebra-branded handheld devices to scan digital price tags and screens instore. The software used for these scanners is fully integrated into the SPAR organisation's back-office systems.

SUSTAINABILITY

Eco-friendly and energy-saving solutions remain priorities in designing and developing new SPAR stores and refurbishing existing stores.

Efficient systems, including LED lighting and state-of-the-art refrigeration, increasingly support SPAR organisations in reducing their store network's energy consumption. New technologies to harness renewable energy sources are routinely integrated into the store development process.

Starting in 2010, SPAR Austria has invested heavily in sustainable energy supply for its stores. When the company installed a solar power system on the roof of the SPAR Supermarkt in Wokersdorf Lower Austria, it brought the number of solar-powered stores to 100, with plans to roll out the systems in additional stores nationwide.

In Hungary, the SPAR Supermarket in Szeged obtains over 13% of its total instore energy needs from rooftop solar panels. Building on this success, SPAR Hungary is installing renewable energy systems at additional stores.

SPAR Norway's Snarøya store in 2021 won the coveted NACS European Convenience Retail Sustainability Award. The jury commended SPAR Snarøya, located in an Oslo suburb, as a true example of international best practices in innovative, eco-friendly retail solutions.

TOTAL
RETAIL SALES AREA
WORLDWIDE
7,521,137M²

AVERAGE
TURNOVER PER M²
€5,472

DIGITAL & DATA

The widespread adoption of digital solutions has continued throughout the international SPAR network, meeting the growing customer demand for convenience and ease. Strong collaboration across the global SPAR network enhances our data-driven capabilities, enabling better retail strategies and decisions based on the latest technologies.

GROWING E-COMMERCE NETWORK

Grocery has been one of the later retail categories to fully embrace e-commerce solutions due to the challenges of handling ultra-fresh products that require multi-temperature supply chain solutions. However, technology upgrades and behavioural changes, in part prompted by the COVID-19 pandemic, are propelling demand for and development of online grocery shopping options.

Over 20 years ago, SPAR introduced its first e-commerce solution – SPAR Weinwelt.at, an online store operated by SPAR Austria. This pioneering online retail proposition marked the beginning of the rollout of varied e-grocery options across the global SPAR network, each tailored to local preferences and situations. The total number of SPAR country organisations with e-commerce solutions has since grown steadily to 35.

To give SPAR country organisations the option to introduce a technologically advanced and agile global SPAR e-commerce solution, SPAR International in 2021 partnered with technology provider Naveo to develop a comprehensive international white-label end-to-end system. The modular approach of Naveo's platform allows SPAR national, regional, and individual stores to choose and adapt the modules required while also ensuring order processes remain seamlessly integrated throughout.

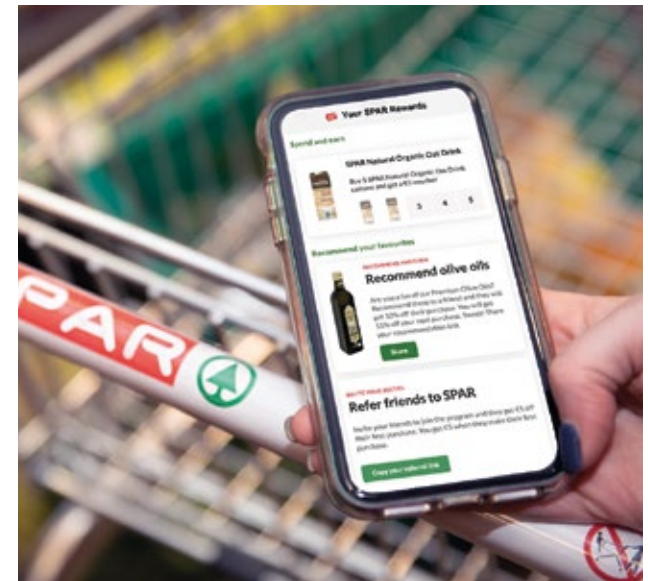
Several SPAR country organisations have adopted this pre-developed and highly customisable, API-first technology-based system, with the first implementation going live in South Africa in early 2022.

Across the global network, SPAR organisations are also expanding their digital touchpoints and enhancing daily shopping experiences through quick commerce (q-commerce) service partnerships with home delivery platforms such as Deliveroo, Wolt, and Glovo – among the leading multi-category delivery apps worldwide. Current q-commerce services ensure fast delivery in less than 40 minutes from when the order is placed online during store opening hours. SPAR country organisations that offer such services at speed include Italy, Ghana, Slovenia, and Gran Canaria.

Key areas for growth, such as media revenues, personalisation, scalability, and true omnichannel customer experience, will continue to drive the global e-commerce agenda.

E-COMMERCE
SOLUTIONS IN
35 MARKETS

28%
OF SPAR
E-COMMERCE
IS FULFILLED BY
INDEPENDENT
RETAILERS



INCREASED DATA CAPABILITIES

The advancement in SPAR's data capabilities increasingly delivers valuable insights and continues to enhance the customer experience by helping shape retail projects and strategies.

SPAR's international data lake platform, growing data scraping and cleaning capabilities, and machine learning deployment and big data handling are supporting SPAR markets in identifying shopper missions and forming increasingly well-suited store network, category, and marketing strategies. Using this data-based approach, SPAR develops stores and assortments tailored perfectly to different locations, driving the network's overall performance and catering to customers' preferences.

SPAR utilises data gathered from customer and supplier transactions and loyalty programmes and enriches these with open, public information, including online store reviews, to gain meaningful insights into customer needs and sentiments.

Personalised offers have become increasingly mainstream across the global SPAR network. Growing demand from both customers and suppliers has already driven up to a 400% larger return on investment than traditional promotions and engagement.

SPAR International has teamed up with personalised loyalty solution provider Spaaza to offer partners an opportunity to increase their customer engagement by providing personalised offers. At the same time, such a solution can help collect further data to enrich the relationship between SPAR and its customers.

In a world where customer expectations of shopping experience are exponentially increasing, the trend of looking for 'solutions, not products' coupled with 'retailtainment' means building data density to drive share of wallet will be crucial for future success.

DIGITAL TOOLS FOR RESPONSIBLE RETAILING

SPAR is committed to creating sustainable solutions for our customers as part of our goal of reducing wastage throughout the supply chain. Digital solutions play a pivotal role in SPAR's multi-faceted approach to food waste reduction. SPAR has adopted improved processes for forecasting requirements and ordering throughout the supply chain. Within the stores, retailers can incorporate unsold fresh food in meal solutions or reduce the prices of short shelf-life foods.

Working with entrepreneurial platforms, SPAR also leverages technology to achieve greater efficiency at each step and find sustainable solutions to reduce our environmental impact. At the end of December 2021, SPAR and social impact company Too Good To Go saved 1,383,262 meals in 2,832 participating SPAR stores. This equals savings of 3,458,155kg of CO₂. Other sustainability related digital tools used at SPAR include Gander which supports SPAR organisations in communicating discounted food products to customers through an app.

Digital tools also support SPAR Partners in developing skills and competencies across the organisation via virtual and in-person training opportunities. SPAR International offers the SPAR Training Academy, freely available to all SPAR country organisations through our intranet platform.

SPAR Austria Group's cross-national training and development platform have been awarded in the 'Open Source' category by eLearning Journal, the leading trade magazine for digital transformation. The digital flagship project is available to 90,000 SPAR colleagues in five countries and offers 470 e-learning courses and over 800 seminars.

SPAR SLOVENIA'S ONLINE RETAILING SOLUTION

SPAR Slovenia provides an excellent example of the successful integration of e-commerce solutions to better serve local communities. The SPAR country organisation first launched online retailing in 2018 and enhanced its online offering in 2020 with a limited product range option to ensure essential groceries reached customers during the pandemic.

Shoppers have embraced the easy-to-use app and website-based solution, with demand driving increased delivery options. SPAR Slovenia offers home delivery, click-and-collect, as well as q-commerce for smaller basket orders. In Ljubljana, a drive-in pick-up point has been set up at INTERSPAR Citypark, where customers can collect their ordered products from their vehicle within a selected time slot. Dedicated teams based in SPAR Slovenia's INTERSPAR Hypermarkets manage the e-commerce fulfilment. The system is integrated to offer promotions and special offers and reflect up-to-date stock levels.



BUYING

SPAR's international collective approach to buying plays a pivotal role in our ability to adequately deal with disruptions in the global food system, such as the COVID-19 pandemic and rising inflation. SPAR's international Buying Better Together strategy harnesses our significant economies of scale in sourcing and supply chain to build product ranges, provide competitive prices, and continuously improve product quality and availability.

MEETING CHANGING CONSUMER NEEDS

An ever-growing shift to value is one of the critical trends shaping grocery retailing, with own brand playing an essential role in offering consumers a strong value option.

To provide shoppers with an even wider choice of quality, everyday essentials at great prices, SPAR in 2021 launched a new own brand range across European markets under the label SPAR N°1 Value. The SPAR N°1 Value range is a key addition to the company's multi-tier SPAR Own Brand strategy, enabling shoppers to access a broad range of food and non-food own-brand items at an exceptional value. The range is now steadily being introduced in SPAR markets across the globe, growing in product numbers and category reach.

Evolving demands for healthier and more sustainable product options remain strong drivers behind SPAR Own Brand development. SPAR's global strategies are tailored towards reducing

sugar, salt, and saturated fats while prioritising sustainable sourcing practices and environmentally friendly packaging, thereby offering good quality products and the relevant nutritional information to ensure a balanced, healthy diet.

SPAR monitors regional and national policy changes in all areas, including nutritional values and packaging, to ensure own brand products continue to meet evolving legislation demands and consumer preferences. Around the globe, targeted SPAR initiatives have also focused on working better with suppliers to diversify the fresh food portfolio and offer healthier products where possible.

In 2021, 65 SKUs were added to the already expansive SPAR Natural range, supporting consumers in shopping consciously by offering organic and sustainably sourced products catering to varied dietary requirements. Further spotlighting the range's sustainability appeal, SPAR has developed a comprehensive zero-packaging dispenser solution for loose foods featuring products from this SPAR Natural line.

SPAR International's Eco range, launched in 2019, underlines our commitment to environmental sustainability while reducing the negative environmental impacts of production and waste. The range currently consists of home care and disposable tableware products, with new launches planned in 2022 to meet growing demand.



SPAR N°1
VALUE RANGE
LAUNCHED

SPAR
AUSTRIA'S
ORGANIC RANGE
**TOTALS 12%
OF RETAIL
TURNOVER**



“ SPAR has a collaborative approach embedded in its DNA which is evident in the Buying Better Together strategy.”

COLLABORATIVE APPROACH

Leveraging its extensive global SPAR network of over 13,600 stores in 48 countries, SPAR also provides market access and a growth platform for SPAR Own Brand ranges sourced from individual SPAR country organisations. By tapping into the vast network of 255 Distribution Centres worldwide, SPAR utilises the strength of local supply chains by integrating these into an international network.

Examples of this tapping into local expertise for global benefit include the SPAR International Wine Range, which offers a wide selection of entry-level, mid-tier and premium wines in collaboration with SPAR Partners from Austria, France, Georgia, Italy, Portugal, South Africa, Slovenia, and Spain.

SPAR's Global Buying Alliance supports SPAR country organisations in growing their product volumes, strengthening bonds with suppliers, and gaining faster access to popular products. SPAR country organisations collaboratively explore opportunities for new product development, with ongoing cooperation boosting exchange and coordinated tenders to improve the conditions for local and international products. This approach continues to show high levels of SPAR country organisations commitment and fast-tracked new product development.

