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SpaceandPeople plc

("SpaceandPeople" or the "Group")

Pre-Close Trading Update

SpaceandPeople, (AIM:SAL) the retail, promotional and brand experience specialist, today announces a pre-close trading update ahead of its preliminary results for the year ended 31 December 2018, which will be released on 25 March 2019.

Trading during the final quarter of 2018 was not as strong as had been anticipated, with December trading being subdued in particular, in part due to well documented difficult high street trading conditions. As a result, the Group now expects to report a loss before taxation and non-recurring items of circa £0.1 million.

The Board has also taken the decision to write off the carrying value of the goodwill in relation to SpaceandPeople India Pvt Limited of £0.24 million. The Indian business continues to trade at expected levels, however, the level of profitability cannot support the carrying value of this goodwill at the moment. This will be reported as a non-cash non-recurring item in the Group's preliminary results.

The year-end cash position was circa £0.8 million (2017 adjusted to reflect the timing of certain client payments as previously reported: £1.9 million). The Group remained debt free at the year end.

The Board is confident that new initiatives, cost cuts and anticipated new business wins will return the Group to growth in 2019 and beyond.

Despite the full year result being a small loss before non-recurring items, the Board maintains its intention to maintain a dividend payment and will propose a final dividend of 0.5p per share at the AGM for shareholder approval.

It is anticipated that the Group's preliminary results will be announced on 25 March 2019.

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