

15 April 2020

Prime People plc
("Prime People" or the "Company")

COVID-19 Update

Prime People (AIM: PRP), the global specialist recruitment business for professional and technical staff working in the Real Estate & Built Environment, Energy & Environmental and Technology, Digital & Data Analytics sectors, announces the following update on trading, in light of COVID-19.

The health and safety of our employees, clients and candidates is of paramount importance to us. The majority of our global workforce are currently working from home. Our cloud-based platforms have allowed full business continuity and our people have been able to service clients throughout this unpredictable period.

As a direct result of COVID-19, we now have experienced a significant reduction in demand across our businesses with the impact varying considerably by location and sector. We have taken early action to implement a range of measures to protect our business from the financial impact of COVID-19. These include:

- Managing our staff costs through furlough, reductions in headcount, reduced hours and reductions in remuneration primarily in the UK. As at the date of this announcement, approximately 40% of our UK workforce are on furlough;
- Ensuring all relevant available governmental employment protection schemes are utilised for relevant employees in our international locations;
- Minimising discretionary spend and driving reductions in all operational expenditure to align with anticipated levels of business;
- Stalling planned capital expenditure and organic and non-organic growth plans; and
- Rigorous cash flow management including taking action to reduce cash outflow by the deferral of tax payments to tax authorities, where available.

Our present focus is on cash management and matching expenditure to likely levels of business and implementing certain measures to ensure that we are in a position to accelerate activity when markets improve. With that in mind, in order to strengthen the balance sheet and aid liquidity, the Board does not anticipate paying a final dividend for the year ending 31 March 2020. The Board remains committed to paying progressive dividends as soon as appropriate and when there is better clarity on the financial consequences of COVID-19.

Peter Moore, Chief Executive Officer, commented:

"I would like to thank our team for their unfailing support, understanding, hard work and resilience in unprecedented times. Our historic investments in technology have meant that we are able to continue to work and communicate effectively with our clients and candidates remotely. The Group has a very experienced management team and expects that it will be in a solid position to take rapid advantage of market opportunities when they materialise".

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

For further information, please contact:

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