FMCG AND CHALLENGER BRANDS

Consumer trends towards more conscious consumption, including plant-based or sugar-reduced options, are causing major shifts within many FMCG categories. SPAR takes a strategic approach to meeting these changing customer preferences by working in close collaboration with major FMCG Brand manufacturers to implement category growth programmes. As a result of this forward-thinking approach, SPAR has for the third year in a row been recognised by industry consultancy Advantage Group with a Top 5 ranking for being a collaborative retail partner of choice.

Pivotal in SPAR's international buying strategy is the Commercial Leadership Team, comprising eight partnering countries representing 46% of global turnover. Continual progress and strategic partnerships are proposed and decided, benefitting the wider international SPAR network.

Strong progress was also seen in the SPAR International Challenger Brand programme, which connects the SPAR network worldwide with pioneering food brands with strong international growth potential. The programme in 2021 achieved a 50% increase in the number of involved unique 'local hero' brands compared to the previous year, achieving strong growth in customer sales.

SPAR N°1 VALUE RANGE

SPAR N°1 Value, SPAR International's entry-level brand, launched in Europe in 2021 and is now finding traction globally within the wider SPAR network.

Since launching, SPAR N°1 Value has been added to shelves worldwide in over 10 SPAR countries. Created to provide shoppers with a broader selection of everyday essentials, SPAR N°1 Value comprises over 100 food and non-food products that are low in price and high in quality.

Each SPAR N°1 Value product was chosen based on solid quality assurance and standards while focusing on affordability. The latest additions to the range include canned products, herbs and spices, chocolates, teas and Nespresso® compatible coffee capsules, with more products to be added to the range this year.



PROCUREMENT

The impact of the COVID-19 pandemic on resources has driven increased inflation, impacting commodity pricing and operational costs across the globe. With this backdrop, SPAR's collaborative approach to procurement and our Preferred Supplier agreements play an exceedingly impactful role in driving down operating costs and the total cost of ownership.

The international coordination and scale up of procurement, purchasing, and engagement activities has a direct, positive impact on the performance of SPAR worldwide.

At a time of significant pressure on costs and material availability, SPAR's international focus on non-resalable equipment drives real cost reductions through the bundling of volumes and the coordination of purchasing. This approach to procurement centres on collective buying initiatives, leveraging the brand's scale to deliver savings on the net pricing of equipment. This is achieved through collective buying initiatives or rebate-based agreements with a growing portfolio of SPAR International Preferred Suppliers.

MEETING SHIFTING CUSTOMER NEEDS

Customer expectations and needs have seen significant shifts throughout the pandemic, with a growing interest in e-commerce, delivery options, as well as instore health and safety.

As a result of SPAR's international digital transformation projects, SPAR country organisations benefit from new supplier agreements offering the latest technology development innovations, helping them meet evolving consumer expectations.

As digital technologies play a more important part in our customer shopping experience, SPAR in 2021 enhanced our preferred supplier base, with Hanshow, Spaaza, LS Retail, and Gander joining the SPAR International Preferred Supplier Programme.

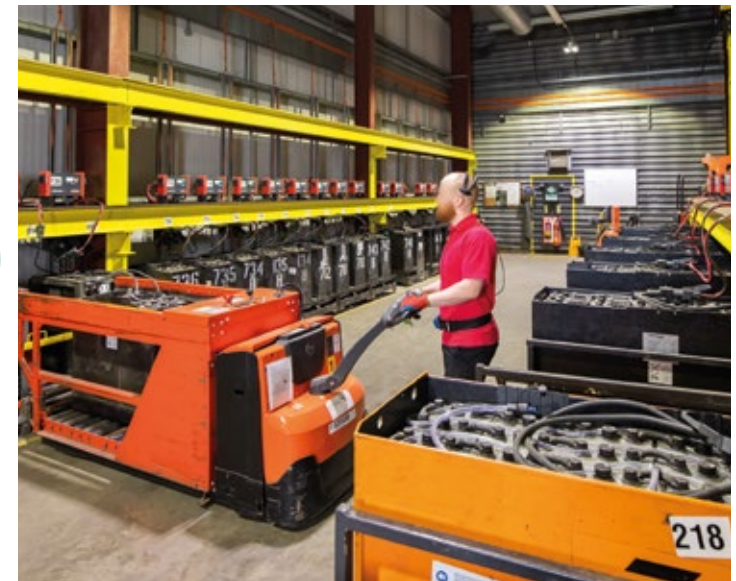
A market leader in digital technology, Hanshow offers SPAR countries an extensive range of digital displays. These electronic shelf edge labels, digital shelf strips, digital header boards, and full-size digital posters revolutionise our stores' ability to connect and share information with customers while curbing the need for paper-based communication materials.

LS Retail is a world leader in unified business solutions software, extending the Microsoft Dynamics enterprise resource planning (ERP) systems with specialised grocery retail-specific functionalities. Already operational at two SPAR country organisations, LS Retail's adaptable approach to modern retail systems is set to support the evolution of our digital systems.

Specialising in creating loyalty through personalisation, Dutch company Spaaza has joined the Preferred Supplier Programme with cutting-edge technologies that identify customer shopping preferences and habits, enabling a truly personalised offer for each customer that considers brand preferences and special offers.

**AVERAGE 14%
SAVING ON
MATERIAL HANDLING
EQUIPMENT
PROJECT**

**SPAR SCOTLAND
INVESTED IN ENERGY
REDUCTION
PLAN OF 20%**



SUSTAINABILITY APPROACH

Sustainability continues to be a key consideration in terms of our global procurement strategies. Across our local retail stores and end-to-end global supply chains, we continually explore ways to reduce our environmental impact and carbon footprint, focusing on innovative procurement projects that bring efficiency and can be adjusted to local needs.

Preferred Supplier Gander offers a markdown communication application that communicates special pricing offers directly to customers through a mobile app and websites. Through SPAR International's supplier agreements, this innovative technology for reducing food waste is available to SPAR markets to support their responsible retailing approach.

SPAR procurement teams have also worked with long-established supplier HL Display to develop a comprehensive zero-packaging dispenser solution for loose foods. These instore displays feature products from the SPAR Natural line and make it easier for customers to access SPAR's range of healthier and sustainable whole food options.



The introduction of new articulated trailers fitted with advanced refrigeration units with improved fuel efficiency, provided by our Preferred Supplier Thermo King, has helped SPAR Scotland reduce carbon emissions on its fleet by around 30%. In Norway and Switzerland, our Preferred Supplier Scania continues to support SPAR with further introductions of fully electric store delivery vehicles.

Working with Preferred Supplier Fronius International, a specialist in chargers and energy conversion solutions, SPAR in South Africa, Ireland, and Scotland updated Distribution Centre battery charging stations with new technology enabling faster charging and load balancing between solar and grid power. Fronius' temperature-controlled charging feature, which adapts the charging voltage to the temperature of the connected battery, extends the service life and reduces the energy expenditure of batteries used in Distribution Centre mechanical equipment. For SPAR Scotland, the new charging solutions are projected to save over 265,000kg of carbon emissions.

In a market with high inflation, our recent roll cage tender with PilsI delivered beneficial pricing that was two-thirds lower than the prevailing market rates. The extension of our tyre purchasing agreement with Goodyear has secured price continuity when other companies have experienced significant price increases.

BETTER TOGETHER

The combination of supplier innovations and SPAR network knowledge and expertise continues to improve operational efficiency across SPAR, a key factor in providing our customers with the best offering in the most comfortable shopping environment.

TECHNOLOGY SOLUTIONS TO REDUCE FOOD WASTE

SPAR International has developed a roadmap to cut food waste that includes digital solutions in automatic replenishment systems, instore improvement processes, real-time discounting, and surplus redistribution. According to the UN Food and Agriculture Organisation (FAO), 1kg of food waste creates about 2.5kg of CO₂ emissions, making the reduction of both an important part of our responsible retailing strategy. Sharing international best practices and establishing partnerships with industry-leading organisations in each area are supporting our progress in reducing food waste.

Within 13 markets in Europe, significant savings have been achieved in partnership with Too Good To Go by offering consumers discounted mixed bags of products nearing their sell-by date. In Northern Ireland, Henderson Group reported a 36% increase in reduced product sales as consumers embraced Gander's digital app highlighting offers.



BRAND

SPAR GLOBAL GROWTH 2017-2021

**32% INCREASE
IN TOTAL
SALES AREA OF
SPAR EXPRESS
STORES**

**30% INCREASE
IN RETAIL SALES
FROM
EUROSPAR
STORES**

**ADDED
MORE THAN
840 STORES**

Adriaan van Well's
vision of DESPAR, 1932



DESPAR
**'Door Eendrachtig
Through United
Samenwerken
Co-operation All
Profiteren Allen
Benefit Regularly
Regelmatig'**

SPAR
**better
together**

Welcome to SPAR.
**The world's local
food store.**

The first SPAR store opened in the Netherlands in 1932. At the time owner-integrated supermarkets and department stores began to establish themselves in the Netherlands during the interwar period. They formed a new type of competition for local independent merchants who were increasingly under threat by this new model of centralised retailing. It was the vision of our founder, Adriaan van Well, that independent merchants would collaborate voluntarily and organise joint activities in purchasing and marketing under a single brand. Originally an acronym for the vision set out by van Well, 'Door Eendrachtig Samenwerken Profiteren Allen Regelmatig' the DESPAR organisation was born. Over time the SPAR Brand has extended its presence, serving the needs of local communities across four continents to become the world's local food store of choice.

2

Although the COVID-19 pandemic continued to create global challenges throughout 2021, it also presented SPAR with an opportunity to reinforce our brand's purpose of being the grocery store of choice by meeting the real needs of the local communities we serve.

Ahead of the SPAR Brand's 90th anniversary in 2022, 2021 saw some major SPAR Brand milestones. We celebrated 75 years of the brand operating in the United Kingdom, 30 years in Hungary and Slovenia, 20 years in Ukraine, 15 years in Portugal, ten years in the UAE, and five years in Albania, Malta, Saudi Arabia, and Belarus. These milestones are a testament to our strong retailer networks and connection with our local communities worldwide.

In the United Kingdom, the brand's local positioning was further strengthened through a new three-pillar strategy based on nurturing our neighbourhoods, being passionate about local, and providing value on your doorstep. SPAR Poland implemented a campaign which highlighted collaboration with local retail entrepreneurs to deliver the best possible shopping experience for customers.

Major strategic brand exercises were conducted in Ireland, Northern Ireland, and the Netherlands, focusing on developing new localised store formats and positioning SPAR as the local retailer of choice.

2021 also saw the launch of the Global SPAR Brand Book – detailing the SPAR Brand's values, origin, and development over 90 years. The brand book highlights how our SPAR Brand brings us together as a group of independent retailers and successfully connects us to our shoppers. The document provides key content related to the SPAR Brand and can support retailer and staff inductions, supplier collaborations, strategic planning, and communication development.

The SPAR Brand's strong local retail credentials and our scale on the global stage were again recognised internationally – SPAR ranked 9th in the BrandZ Top 30 most valuable Dutch brands and 14th in the NRF Top 50 global retailer ranking.

COMMUNITY CREDENTIALS

Our founding vision and brand identity are defined by an ethos of collaboration among our retail and wholesale partners to best engage with our shoppers.

Across the markets of Austria, Slovenia, Hungary, and Croatia, major SPAR campaigns were implemented to highlight local suppliers, showcase regionality, and celebrate SPAR's strong collaboration with local food producers. Our entrepreneurship programmes in these markets continue to flourish, with SPAR Croatia's startup programme awarded the 'Grand Prix award for Socially Responsible Business'.

2021 also saw the first global Ramadan campaign implemented across seven Muslim majority SPAR markets, supporting local shoppers with key content during this important period in the Islamic calendar.

