

Prime People plc

Trading Update

6 October 2016

The Board of Prime People plc (AIM: PRP) (the “Company”) provides the following update on the Company’s trading performance for the first half of its financial year and confirms that it intends to announce the interim results for the six months ended 30 September 2016 on 9 November 2016.

As anticipated in our announcement of 23 June 2016, market conditions were affected by the headwind resulting from the referendum and softened in the UK in the first half, resulting in some slowing of our more mature vertical markets. Our international businesses have performed particularly well and contributed a greater proportion of Group net fee income than they have historically. Overall Group net fee income is in line with that of the same period in the prior year.

Consistent with our strategy we have continued to invest in new business lines, in our contract business and in the overseas offices during the period. This planned expenditure has increased the cost base during the first half which, combined with Group net fee income being in line with the previous half year, will result in a profit before tax that will be lower than for the same period in the prior year. Currently we expect to report an operating profit before tax of not less than £0.7 million.

Based on the trading conditions that we are currently experiencing in the UK we have reasonable expectations of an encouraging start to the second half. However, the potential for further market uncertainty and the increased fixed cost base may affect full year profit.

Accordingly the Board will continue to monitor market conditions carefully and if necessary will respond appropriately but without unnecessarily jeopardising the future growth potential that investing in the business provides.

Net cash at the date of this statement is £1.34m, up from the March 2016 year-end position of £0.95m.

We continue to be committed to paying dividends and creating and returning value to our shareholders. The Company will pay a 1.75p interim dividend (1.75p: 2015) after publication of its interim results.

This announcement contains inside information.

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