

SpaceandPeople plc
(“SpaceandPeople” or the “Group”)

Trading Update

SpaceandPeople (AIM:SAL) the retail, promotional and brand experience specialist, today issues a pre-close trading update for the year ended 31 December 2023 (“FY23”).

The Board is pleased to report a strong performance during the second half of FY23, with total unaudited revenue for FY23 being slightly above market expectations, at approximately £5.8 million (2022 restated: £4.7 million), due to particularly strong Brand Experience revenue, the successful launch of our Rock Up and Pop Up service and the continued recovery and expansion of our German retail business.

As the Group’s products and services continue to evolve, during FY23, the Group reassessed its revenue recognition policies in its UK retail division. Previously, all revenue within the UK retail division was recognised on a gross basis, as it was deemed to have one performance obligation. Following this reassessment, it is now considered that there are two separate performance obligations:

- (i) acting as the promotional space agent which involves the marketing of space to licensees and entering into and managing licence agreements on behalf of venues as their agent; and
- (ii) the short-term rental of the Group’s own kiosks.

Accordingly, UK retail revenue will now be recognised on a net basis in FY23, with FY22 comparative figures being restated. Under the new revenue recognition policy, market expectations for FY23 revenue should therefore be adjusted from £6.5 million to £5.7 million. The reassessment does not impact reported profits.

It should be noted that the Group’s German retail division will continue to recognise its revenue on a gross basis as its performance conditions remain unchanged.

In terms of balance sheet, as at 31 December 2023, the Group had cash of £1.9 million (2022: £1.9 million) with £1.1 million of term loans (2022: £1.5 million) and undrawn bank facilities of £0.7 million (2022: £0.7 million). Therefore, total cash available as at 31 December 2023 was £2.6 million (2022: £2.2 million).

The Group expects to announce its FY23 results during the week commencing 29 April 2024.

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