Working with shoe supplier Bata, SPAR South Africa implemented a programme to provide children from underprivileged backgrounds with almost 500,000 pairs of school shoes.

SPAR Sri Lanka ran a highly successful community support initiative, 'How big is your heart', raising funds for elderly homes and donating food and face masks to both residents and carers.

DESPAR Italia ran a successful 'The World needs women!' local charity-driven campaign to empower women and raise over €260,000 for four different charities in the process. SPAR China in Guangdong supported various projects in SPAR team members' hometowns, including the construction of a much-needed bridge in the remote Molong village in Guangxi, China.



“ Although the COVID-19 pandemic continued to create global challenges throughout 2021, it also presented SPAR with an opportunity to reinforce our brand's purpose of being the grocery store of choice by meeting the real needs of the local communities we serve.”



EXPANDING OUR DIGITAL FOOTPRINT

The COVID-19 pandemic has accelerated SPAR's global digital advancements, with over 35 SPAR markets having implemented e-commerce solutions. SPAR country organisations are increasingly adopting a more digitally-minded approach to marketing and communications.

SPAR Norway has transitioned to an almost entirely paperless communication strategy. The SPAR country organisation has set up an in-house digital commercial department, integrating data from their Trumf loyalty programme and implementing the bulk of their marketing and advertising digitally across Norwegian media houses, Facebook, and Google. To drive a more omnichannel focused strategy, SPAR Netherlands and SPAR UK optimised their online presence, SEO strategy, and visibility to drive more shoppers to the store.

Social media continues to be an important communication tool for SPAR retailers in connecting with shoppers. SPAR Ireland's collaboration with celebrity chef Donal Skehan and SPAR Hungary's collaboration with travel blogger Vörös Borisz successfully provided engaging food content via social channels.



Many SPAR country organisations have used digital platforms to boost their charitable fundraising activities, promote healthier lifestyles through nutritional information and recipe content, and support community activities such as fun runs and sporting tournaments.

Personalised rewards represent a major growth opportunity going forward for the SPAR network, as shoppers seek more tailored experiences. SPAR Slovenia's rewards programme, the most highly used rewards programme in Slovenia, and SPAR Italy's TRIBU app are two best-in-class examples that will lead the way for other markets to set up their own personalised reward programmes.

To further support the implementation of such programmes, SPAR International has also developed a global SPAR Personalised Rewards programme that will be rolled out to relevant SPAR markets in 2022.

**SPAR
RANKS 14TH
IN NRF
TOP 50 GLOBAL
RETAILERS**

**SPAR
RANKS 9TH
IN BRANDZ
TOP 30 MOST
VALUABLE DUTCH
BRANDS**

SPORT SPONSORSHIP

2021 saw SPAR's 25th year in partnership with European Athletics, continuing the brand's commitment to promoting healthy lifestyles. This year was a phenomenal year for European athletics, with athletes keen to show their sporting prowess after the event cancellations in 2020. With strong collaboration between partners in the broad marketing sphere, SPAR was able to capitalise on all these events for extensive brand building purposes.



European Athletics Indoor Championships – Toruń, Poland 5 – 7 March 2021.

The European Athletics Indoor Championships 2021 in Toruń, Poland, saw a total of 682 athletes from 46 countries participating – a record in the event's 36-year history. Media interest in the event was very high, with 190 media present onsite and 30 rights holders broadcasting dedicated coverage. Recognising the growing popularity of digital media, an EBU livestream platform brought the action to athletics fans. Accessible in all markets, the platform registered over 1 million views, an increase of 900% over the European Athletics Indoor Championships of 2019. A total of 417 hours of coverage was aired through 200 dedicated programmes, with 64.1 million hours of coverage viewed by fans.

European Athletics Team Championships – Silesia, Poland 29 – 30 May 2021.

Host country Poland triumphed at the European Athletics Team Championships Super League in Silesia. With over 360 athletes from seven teams participating in the two-day event, Poland successfully defended its title in front of 7,500 spectators. In total, 84 hours and 34 minutes of media coverage were aired via 33 broadcasts, generating 5.33 million viewer hours by sporting fans.

European Athletics U23 & U20 Championships – Tallinn, Estonia 11 July 2021, 15 – 18 July 2021.

SPAR has been the principal sponsor of the European Athletics since 1996. However, this was the first time SPAR sponsored the U23 and U20 Championships, following the signing of a sponsorship agreement in 2019, highlighting the brand's focus on promoting sports and healthy lifestyles among all ages. A total of 275 hours of coverage were aired via 96 broadcasts, generating 10.93 million viewing hours. Coverage of these two championships delivered over 143 hours of exposure for SPAR branding.

SPAR European Cross Country Championships – Fingal, Dublin 12 December 2021.

The SPAR European Cross Country Championships took place on the purpose-built cross country course at the Sport Ireland Campus in Fingal, Dublin, on 12 December 2021. A total of 56 hours of coverage was aired via 34 broadcasts, generating 1.82 million hours of consumption by viewers.

25 YEARS OF EUROPEAN ATHLETICS SPONSORSHIP

SPAR has been the principal sponsor of European Athletics since 1996, a relationship celebrating 25 years in 2021. The long-standing partnership between the two organisations demonstrates SPAR's commitment to promoting healthy lifestyles through sport. Each year, the sporting events supported in the partnership increase awareness of the SPAR Brand globally and provide opportunities for SPAR country organisations to support their national athletes.

Five European Athletics events were held in 2021, each attracting huge media interest. Television coverage of the competitions saw over **360 broadcasts** transmitting for a combined **832 hours**, of which the SPAR Brand was visible for more than **440 hours**. With broadcasting coverage in European markets and across the globe, the SPAR sponsorship of athletics is visible worldwide.



SUPPLY CHAIN

“ The strength and resilience of SPAR's supply chain network are core to the organisation's sustained growth in 2021.”



2021 saw challenges to supply chains worldwide, with global shortages and price rises in goods and shipping costs. During this challenging year, the strength and resilience of our supply chain network were core to the organisation's sustained growth. Thanks to ongoing innovation and investment, SPAR's operations worldwide benefit from our strong international yet local focus. By working with our suppliers and global logistics teams to better understand the end-to-end product flows, SPAR continues to enhance product availability while reducing costs in a sustainable manner.

EFFICIENCY

2021 saw extensive investment and progress in the operational efficiencies of our supply chain and distribution network.

In Mallusk, Northern Ireland, a new 17,650m² ambient and chilled Distribution Centre facilitates product range extensions and greater operational efficiencies. Focusing on local sourcing and supplier relationships, the new facility has enabled an unparalleled supply chain resilience,

supporting SPAR retailers impacted by the United Kingdom leaving the European Union. In Croatia, SPAR continues to expand its wholesale facilities, while in Slovenia and Hungary, SPAR has expanded logistics facilities to improve operational efficiencies and increase capacity.

Building on our strong community ties in the Emilia-Romagna region, €33 million has been invested in new regional headquarters and an 18,600m² Distribution Centre in Castel San Pietro Terme. These facilities improve the handling efficiency of fresh and dry products from local suppliers and cut CO₂ emissions by shortening travel distances to regional stores.

In Australia, work started in 2021 on a new 13,400m² Distribution Centre in Brisbane, improving business efficiencies and creating significant cost savings. The new facility has been designed to minimise its environmental impact by incorporating solar panels, LED lighting, and rainwater harvesting systems.

SPAR GLOBAL GROWTH 2017-2021

CASES
DELIVERED
TO STORES
INCREASED
BY 21.9%

4,732 STORE
DELIVERIES ADDED
PER WEEK

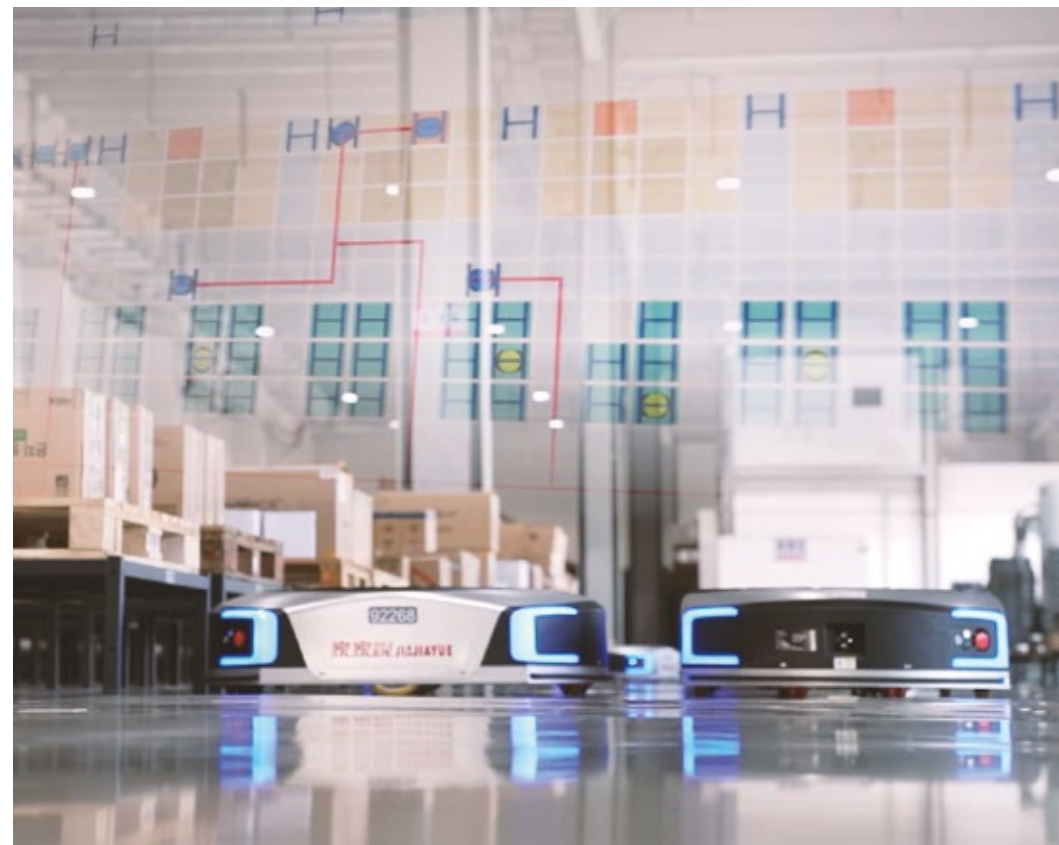
AUTOMATED
HANDLING
ADDED TO
15 DISTRIBUTION
CENTRES



PHOTOVOLTAIC SOLAR SYSTEMS IN SPAR

Across the globe, SPAR country organisations prioritise the adoption of innovative equipment such as solar panel installations in their stores and warehouses. Such renewable energy initiatives are supporting these organisations in reducing electricity consumption and their carbon footprint.

Depending on the radiation levels, the photovoltaic solar systems at SPAR South Africa's Distribution Centres allow the organisation to stay off the grid for up to 90% during the daytime. The expanded photovoltaic solar generation plant at SPAR Gran Canaria's fresh logistics centre is projected to generate an estimated 746MWh of energy annually, reducing approximately 214 tonnes of CO₂ emissions. SPAR Austria invests about €1 million annually in the expansion of solar energy systems, in close cooperation with regional energy providers. SPAR Australia's Brisbane (Queensland) Distribution Centre, currently undergoing an upgrade, is also being fitted with a photovoltaic solar system, making use of the country's favourable annual hours of sun.



