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SpaceandPeople PLC
25 March 2021

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SpaceandPeople plc
(the "Group" or "SpaceandPeople")

Trading Update

SpaceandPeople, (AIM:SAL) the retail, promotional and brand experience specialist, today issues a pre-close trading update ahead of its results for the year ended 31 December 2020 ("FY20").

Trading during the second half of 2020 remained extremely challenging as further lockdowns in the UK and Germany affected the Group's ability to operate during what is normally the more profitable period of the year.

The continued closure of venues led to the Group having to credit and refund a significant amount of revenue that had already been recognised in previous years and which would not ordinarily have been refundable were it not for the unprecedented closure of venues due to Covid. It has also led to the need for substantial credits in relation to revenue recognised for bookings that were anticipated to continue past the year end date. As a result, the audit committee has recommended, and the Board agreed, to change the Group's revenue recognition policy in relation to promotional bookings, where revenue will now only be recognised in the period in which the activity related to the booking takes place. Historically, promotional revenue was recognised at the point at which a booking was contracted. This change brings the policy for promotional bookings in line with the revenue recognition policy applied by the retail segments of the Group.

Under this revised revenue recognition policy, the unaudited consolidated loss before taxation for FY20 is expected to be in the region of £2.5 million (FY19: profit of £0.1 million). The change of revenue recognition policy had the effect of reducing the loss before taxation by £0.6 million, due to the exclusion of post year end revenue being more than offset by the corresponding adjustment made to include bookings that had previously been recognised in the prior year.

As at 31 December 2020, the Group had cash of £0.8 million with £1.8 million of drawn bank facilities and undrawn bank facilities of £0.5 million. Since the year end, and as previously reported 29 January 2021, Group borrowings were refinanced and an additional £0.5 million of bank facilities agreed.

With lockdowns in both the UK and Germany extending beyond our year end, trading has continued to be severely affected through the first quarter. However, the Group has made good progress in securing a number of prestigious new venues in the last six months, increasing the range of venues and enhancing SpaceandPeople's position in the market. The announcement of proposed reopening dates for non-essential retail in the UK in April has allowed the Group to start planning for a return to trading and new bookings are again being made. Given the level of enquiries and proposals the Group is currently seeing, the Board is optimistic that SpaceandPeople will recover quickly, both in terms of the Group's pre-existing portfolio of venues and the new venues added to the portfolio during the past six months.

- Ends -

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