AUTOMATION

SPAR continues to explore leading-edge capabilities and emerging solutions in its global Distribution Centre network, ensuring products go from the field to the customer in the shortest possible time. Across the network, SPAR has been a leader in the development of Distribution Centre automation within the grocery retail sector, with state-of-the-art facilities in Austria, Norway, Belgium, and South Africa.

In China, SPAR continues to advance its warehouse capabilities through an industry-leading lightweight robotics picking project at the Yantai Central Distribution Centre. This goods-to-person solution sees Automated Guided Vehicles (AGVs) transport mobile racking to a picking station directed by a warehouse management system. As of mid-2021, the AGVs have helped achieve a +34% increase in cases picked per hour and a +17% increase in SKU per square metre. In Switzerland, SPAR has introduced AGVs that handle supplier pallets in the inbound and outbound areas, reducing manual activity and again improving efficiency.



SUSTAINABILITY

The sustainability of our operations is a key feature in developing our supply chains, continuously reducing our environmental impact. The installation of solar panels and rainwater collection points has continued across the SPAR global network, including in the Netherlands and Gran Canaria.

While collecting renewable energy is important, so is how we use it. Working closely with our Preferred Supplier Fronius International, our operations in Switzerland, Scotland, and Ireland have introduced new battery charging stations for mechanical handling equipment that charges batteries faster. Power from solar energy is automatically used when available.

Across our operations, SPAR country organisations are reducing vehicle requirements through better planning, reducing lorry movements through collaboration with our suppliers. Our delivery fleets now make collections from suppliers in over twenty countries, with volumes increasing by 35% over the year.

In the Netherlands, SPAR has worked with fresh suppliers to introduce dynamic inbound planning that coordinates supplier deliveries on quieter days with a master supplier to reduce the number of lorries on the road.

In South Africa, SPAR collaborates with suppliers to deliver to stores on our behalf in vehicles that would have otherwise returned empty. In that market, SPAR has realised a 53% handling reduction and a 28% transport reduction with a key supplier, reducing costs and our impact on the environment.

In the United Kingdom, working with leading FMCG suppliers, SPAR has introduced new handling equipment and taken truck movements off the road through a review of order patterns. Meanwhile, in Scotland, SPAR has invested €1.87 million in a fleet of new vehicles, featuring the latest Thermo King A400 Advancer Refrigeration units. These units improve fuel efficiency by around 30% and significantly reduce CO₂ emissions.

SPAR CHINA
INCREASED CASE
PICK EFFICIENCY
OF 34%
WITH AGVS

SPAR
SOUTH AFRICA
REALISED **53%**
**HANDLING
REDUCTION**

PEOPLE

Enthusiastic and knowledgeable colleagues are at the core of our business strategy wherever they work along the retail supply chain. Present in 48 markets worldwide, SPAR has a diverse network of colleagues at varying career stages. Investing in our people through training and development and offering compelling career opportunities remain vital in growing and sustaining our business.

“ At SPAR, we value our people as a significant success factor of our business. In a highly competitive environment, it is our talented and dedicated people who make the difference.”

TALENT DEVELOPMENT

The future of our business hinges on our ability to attract, develop, and retain talented colleagues. Generational shifts, including the gradual exit of baby boomers from the work floor and local circumstances, such as the United Kingdom's exit from the European Union, highlight the importance of recruitment, retention, and leadership strategies tailored to local labour practices and preferences.

During 2021, SPAR India introduced a new Career Management Model, while SPAR Austria developed a new Leadership Competency Model. In the UK, SPAR Partner James Hall has reinvented its onboarding of new colleagues, focusing on career development opportunities. Both SPAR Netherlands and SPAR Northern Ireland Henderson Group focused on growing their career pipeline by mapping required competencies against the available workforce.

Apprenticeships, traineeships, and development opportunities play an important part in both established and emerging markets in attracting talent to our business. In 2021, over 40 participants attended the first-ever virtual SPAR Future Leaders Programme. SPAR country organisations in Austria, Switzerland, and Scotland, to name just a few, have introduced or extended their apprenticeship programmes to reach new talent.

At the store level, our talented and entrepreneurial independent retailers continue to augment the SPAR network, bringing new expertise and capabilities while benefitting from SPAR's global best practices and advantages of scale.



410,000
COLLEAGUES
WORLDWIDE

2,800,000 HOURS
OF TRAINING
ACROSS
SPAR GLOBALLY



SPAR AS AN EMPLOYER OF CHOICE

Our people act as the face of our brand. They play a significant role in positioning SPAR as an employer of choice, so creating a great working environment for SPAR colleagues is an essential part of our brand strategy.

2021 was yet another year in which our local heroes made a difference to our customers during challenging times. Our SPAR colleagues' vital role in their respective communities has not gone unnoticed. Across the SPAR network, multiple SPAR colleagues were publicly recognised for their community service. These include Linda Carrington in the UK, who received the British Empire Medal, and Malene Hansen in Denmark, who won the prestigious FMI Store Manager Award 2021.

SPAR seeks to create a diverse and inclusive workplace with equal development opportunities for all colleagues. In the United Kingdom, SPAR regional partner Henderson Group was awarded Gold accreditation against the Investors in People Standard, while both SPAR Netherlands and SPAR South Africa were accredited as Top Employers in their countries.

To support SPAR in its purpose of being an employer of choice, SPAR International has renewed its web career page, highlighting successful local SPAR colleagues as well as our many training and career opportunities. The importance of colleague health and wellbeing is well understood by SPAR country organisations, who address this topic through wellbeing initiatives such as regular newsletters, nutrition advice, and medical support.

HYBRID WORKPLACE

The modern retail landscape is evolving at an unprecedented rate, with technology and cultural shifts radically changing the way our employees see us and interact with us as a business. This also includes the actual working place.

The hybrid workplace opens opportunities in the way we recruit and interact with our employees as, for example, new employees do not necessarily have to live nearby, which allows an expansion of the recruitment radius.

Our people are the ambassador of the SPAR Brand wherever they work along the supply chain. Since many of our colleagues interact with our customers, developing both retail skills and behavioural competencies is key in driving our business.

Training methods have changed dramatically over the last few years, with a growing role for online development opportunities. However, as a dynamic industry, the retail business is best suited to a hybrid training approach, combining in-person and online training.

Development of training portfolios has continued. SPAR Switzerland opened a new on-site Training Academy, while in Russia, SPAR Middle Volga launched a new digital training interface, allowing for online training but also digital HR functions. SPAR Saudi Arabia introduced a certified Graduate Induction Programme, which will be further developed in 2022. SPAR Italy partnered with Retail Institute Italy to provide top-notch training to both SPAR stores and office-based colleagues.

SPAR International launched its renewed people page as a resource tool for HR managers. The renewed SPAR Academy was launched, featuring over 50 hours of training, including on-demand courses, webinars, podcasts, and support material for classroom training. Both sites can be found on the intranet platform available for SPAR country organisations.

WORK-LIFE BALANCE OF INTERSPAR AUSTRIA

A good balance between work and family life is decisive in employee satisfaction. This knowledge drives SPAR country organisations to continue implementing adequate measures to ensure a balanced and supportive working environment.

The Austrian Ministry of Labour, Family and Youth has awarded 77 INTERSPAR Hypermarkets, including Maximarkt locations, with the quality mark 'berufundfamilie' ('work and family'). The INTERSPAR Central Office was awarded the quality mark in 2014. The quality mark recognises organisations that strive to ensure a family-friendly working environment. To improve work and family life compatibility, INTERSPAR Austria's implemented measures include flexible working time models, maternity leave management, manager training to support family-conscious procedures, and numerous preventive health measures.



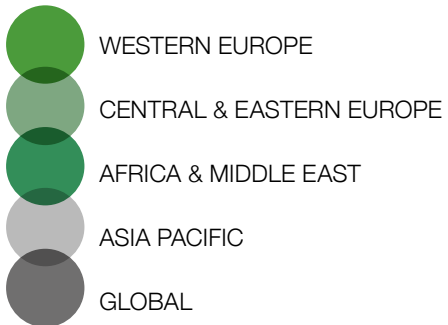
© SPAR / PG Studios

2021 WORLDWIDE

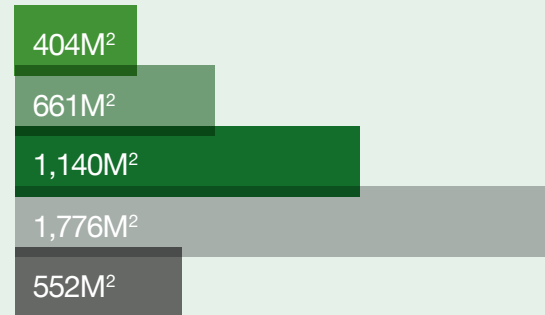
“ 2021 saw sustained growth as a result of the dedication and focus of our highly committed SPAR colleagues across all parts of our global SPAR network”

Tobias Wasmuht, Managing Director,
SPAR International

KEY / REGIONS



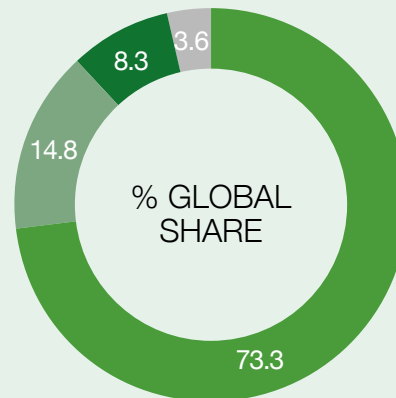
GLOBAL AVERAGE STORE SIZE M² ACROSS ALL 4 FORMATS PER REGION



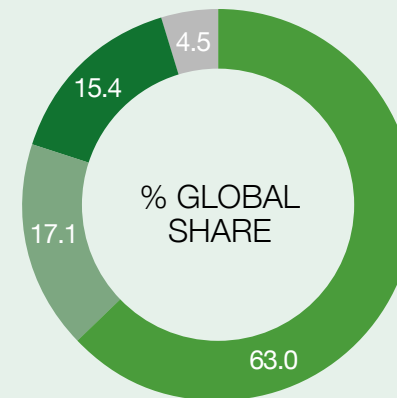
GLOBAL AVERAGE RETURN PER M² ACROSS ALL 4 FORMATS PER REGION



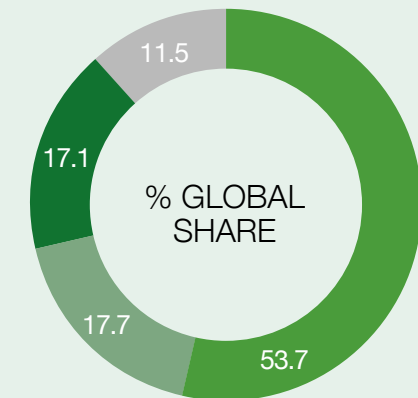
GLOBAL STORES PER REGION



GLOBAL SALES PER REGION

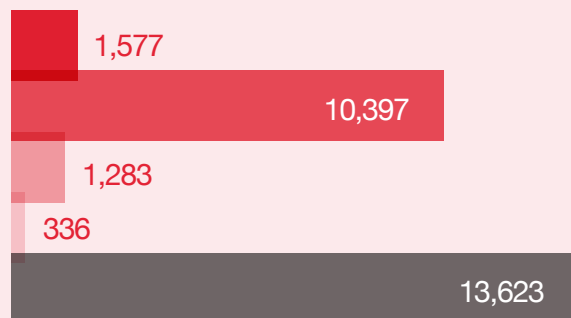


GLOBAL SQM SALES AREA PER REGION



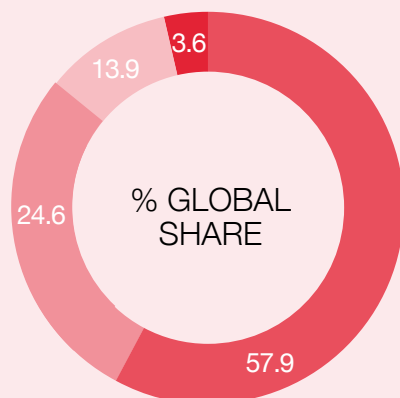
GLOBAL STORE NUMBERS

PER FORMAT



GLOBAL SALES

PER FORMAT



SALES SHARE %

ACROSS ALL 4 FORMATS PER REGION



77% WESTERN EUROPE
14% CENTRAL & EASTERN EUROPE
5% ASIA PACIFIC
4% AFRICA & MIDDLE EAST



72% WESTERN EUROPE
16% CENTRAL & EASTERN EUROPE
11% AFRICA & MIDDLE EAST
1% ASIA PACIFIC



46% WESTERN EUROPE
35% AFRICA & MIDDLE EAST
14% CENTRAL & EASTERN EUROPE
5% ASIA PACIFIC



58% WESTERN EUROPE
28% CENTRAL & EASTERN EUROPE
12% ASIA PACIFIC
2% AFRICA & MIDDLE EAST

KEY / FORMATS

SPAR EXPRESS < 200M²
 A DISTINCT RETAIL FORMAT RESPONDING TO THE CONVENIENCE NEEDS OF TODAY'S CONSUMER LIFESTYLES.

SPAR 200 – 1000M²
 THE LOCAL SUPERMARKET OR NEIGHBOURHOOD STORE.

EUROSPAR / SUPERSPAR / SPAR SUPERMARKET 1000 – 2500M²
 THE LARGE SUPERMARKET AIMED AT FULFILLING THE NEEDS OF WEEKLY FAMILY SHOPPING.

INTERSPAR / SPAR HYPERMARKET >2500M²
 HYPERMARKET FORMAT WITH UP TO 50% OF THE SALES SURFACE IN NON-FOOD.

GLOBAL

WESTERN EUROPE

9,992 STORES GENERATED TOTAL SALES OF **€25.9 BILLION**. THE AVERAGE SALES PER SQUARE METRE WAS **€6,421** AND THE TOTAL SALES AREA IS **4,038,189M²**



© INTERSPAR / Brunnbauer



SPAR AUSTRIA

SPAR Austria in 2021 became the market leader in the Austrian grocery trade for the second year in a row by gaining 1.4% market share, increasing its total share to 36%. Retail sales grew to €8.56 billion.

In 2021, SPAR Austria operated a total of 1,519 SPAR, EUROSPAR, and INTERSPAR stores, with a total sales area of 1,23 million square metres. Independent SPAR retailers run 692 of these stores. SPAR Austria now employs around 50,000 people, including 2,527 trainees.

Two remarkable INTERSPAR Hypermarkets were added to the store portfolio, increasing the total number of INTERSPAR stores to 69. The former EUROSPAR in Perg was converted to a modern INTERSPAR Hypermarket, and in June 2021 SPAR Austria transformed a historic bank building in Vienna into a stunning INTERSPAR store.

SPAR Austria continues to expand its own brand lines with a focus on healthy and organic products in cooperation with the organic

association Demeter. Sales of the organic SPAR Natur*pur range grew by 12%. The popular range now includes 1,250 products. In 2021, SPAR continued its successful sugar reduction campaign by launching a no-added-sugar, organic food range of 200 SPAR Natur*pur products, developed to meet children's nutritional needs. As plant-based products are becoming increasingly popular, SPAR Austria extended its range to almost 5,000 vegan and vegetarian products.

Greenpeace recognised INTERSPAR Austria as 'Supermarket of the Year 2021' based on the company's extensive eco-friendly grocery range.

In October 2021, SPAR Austria expanded its food waste reduction partnership with social impact company Too Good To Go to all 700 SPAR and EUROSPAR stores in Austria and seven INTERSPAR Hypermarkets in Vienna and surrounding areas.

RETAIL TURNOVER €8.6 BILLION

SPAR BELGIUM

SPAR in Belgium is operated through two businesses: Retail Partners, which is part of the Colruyt Group, and the family-owned retailer Lambrechts. In 2021, 317 SPAR stores with a combined sales area of 156,195m² generated a turnover of €1.24 billion.

Both companies are trialling e-commerce solutions, with Lambrechts offering independent retailers an online grocery platform since October 2021. Retail Partners Colruyt Group launched a similar trial in January 2022.

Investment into modernisation by independent retailers and in the corporate-owned stores continued, integrating sustainable solutions and improving operational efficiency. Retailers' focus on enhancing the instore fresh offering is generating positive results.

An extensive offering of private label products is a differentiator in a highly competitive market. Lambrechts introduced two internationally sourced own brand ranges - SPAR N°1 Value and SPAR Eco.



RETAIL SALES AREA **156,195M²**



SPAR DENMARK

SPAR Denmark continued implementing its extensive €60 million expansion and modernisation plan focused on opening new stores in larger cities nationwide.

A flagship store opened in March 2021 in the centre of Copenhagen, and another state-of-the-art store was added to the store network in July, increasing the number of SPAR stores in the Copenhagen area to six.

SPAR Denmark ended the year 2021 with 135 stores, achieving total retail sales amounting to €607.8 million, an increase of 13.83% compared to the previous year.

SPAR Denmark initiated a nationwide collaboration with social impact company Too Good To Go, which is projected to cut food waste by up to 144 tonnes per year. The roll-out of this partnership is part of a global agreement between SPAR International and Too Good To Go.

SALES INCREASE **13.8%**



SPAR FRANCE

SPAR France sub-licensed more independent retailers in 2021 to operate under the SPAR Brand. The SPAR country organisation added 21 stores, including more locations in Paris, bringing the total to 898 at the end of the year. The retail turnover generated by all stores for the year was €1.12 billion, from a total retail sales area of 244.587m².

A 2021 milestone was the opening of SPAR France's first EUROSPAR Supermarket, located in Corsica. Learnings were taken from other SPAR countries successfully operating this larger retail format to bring the best shopping experience to local customers.

SPAR France's e-commerce platform supported independent retailers during COVID-19 lockdown periods. The strength of local tourism partly compensated for the reduction in foreign tourism due to travel restrictions.

TOTAL STORES **898**



SPAR GERMANY

SPAR Germany operates 336 stores with a retail sales area of 23.520m². In 2021, the combined retail turnover was €81.9 million. The loss of a petrol forecourt retailing contract in the previous year has significantly impacted retail turnover.

The SPAR Express format is in decline in Germany as a result of the COVID-19 impact on transit locations, reduced demand for the format from retail partners, increased competition with other brands launching 'express' solutions, and existing retail partners developing and trialling their own convenience formats.

The retailer is considering the strategic reintroduction of the SPAR Supermarket format into city centres and neighbourhood locations to complement the SPAR Express convenience format.

RETAIL SALES **€81.9 MILLION**

WESTERN EUROPE

SPAR GREECE

SPAR operates two retail formats in Greece: SPAR Express convenience and SPAR neighbourhood supermarket stores. A combined 32 company-owned and independently run stores achieved a retail turnover of €42.3 million, reflecting the continuing reduction in tourism due to the pandemic.



SPAR Greece's strong local sourcing programme has proven popular with customers keen to support local producers. The recovering tourism sector is expected to boost SPAR Greece's retail turnover going forward.

RETAIL SALES €42.3 MILLION

SPAR IRELAND

SPAR Ireland recorded retail sales of €1.52 billion. The achievement marks growth of 3.5% compared to the previous year, making 2021 the eighth year of consecutive growth. SPAR Ireland's network of stores provides an invaluable service to the local communities they serve. The store portfolio comprises 456 stores, including 51 EUROSPAR stores. Of the total store network, 96% is run by independent retailers.

SPAR Ireland has continued to work closely with its retailers to optimise their product mix and focus areas. They remain strongly positioned to offer diverse, high-quality and competitive grocery ranges. A food waste reduction partnership with Too Good To Go was introduced.



EUROSPAR retailers again showed their commitment to community initiatives, providing essential goods and services to those most vulnerable in Irish society at key times throughout the year.

RETAIL SALES €1.5 BILLION



SPAR ITALY

Retail excellence was an overarching aspect of SPAR operations throughout Italy, resulting in retail sales of €4 billion, accounting for a year-on-year growth of 2%. SPAR Italy, locally known as DESPAR, operates a portfolio of 1,374 stores with a combined retail sales area of 806,102m².

SPAR Italy regional organisations continued growing the brand's retail footprint by investing in new SPAR store development and renovation of the existing store portfolio, as part of their medium-term business plans. SPAR regional partner Aspiag Service opened a new logistic hub in Emilia Romagna, supporting retail footprint expansion in this central region that is also a major food production area.

SPAR Italy was recognised by Retail Institute as Supermarket Retailer of the Year for 2021-2022, confirming the confidence and preference shown by SPAR customers the previous year.

An important partnership with Retail Institute Italy was established to deliver industry leading training to SPAR colleagues throughout the country. SPAR Italy rolled out its DESPAR Academy, including a store manager programme, resulting from shared best practice and knowledge among all members of the consortium.

The DESPAR Italia consortium operate online shopping facilities, reflecting their continued focus on e-commerce. SPAR Italy regional partner Maiora worked with q-commerce player Glovo to deliver groceries within an hour of ordering to its customers.

SPAR Italy actively supports environmental causes and local communities via an array of initiatives such as environmental clean-ups, fundraising events, sport event sponsorships, and other community projects.

RETAIL SALES €4 BILLION

SPAR CYPRUS

In mutual agreement, the licence to operate the SPAR Brand in Cyprus was terminated during 2021. SPAR International is actively seeking a new partner to build the brand presence in this market, combining company-owned stores with sub-licences to independent retailers.

SPAR MALTA



SPAR Malta operates five company-owned stores with a total trading area of 3,900m². The fifth store was opened in 2021 in the yacht marina town of Ta' Xbiex. All stores offer internationally sourced SPAR Own Brand products. SPAR Malta achieved retail sales of €23 million in 2021, accounting for a year-on-year sales growth of 56.8%.

SPAR Malta's e-commerce platform, which is operated solely out of their INTERSPAR store, recorded an increase of 91% over the previous year. SPAR Malta is set to expand its store portfolio during 2022 to better serve local communities.

SALES INCREASE 56.8%

SPAR NETHERLANDS

SPAR Netherlands outperformed the Dutch retail market, achieving retail sales of €829 million from 453 stores. With solid growth in SPAR Express and inner-city stores, SPAR Netherlands continued implementing a variety of improved retail solutions tailored to local customers and commuters.

After taking a majority stake in The Tosti Club in 2020, SPAR Netherlands has continued the rollout of this premium grilled sandwich shop-in-shop concept. By merging its foodservice and food retail activities, the organisation creates customer value as a convenience store with a wide range of locally sourced foods, supporting local primary producers.



Innovation and sustainability remained strong drivers at SPAR Netherlands. The organisation focused on reducing food waste, creating sustainability hubs at university locations, and offering tap water in stores for shoppers to refill their water bottles.

RETAIL SALES €829 MILLION



SPAR NORWAY

SPAR Norway achieved €1.7 billion in retail sales from a total of 292 stores. The retail portfolio is comprised of 105 company-owned and 187 independently operated stores. All stores are firmly entrenched in their local communities, support local producers, and provide employment opportunities in grocery retail.

The SPAR country organisation continually adapts its operations to reduce CO₂ emissions and energy consumption. SPAR Norway's SPAR Snarøya store won the coveted NACS European Convenience Retail Sustainability Award. The jury commended the store, located in an Oslo suburb, as a true example of international best practices in innovative, eco-friendly retail solutions.

SPAR has also become the first in the Norwegian market to trial a novel instore refrigeration system that is designed to halve energy consumption compared to more conventional designs.

RETAIL SALES €1.7 BILLION



SPAR PORTUGAL

With 140 stores covering a retail trading area of 34,760m², SPAR Portugal achieved retail sales of €115 million, an increase of 2.3% year on year. The SPAR country organisation's portfolio comprises 63 company-owned stores and 77 independent sub-licensees.

SPAR Portugal is currently conducting a refreshed communications concept rollout programme. Where necessary, the organisation is refurbishing its company-owned stores to prepare for the return of tourist numbers. Investment has been made in upgrading wine departments, sourcing healthy products, and additional convenience Grab & Go lines.

The e-commerce platform introduced in 2020 continued to grow in turnover and build loyalty with customers. The role of SPAR retailers in their communities was again highlighted through the use of the #SparCadaVez+PertoDeSi hashtag (SPAR every time nearer to you).

SALES INCREASE 2.3%

WESTERN EUROPE



SPAR SPAIN

SPAR Spain's 13 regional partners achieved sales of €1.77 billion, marking a sales growth of 2.8% year-on-year. The store portfolio in Spain increased by 14 stores to 1,269, bringing the brand to new neighbourhoods and communities.

The integration of environmentally friendly materials in refurbished and new stores is part of the retailer's focus on sustainability.

An extensive assortment of SPAR Own Brand product ranges complement the full range of groceries available in stores. As part of its responsible retailing strategy, product reformulation has achieved extensive reductions in sugar and salt in own brand ranges.

SPAR Spain's regional partners are also reducing the environmental impact of their warehouses. SPAR Gran Canaria invested €426,000 into expanding the photovoltaic solar generation plant at its fruit and vegetable logistics centre in Mercialaspalmas.

RETAIL SALES €1.8 BILLION

SPAR SWITZERLAND

SPAR Switzerland achieved a growth rate of 10.7% to reach a total retail turnover of €613.3 million during 2021. The number of SPAR stores in Switzerland grew to 251, reaching a total sales area of 73.575m².

In 2021, SPAR Switzerland continued to expand its position in the country's forecourt business by adding 66 SPAR Express stores. The opening of the new stores followed the acquisition of 60 AVIA forecourt stores from Store Service AG as of 1 January 2021.



In June, SPAR Switzerland opened its first EUROSPAR flagship supermarket, marking the start of a new phase for the SPAR country organisation. SPAR Switzerland further expanded its fleet with an eco-friendly hydrogen-electric truck, facilitating long-distance, emission-free food deliveries.

SALES INCREASE 10.7%



SPAR UNITED KINGDOM

SPAR UK reached retail sales of €3.69 billion from a store portfolio of 2,512 stores nationwide. The retail floor space grew by 0.8% to 412,610m².

SPAR UK supported independent retailers in partnership with the five regional distribution companies who continued to invest in the brand, stores, ranges, technology, and infrastructure throughout 2021. A great supply chain was maintained throughout the pandemic as SPAR and all five partners worked collaboratively with suppliers to supply stores with exceptional availability. As a result, the symbol group stayed on top of sales growth.

In May 2021, SPAR announced that the group would invest £125 million into stores and improve its supply chain and technology capability to further support retailers. SPAR in the UK opened 200 new or refurbished stores during 2021 and plans to modernise another 200 stores in 2022. A flagship EUROSPAR development programme was introduced in Northern Ireland.

SPAR in the UK partnered with multiple charities to ensure communities had access to essential items, especially delivering to the vulnerable. SPAR UK continued to support its national charity partner, Marie Curie, by fundraising and distributing over one million pieces of PPE to Marie Curie Nurses. The group also raised £2 million for Marie Curie.

SPAR UK retailers continue to expand the international partnership with social impact company Too Good To Go across stores, thereby reducing food waste and costs.

RETAIL SALES €3.7 BILLION



CENTRAL & EASTERN EUROPE

€7 BILLION TOTAL SALES GENERATED
FROM **2,019** STORES. THERE WAS AN INCREASE OF
8.2% IN RETAIL SALES AREA TO **1,334,306M²**



SPAR HUNGARY

SPAR Hungary celebrated its 30th anniversary in 2021 and saw a solid year-on-year growth of 7.2%, using average annual exchange rates, reporting a retail turnover of €2.43 billion.

SPAR ended the year with a portfolio of 614 stores, comprising 380 company-owned stores and 234 independently-owned stores. In line with its expansion programme, six new company-owned stores were opened and 18 stores modernised.

A highlight of 2021 was the opening of the 35th INTERSPAR Hypermarket in Hungary, following an investment of over €29.5 million. Independent retailers added 30 new stores to the local SPAR store network.

Thanks to the substantial expansion of SPAR Hungary's online platform, e-grocery options are available in Budapest and over 50 surrounding municipalities. SPAR Hungary added nearly 300 own brand products to its portfolio during 2021, bringing the own brand range to about 4,300 high-quality products.

RETAIL SALES **€2.4 BILLION**

SPAR SLOVENIA

SPAR Slovenia ended 2021 with 132 stores with a total sales area of 176,224m². The combined retail turnover for the year was €965.6 million. The store portfolio consists of 98 company-owned SPAR Supermarkets and 13 INTERSPAR Hypermarkets, as well as 21 SPAR stores operated by independent SPAR retailers. In addition to opening new stores, SPAR Slovenia's e-commerce platform moved into the area of q-commerce.



SPAR Slovenia ranked first in the 'Shoppertrends' survey conducted by AC Nielsen in price-quality ratio and freshness, quality, and range. The retailer also ranked among the most trusted brands based upon a survey commissioned by *Reader's Digest*, coming first in the food retailer category.

SPAR Slovenia received three prestigious Effie awards for its sixth season of 'Start it up, Slovenia', offering local entrepreneurs a chance to win an exclusive long-term contract with SPAR to sell their products instore. This initiative has so far won 12 national and international industry awards.

RETAIL SALES **€965.6 MILLION**

SPAR CROATIA

SPAR Croatia grew its retail sales by 8.1% in 2021 to a total of €792.6 million. SPAR ranks third in the Croatian market in terms of turnover.

SPAR Croatia ended the year with 125 stores. The portfolio comprises 23 INTERSPAR Hypermarkets and 102 SPAR Supermarkets, with a total sales area of 172,275m².

SPAR Croatia is a strong supporter of locally sourced products and cooperates with over 40 small-scale agricultural producers, selling products under 'The Garden of Croatia' brand. SPAR also runs a 'Yes, It's Local' campaign to promote local goods.

Support for local entrepreneurs includes the 'Start it Up Croatia' campaign, with winning firms receiving an exclusive two-year contract to sell their products instore. The project was awarded the Grand Prix in the corporate social responsibility category by the Croatian Public Relations Association (HUOJ).

SALES INCREASE **8.1%**





SPAR UKRAINE

SPAR Ukraine continued to expand throughout 2021, opening company-owned stores and granting sub-licences to independent retailers while also collaborating with the Ovis network on petrol forecourt sites. SPAR Ukraine's portfolio comprises 76 stores operating across 16,218m², generating a total turnover of €58.7 million, which represents 49% growth year-on-year.

SPAR Ukraine's strong focus on fresh boosted its growth. Extensive foodservice solutions, instore cafés, and food-to-go options complement the instore grocery and fresh assortments.

The invasion by Russian forces of the territory of Ukraine in February 2022 led to restrictions in opening hours due to safety precautions, particularly in the occupied territories. Challenges in procuring locally produced goods and fresh produce hampered many stores' operations. SPAR internationally continued to support retailers and communities in Ukraine by donating funds and goods.

SALES INCREASE 49%

SPAR POLAND

SPAR in Poland operates a multi-format retail strategy comprising SPAR Express convenience, SPAR and EUROSPAR Supermarkets. In December 2021, the first SPAR Express store on an AVIA petrol forecourt site was opened, with more opened in January 2022.



At the end of the year, 204 independent retailer operated stores and 21 company-owned stores were operational, including converted former Piotr i Paweł chain stores. Year-on-year retail turnover grew by 20% using average annual exchange rates to €385.3 million.

To support the company's expansion strategy, SPAR Poland has secured a third distribution centre in the town of Czeladź. SPAR Own Brand is a core driver of retailer and customer loyalty. The organisation in 2021 increased the availability of own brand ranges, adding the SPAR N°1 Value range to its assortment. SPAR Poland is operated under the licence of SPAR Group Ltd based in South Africa.

SALES INCREASE 20%



SPAR ALBANIA

SPAR Albania celebrated the brand's 5th anniversary in 2021. With 66 stores operating throughout the country, SPAR Albania on average welcomes 35,000 customers per day. This is an increase of almost 40% compared to last year, an indicator of SPAR's growing popularity with shoppers. In 2021, the organisation increased its retail turnover by 19.6% over the previous year to €74.6 million.

SPAR Albania strives to bring the latest innovations to improve customer service. The retailer has an online shopping platform and scan-&-go service. The organisation's loyalty programme creates personalised offers for every customer.

SPAR Albania supports several community projects and charities. In 2021, the organisation collaborated with a local clinic to support the global Pink October breast cancer awareness campaign and donated a yearlong supply of nappies to an orphanage in Dürres.

SALES INCREASE 19.6%

SPAR GEORGIA

SPAR Georgia achieved exponential growth in 2021 with continued new store openings and growing independent retailer numbers. At the end of 2021, 321 stores traded under the SPAR banner, with a retail space totalling 40,684m². SPAR Georgia achieved retail sales of €152.2 million, an increase of 37.5% compared to the previous year. SPAR is now the market leader in Georgia in terms of store numbers.

SPAR Georgia's Distribution Centre renovation is to be finalised in the first half of 2022. The SPAR country organisation is looking to further grow its capabilities and turnover share of SPAR Own Brand and fresh produce. The organisation is experimenting with dark stores in Tbilisi and plans to open an 'unmanned' pilot store in 2022.

SPAR Georgia continues to promote local suppliers, small businesses, and startups. In addition to a strong local sourcing programme, a meeting was held with small and medium-sized business representatives to discuss establishing communication with large business entities. This was part of a US Agency for International Development programme.

SALES INCREASE 37.5%



CENTRAL & EASTERN EUROPE

SPAR RUSSIA

SPAR in Russia has seven independent regional licensed partners, which reached a combined turnover in 2021 of €2.13 billion, calculated at annual average exchange rates. This reflects an increase of 23.5% year-on-year.



The independent businesses together operate 439 stores across the country, with a combined sales area of 338,130m². Of these 439 stores, 92 stores are owned and operated by independent retailers under sub-licence while 347 are company-owned stores.

The SPAR Brand was launched in Novosibirsk, the third most populous city of Russia, following a successful market entry of the retailer in Tomsk to this region, where the company has opened 19 new stores. This has led to SPAR in Russia securing a presence in the country's five most populated cities: Moscow, St. Petersburg, Novosibirsk, Nizhny Novgorod, and Ekaterinburg.

E-commerce has been introduced by all Russian partners, with an average share of online sales of 1.9% of total turnover.

SALES INCREASE 23.5%

SPAR AZERBAIJAN

SPAR Azerbaijan in 2021 continued to serve local customers from 11 SPAR stores with a total sales area of 5,168m². The SPAR country organisation achieved retail sales of €26.1 million.

The SPAR retailer has commenced a full assessment of its retail network. This review included core ranges, changing instore layouts where needed, and introducing a bakery concept in all stores, as well as the exclusive SPAR branded CENSA Coffee concept in the majority of stores.



A revised marketing campaign was launched, named the 'Always Low Price' project, which is proving to be successful in drawing customers back to the stores after the pandemic.

RETAIL TURNOVER €26.1 MILLION



SPAR BELARUS

SPAR Belarus closed the year with six stores operating under two formats: SPAR neighbourhood stores and EUROSPAR Supermarkets. In a challenging trading and economic environment, SPAR Belarus' retail sales area of 3,517m² generated total sales for the year of €22.9 million.

During the second half of 2021, SPAR Belarus modernised three stores in Minsk, improving the shopper journey and adapting the layout to customer shopping missions. In addition, a review of the product range was undertaken, with a focus on enhancing the SPAR Own Brand contribution to retail turnover. In addition to local and regionally sourced products, a range of internationally procured SPAR Own Brands is available.

With the rise in the cost of living, SPAR Belarus, which is part of Unifood, introduced a range of entry price products branded Zakrama.

RETAIL TURNOVER €22.9 MILLION

SPAR KOSOVO

SPAR Kosovo operates four SPAR Supermarkets with a combined retail sales area of 2,793m². In the first full year of trading as a division of Meridien Group, which acquired SPAR Kosovo in 2020, these stores generated a retail turnover of €5.5 million in 2021.

In addition to consolidating the operations of the two organisations, the retailer's focus in 2021 was on improving the supply chain and store operating processes. Retail performance improved by 50% as a result of these measures.

With an ambition to grow brand presence, a flagship store in Pristina was launched on March 1, 2022. The 1,200m² retail sales area provides a best-in-class shopping experience and assortment, also offering over 2,000 private label SKUs. This extensive range generated 23% of turnover during the first week of opening.

RETAIL SALES €5.5 MILLION





AFRICA & THE MIDDLE EAST

€6.3 BILLION TOTAL SALES GENERATED FROM
1,124 STORES WITH A COMBINED RETAIL SALES AREA
OF **1,281,722M²**



SPAR SOUTH AFRICA

In a year marked by the continuing pandemic and civil unrest during July, SPAR South Africa's retail turnover for 2021 was €5.3 billion, which is a 1.4% growth year-on-year using average constant currency values. Investment in modernisation saw 219 stores being upgraded during the year, representing 22% of the full retail estate of 898 stores.

Looting and vandalism over several days in July severely impacted 91 SPAR stores and 62 TOPS at SPAR liquor stores. SPAR South Africa announced a short-term bridging finance scheme to support retailers affected by the unrest.

SPAR private label products accounted for 16.8% of core turnover in the year ending 30 September 2021. The minimal change over 2020 reflects the closure of five key manufacturers due to civil unrest.

SPAR South Africa's sustainability tagline 'My SPAR, Our Tomorrow' highlights a strategic focus across six pillars. Not only is the company a founding member of the South African Plastics Pact, it also increasingly obtains energy from renewable sources. SPAR South Africa's environmental goals include having 100% of plastic packaging which is reusable, recyclable, or compostable by 2025. The SPAR Rural Hub programme, which supports small-scale rural farmers, reflects the company's focus on diversifying the supply chain.

SPAR Group Ltd South Africa earned the Top Employers South Africa 2022 certification for the ninth consecutive year. The retention of the valued accolade bears testimony to SPAR South Africa's focus on people practices and processes.

TOTAL SALES €5.3 BILLION

SPAR BOTSWANA

During the second year of the pandemic, SPAR Botswana experienced continued restrictions through lockdowns and the closure of its liquor stores, as well as rising staff absenteeism due to illness. There was also an increase in inflation over the previous year.



35 SPAR and SUPERSPAR Supermarkets are operational in Botswana, totalling 36,499m² and generating a sales turnover of €220 million in 2021. The increase in retail sales of 5.36% based on average annual exchange rates was driven mainly by the Gaborone region. The travel restrictions reduced shoppers from neighbouring Zimbabwe and impacted tourism numbers in the cities of Francistown, Kasane, and Maun.

SPAR Botswana is operated by independent retailers under sub-licence from SPAR Group Ltd Southern Africa and receives groceries and liquor from the SPAR Distribution Centre in Gauteng, South Africa.

SALES INCREASE 5.36%

SPAR NAMIBIA

SPAR Namibia's store portfolio comprises 33 stores, which achieved retail sales of €158.6 million during 2021. Despite the disruptive trading environment caused by the COVID-19 pandemic, retailers have shown great ability to adapt and continue to serve communities.

All SPAR Namibia stores offer an extensive range of fresh produce and dry goods and instore bakeries and butcheries. Foodservice facilities complement these departments. SPAR Namibia focuses on providing high-quality goods, coupled with a broad range of services that add to a pleasant shopping experience.



A strong emphasis continues to be placed on both local skills development and corporate social responsibility with involvement in both local and national initiatives. These programmes support positive self-sustainability through social change and gender equality.

RETAIL SALES €158.6 MILLION



SPAR MOZAMBIQUE

SPAR is operated in Mozambique by independent retailers sub-licensed through SPAR Group Ltd Southern Africa. Fresh produce is sourced locally, giving small-scale producers access to the formal market.

As SPAR stores in the country receive their groceries through the SPAR Lowveld Distribution Centre in South Africa, the looting in that country in July 2021 led to shortages and a reduction in the local currency value of almost 20%.

Despite the challenging environment due to the lack of tourism, pandemic-related trading restrictions and absenteeism, plus the withdrawal of a natural gas project, the e-commerce platform offered by some stores, the versatility of the retailers, and the brand's renown contributed to SPAR retailers maintaining their turnover. One additional store was opened, bringing the number in the market to 13, achieving turnover for the year of €88.8 million.

RETAIL SALES €88.8 MILLION



SPAR NIGERIA

In 2021, SPAR Nigeria closed one store, ending the year with 13 SPAR Hypermarkets operating on 45,863m² of retail sales area across the country.

The retailer continued to consolidate its business operations and reduce operating costs while improving retail operating systems throughout the year. Sales for the year showed an increase of 25% over 2020, totalling €158 million. This is an excellent achievement considering the pandemic lockdowns and their political and economic impact.

SPAR Nigeria is part of the Artee Group, and its hypermarkets include a complete offering of fresh produce, groceries, services, and white goods. SPAR Nigeria operates an e-commerce platform with home delivery services. SPAR Nigeria is also focused on supporting local communities, creating employment opportunities and generating income for small-scale producers and entrepreneurs.

SALES INCREASE 25%

AFRICA & THE MIDDLE EAST

SPAR CAMEROON

SPAR Cameroon operates eight stores, with a portfolio comprising SPAR Express convenience stores, SPAR neighbourhood stores, and INTERSPAR Hypermarkets. The multi-format retail strategy has contributed to building the retailer's brand presence since expanding in 2019. Based on average annual exchange rates, the turnover generated for the year was €18.4 million.

The SPAR Express petrol forecourt stores offer food-to-go, a fresh bakery range, and top-up shopping items, all tailored to suit customers on the go. The remaining stores also offer a good section of fresh products and a wider variety of grocery choices. The range of SPAR Own Brand products sourced locally, regionally, and internationally attracts customers looking for quality and value.

RETAIL TURNOVER €18.4 MILLION

SPAR MALAWI

The SPAR licence to operate SPAR branded stores in Malawi was granted to the Peoples Trading Centre (PTC) in 2014. The retail turnover of €9.86 million from seven stores represents a decline in sales of 5.3% in constant average currency rates compared to the previous year.

Malawi's retail sector experienced significant challenges in 2021 due to continued pandemic restrictions, loss of tourism, and economic challenges.

RETAIL SALES €9.9 MILLION

SPAR GHANA

In its first full year of operation under the SPAR banner, SPAR Ghana converted 14 stores with a retail sales area of 5,012m². The sales for the year were €25.6 million across all stores. SPAR Ghana has differentiated itself through the substantial internationally sourced range of SPAR Own Brand products.



The neighbourhood supermarkets offer a full range of groceries and fresh produce. Sourcing through local producers and entrepreneurs, SPAR Ghana has a strategic focus on employment creation and supporting local communities. The retailer partners with Food for All Africa, providing groceries for families in need.

Early in 2021, SPAR Ghana partnered with Glovo as a third-party delivery service for customers ordering via its e-commerce platform. An increase in the use of online shopping was seen, particularly during lockdown periods of the pandemic.

RETAIL SALES €25.6 MILLION

SPAR SEYCHELLES

SPAR is operated in Seychelles by an independent retailer, under licence from SPAR Group Ltd Southern Africa. The 992m² supermarket is located on Eden Island, a marina development situated near the capital, Mahe.

With an economy heavily reliant on tourism, the pandemic has negatively impacted the country. SPAR Seychelles' total turnover for the year was €6.18 million, impacted by the low tourism level in the first half of the year.



RETAIL SALES €6.2 MILLION

SPAR ZAMBIA

SPAR Zambia reported retail sales of €2.4 million from four SPAR Supermarkets with a combined total sales area of 5,429m² located in major hubs across the country.

Since 2020, the independent retailers have operated collaboratively under licence from SPAR International. The economic and political climate remains challenging. SPAR International continues to work closely with the retailers, monitoring operational efficiency and providing access to online training and digital marketing tools.

RETAIL SALES €2.4 MILLION



SPAR ZIMBABWE

SPAR Zimbabwe operates 39 stores, with a combined retail sales area of 28,145m². The SPAR country organisation achieved retail sales of €110 million in 2021, representing year-on-year growth of 26% using constant currency averages.

The SPAR country organisation maintains a 'Fresh is Best' policy, with the highest quality specifications in all grocery departments. SPAR Zimbabwe in 2021 celebrated its ten-year participation in the national 'Buy Zimbabwe' campaign with instore promotions of local goods. The organisation's local sourcing approach has been especially relevant during the COVID-19 pandemic, when cross-border transportation was severely limited.

SPAR Zimbabwe has again committed to offering sustainable options to customers, including alternatives to single-use plastic bags and other initiatives to cut plastic usage. The organisation has also supported various community projects, including local sporting tournaments.

SALES INCREASE 26%

SPAR UAE

SPAR UAE operates 21 stores with a total sales area of 29,421m². The majority of these stores are located in the two key cities of Abu Dhabi and Dubai. In 2021, the SPAR country organisation opened a SPAR Express convenience store in Abu Dhabi near the Investment Authority Centre. This store embraces sustainability with environmentally friendly refrigeration and LED lighting systems. Instore, biodegradable plastic bags are used.

SPAR UAE also offers an e-commerce solution, facilitating home delivery for consumers. The combined sales from all stores for the year was €116.6 million.

A continued focus on ranging, retail store layouts, and shopper communication forms part of the retailer's business strategy. The regional market remains under pressure, impacted by ongoing pandemic restrictions, a drop in tourism, and currency fluctuations.

RETAIL SALES €116.6 MILLION



SPAR SAUDI ARABIA

SPAR Saudi Arabia launched two new stores in 2021, bringing the total number to 11. The combined retail turnover for the year came in at €53 million.

The launch of a new SPAR Express in Riyadh's Digital City led to the introduction of the SPAR CENSA Coffee Café concept into the market, offering barista coffee throughout the day.

The e-commerce solution rolled out in 2020 has seen a drop in turnover as customers once again return to the physical stores. A loyalty programme was introduced in the fourth quarter of 2021, designed to generate greater levels of customer loyalty.

SPAR Saudi Arabia has invested in a new distribution centre for fresh, further building the retailer's credentials in this area.

RETAIL SALES €53 MILLION



SPAR OMAN

SPAR Oman achieved a total turnover of €31.5 million in 2021 from 23 stores with a combined retail sales area of 12,531m². In December, two new stores opened, one in the country's capital city Muscat and one in Duqm, an industrial town in Southern Oman.

SPAR Oman in 2021 added 78 Sri Lankan SKUs to the assortment of 24 of its neighbourhood stores in Muscat. Since COVID-19 regulations curtailed travel opportunities, SPAR customers in Oman, comprising local and international residents, welcomed the expanded international range.

In 2021, SPAR signed an agreement to open a SPAR store in the Village Square shopping centre in Oman's prestigious Muscat Bay area. The store was launched on 18 January 2022.

RETAIL SALES €31.5 MILLION



SPAR QATAR

SPAR Qatar achieved retail sales of €47.7 million, marking year-on-year sales growth of 2.2%. SPAR Qatar operates four stores with a cumulative retail sales trading area of 6,396m².

The opening of a trendy SPAR store in Porto Arabia marked a significant milestone in the brand's expansion in Qatar. The modern 600m² SPAR Supermarket provides residents and visitors with a varied assortment, fully tailored to local preferences.

The SPAR country organisation has increased the range available to customers on its e-commerce platform to 10,000 SKUs.

RETAIL SALES €47.7 MILLION

ASIA PACIFIC

€1.8 BILLION TOTAL SALES GENERATED FROM **488** STORES OPERATING IN SIX MARKETS WITH A COMBINED SALES AREA OF **866,920M²**



SPAR CHINA

SPAR China's seven regional partner organisations in 2021 achieved retail sales of €1.38 billion, based on average annual exchange rates. This annual turnover was generated from 330 stores, with a combined sales area of 720,000m².

SPAR in China has scaled up its q-commerce option as part of its online shopping offer. At the end of 2021, 70% of all e-commerce orders were delivered to customers within one hour of ordering.

SPAR China's partner in Shandong, Jiajiayue, opened its first membership-based bulk supermarket. Located in Hongyang Plaza, Jinan City, the 7,000m² SPAR Jiajiayue Member Store brings members an exclusive shopping experience and more differentiated services. SPAR Shandong also expanded its direct sourcing agreements with many rural cooperatives to grow its farm-to-fork sourcing network and support the local economy and fresh producers.

SPAR Guangdong's JR Chilled Logistic Warehouse was put into commission, developed to fulfil the company's chilled warehousing needs. The facility was designated as an emergency supply warehouse by the local government, playing an essential role in securing supplies of chilled meat, emergency goods, and food for local citizens during times of need.

In China, SPAR regional partners continue to take an industry-leading approach to create premium hypermarkets in prime convenience locations. SPAR Shandong in 2021 opened a premium supermarket in the popular Rongchuang Mall featuring a sales area of over 4,000m² and 18,800 internationally and locally sourced products. The SPAR China partner also opened a comprehensive high-end supermarket in Wuyue Plaza in Jining, Shandong province.

RETAIL TURNOVER €1.4 BILLION



SPAR AUSTRALIA

SPAR Australia achieved retail sales totalling €221 million in 2021. Most of the 119 SPAR stores are neighbourhood stores in convenient locations, which were able to supply customers throughout the pandemic.

SPAR was rated the best convenience store in Australia by comparison website Canstar Blue. SPAR ranked number one across all categories, including value for money, customer service, variety of products available, store layout, and overall satisfaction.

SPAR Australia in 2021 broke ground on the build of a new purpose-built 13,400m² Distribution Centre, set to be completed in 2022.

SPAR CENSA Coffee was introduced as a retail pack and for trial as instore coffee to test consumer reaction. The value statement of PAYLESS Everyday has increased contribution to 43% of Distribution Centre volume and approximately 2,700 SKUs. To improve speed of communication directly to customers, a larger database of information currently held by individual stores was introduced.

AVERAGE SALES PER M² **€6,202**

SPAR INDIA

SPAR India operates 24 SPAR Hypermarkets with a total retail trading area of 101,224m² across the country. Many of these stores are located in shopping malls, which closed as part of COVID-19 lockdown measures. These restrictions boosted demand for SPAR India's highly developed e-commerce platform, which facilitated the delivery of groceries.



SPAR Hypermarkets in India were all trading normally by year-end, with customers switching some sales to instore rather than online. The ongoing employee training programme on product knowledge supports the retailer's focus on promoting healthier product choices and local producers.

SPAR India achieved a retail turnover of €188.8 million at the end of the year, marking a year-on-year sales growth of 143%.

SALES INCREASE **143%**

SPAR IRAN



Following the brand launch in 2020, SPAR Iran added an additional store, bringing the total to four with a combined retail sales area of 894m². To support their expansion plans, a Distribution Centre, located on the same site as their central kitchen, has been developed. A modern management system is being implemented in the Distribution Centre. The central kitchen will support SPAR Iran's food-to-go and home-meal-replacement offerings in stores.

A retail turnover of €858 million was achieved. Building on the learnings from their corporate stores, the retailer will move into sub-licensing in 2022, enabling expansion of the brand. A strong local sourcing programme is in place, bringing customers the best quality produce and products in a modern retail environment.

RETAIL SALES **€858 MILLION**

SPAR PAKISTAN

SPAR Pakistan closed the year with three stores featuring a 2,720m² retail sales area. Total retail sales for 2021 were €8.18 million, marking a reduction of 17% year-on-year.

The three stores have adopted the internationally developed SPAR Bakery concept, making the fresh offer a key differentiator for the retailer. 75% of the total retail offer is sourced domestically, supporting local entrepreneurs and suppliers. The remaining assortment on offer is procured through the global SPAR network.



In September 2021, SPAR Pakistan launched an e-commerce solution, which offers both a mobile app and a desktop option. Deliveries are made via third-party platforms, and during the first quarter of operation, sales were encouraging.

RETAIL SALES €8.2 MILLION

SPAR SRI LANKA



SPAR Sri Lanka opened two new supermarkets and modernised two existing stores in 2021. The eight SPAR Supermarkets, covering a retail trading area of 6,478m², generated retail sales of €30.54 million, an impressive increase of 80% year-on-year, using annual average exchange rates.

Despite ongoing pandemic measures restricting trading days, the organisation's e-commerce platform provided customers with an excellent home delivery option. In addition to e-commerce, new stores and ongoing community initiatives, SPAR Sri Lanka expanded its own brand range in 2021. SPAR Sri Lanka also facilitated the export of goods to SPAR Oman in the spirit of buying better together.

SPAR Sri Lanka's sustainability strategy includes the integration of energy-efficient refrigeration and LED lighting instore. Waste-water recycling is incorporated into new store designs. Moreover, 80% of the packaging used in the fresh food areas is environmentally friendly.

SALES INCREASE 80%





2021 OVERVIEW

All sales are reported in euros using constant annual average exchange rates

COUNTRY	YEAR JOINED SPAR	RETAIL SALES 000'S	RETAIL STORE NUMBERS	RETAIL SALES AREA (M ²)	AVERAGE STORE SIZE (M ²)
AUSTRIA	1954	8,559,886	1,519	1,230,191	810
SOUTH AFRICA	1963	5,295,235	898	1,024,278	1,141
ITALY	1959	3,997,309	1,374	806,102	587
UNITED KINGDOM	1956	3,692,280	2,512	412,610	164
HUNGARY	1992	2,431,781	614	439,153	715
RUSSIA	2000	2,133,068	439	338,130	770
SPAIN	1959	1,767,955	1,269	524,206	413
NORWAY	1984	1,702,380	292	191,358	655
IRELAND	1963	1,516,359	456	118,762	260
CHINA	2004	1,383,668	330	720,000	2,182
BELGIUM	1947	1,241,933	317	156,195	493
FRANCE	1955	1,121,305	898	244,587	272
SLOVENIA	1992	965,619	132	176,224	1,335
NETHERLANDS	1932	828,717	453	111,848	247
CROATIA	2004	792,607	125	172,275	1,378
SWITZERLAND	1989	613,302	251	73,575	293
DENMARK	1954	607,752	135	88,243	654
POLAND	1995	385,348	225	106,066	471
AUSTRALIA	1994	220,809	119	35,604	299
BOTSWANA	2004	220,174	35	36,499	1,043
INDIA	2014	188,846	24	101,224	4,218
NAMIBIA	2004	158,592	33	34,713	1,052
NIGERIA	2009	158,024	13	45,863	3,528
GEORGIA	2014	152,169	321	40,684	127
UAE	2011	116,610	21	29,421	1,401

COUNTRY	YEAR JOINED SPAR	RETAIL SALES 000'S	RETAIL STORE NUMBERS	RETAIL SALES AREA (M ²)	AVERAGE STORE SIZE (M ²)
PORTUGAL	2006	115,102	140	34,760	248
ZIMBABWE	1969	110,080	39	28,145	722
MOZAMBIQUE	2012	88,751	13	22,210	1,708
GERMANY	1953	81,889	336	23,520	70
ALBANIA	2016	74,597	66	34,078	516
UKRAINE	2001	58,675	76	16,218	213
SAUDI ARABIA	2016	52,979	11	19,008	1,728
QATAR	2015	47,733	4	6,396	1,599
GREECE	2018	42,250	32	15,832	495
OMAN	2014	31,495	23	12,531	545
SRI LANKA	2017	30,544	8	6,478	810
AZERBAIJAN	2014	26,104	11	5,168	470
GHANA	2020	25,649	14	5,012	358
MALTA	2016	22,950	5	3,900	780
BELARUS	2016	22,930	6	3,517	586
CYPRUS	2017	18,406	3	2,500	833
CAMEROON	2014	18,384	8	4,420	553
MALAWI	2014	9,864	7	6,805	972
PAKISTAN	2017	8,180	3	2,720	907
SEYCHELLES	2015	6,180	1	992	992
KOSOVO	2019	5,480	4	2,793	698
ZAMBIA	2003	2,358	4	5,429	1,357
IRAN	2017	858	4	894	224
GRAND TOTAL		41,153,163	13,623	7,521,137	552

2017 – 2021 HIGHLIGHTS

+€7.4BN GLOBAL GROWTH FROM **€33.6BN** TO **€41.2BN** IN CONSTANT CURRENCY TERMS **OVER THE LAST 5 YEARS**, A GROWTH OF **22%** A CAGR OF **5.08%** OVER 5 YEARS

REGIONAL GROWTH OVER THE 5 YEAR PERIOD

CENTRAL & EASTERN EUROPE
+€2BN
+41%
CAGR 8.96%

WESTERN EUROPE
+€4.7BN
+22%
CAGR 5.14%

AFRICA & MIDDLE EAST
+€960MN
+18%
CAGR 4.26%

LOCAL GROWTH EXAMPLES OVER THE 5 YEAR PERIOD

GEORGIA +€127MN +529% CAGR 58.3%
POLAND +€143MN +59% CAGR 12.3%
HUNGARY +€704MN +41% CAGR 8.9%

AUSTRIA +€1.85BN +28% CAGR 6.3%
PORTUGAL +€43MN +59% CAGR 12.3%
SPAIN +€378MN +27% CAGR 6.2%

S. AFRICA +€797MN +18% CAGR 4.1%
BOTSWANA +€70MN +47% CAGR 10.1%
NIGERIA +€49MN +46% CAGR 9.9%

FASTEST LOCAL GROWTH OVER THE 5 YEAR PERIOD

UKRAINE
+€52MN +803%
CAGR 73.3%

NETHERLANDS
+€356MN +76%
CAGR 15.1%

MOZAMBIQUE
+€51MN +138%
CAGR 24.1%

GLOBAL SALES IN BILLION EURO

2021	41.2
2020	38.8
2019	37.2
2018	35.5
2017	33.8

GLOBAL STORES

2021	13,623
2020	13,295
2019	13,363
2018	13,112
2017	12,777



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