

DIRECTORS' REMUNERATION REPORT



ANNUAL STATEMENT

DEAR SHAREHOLDER

I am pleased to present, on behalf of the Board, the Directors' Remuneration Report of the Remuneration Committee.

DIRECTORS' REMUNERATION

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COMMITTEE MEMBERS

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MEETINGS IN 2023

COMMITTEE MEMBERSHIP

Jemima Bird

Senior Independent Non-Executive Director
(Committee Chair)

Keith Edelman

Non-Executive Chairman

William Tuffy

Independent Non-Executive Director

As an AIM-listed company, we are not required to comply with the Listing Rules of the Financial Conduct Authority, or the requirements of Schedule 8 (Quoted Companies Directors Remuneration Report) as amended by the provisions of The Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (SI 2008/410) (the "Regulations") or the UK Corporate Governance Code. However, noting the Company has chosen to comply with the UK's Quoted Companies Alliance Corporate Governance Guidelines for Small and Mid-Size Quoted Companies (the "QCA Code"), the Board considers it appropriate for the Company to provide shareholders with additional information in respect of executive remuneration where appropriate.

As such, this report is divided into three sections, being:

- This **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in FY23 and how the Remuneration Policy will be operated for FY24;
- The **Remuneration Policy Report**, which summarises the current Company's Remuneration Policy, which remains unchanged from last year; and
- The **Annual Report on Remuneration**, which details how the Remuneration Policy was implemented in FY23 and how the Policy will operate for FY24.

DIRECTORS' REMUNERATION REPORT CONTINUED

PERFORMANCE AND REWARD IN RELATION TO THE 52 WEEKS ENDED 1 JULY 2023

After strong trading in FY22, Hospitality has faced further unprecedented challenges under the cost-of-living crisis on both trade and cost pressures. Management have significantly focused on careful cost management and mitigation through internal processes and review of supplier contracts in order to protect profits.

The acquisition of Peach Pubs in October 2022 helps mitigate the impacts on our previously predominantly young guest base, bringing a new range of diverse and more affluent guests to our pubs and bars. This also aids when the weather is hot and sunny which the United Kingdom has experienced in recent years.

We are pleased with early signs of cost pressures returning to more normal levels, such as energy costings, but continue to monitor ongoing events carefully.

IMPLEMENTATION OF THE POLICY IN FY23

No annual bonus awards were made to the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") in respect of the year ended 1 July 2023 and no share awards vested in respect of the three-year performance period ended 1 July 2023.

IMPLEMENTATION OF THE POLICY IN FY24

In respect of operating the Remuneration Policy in FY24:

- no changes, aside from a cost-of-living increase, are planned for base salaries of the Executive Directors, benefits, or pension provisions. Any new executive Board appointments would receive a workforce-aligned pension provision;
- annual bonus provision for FY24 will be capped at 100% of salary for Executive Directors with a majority based on sliding scale profit-related targets and a minority based on strategic targets. While the profit and strategic targets are currently commercially sensitive, details of the targets and performance against the targets will be disclosed in next year's Directors' Remuneration Report;
- the Committee intends to grant Restricted Share Awards ("RSAs") in line with the Remuneration Policy which will:
 - be set at no more than 50% of salary for the CEO and 40% of salary for the CFO (with lower levels cascaded below Board);
 - vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment against a performance underpin. No shares can be disposed of by Executive Directors until at least five years from grant, other than those required to settle any taxes directly related to the vesting of those shares.

Further details in respect of the RSA grant for 2023 are set out in the Annual Report on Remuneration:

- shareholding guidelines will continue to operate at 200% of salary; and
- no changes were made to the fees for the Chairman and Non-Executive Directors for FY24.

COMMITTEE ACTIVITIES IN FY23

The Committee met six times during the year. The Committee's main activities were to:

- review the Chairman's fee and the framework and policy for the remuneration of the Executive Directors and other members of the Executive Committee;
- advise on the design of, and to determine and agree, the total individual remuneration package of each of the Executive Directors and other members of the Executive Committee, giving due regard to any relevant legal requirements, the provisions and recommendations set out in the prevailing Code and the AIM Rules and associated guidance;
- consider and approve the design of, and targets for, the annual bonus for FY23 and share schemes operated for the Executive Directors and other members of the Executive Committee, including the proposed process for settlement of the 2020 Restricted Share Awards;
- oversee and approve interim payment of the FY22 bonus scheme and continue review of final payment; and
- oversee remuneration and benefit structures and policies throughout the Group's business and to give advice on any major changes.

The Committee's terms of reference are available from the Company Secretary and can be found on the Company's website at www.revolutionbarsgroup.com.

SHAREHOLDER FEEDBACK

The Committee is committed to consulting with its major shareholders and the main shareholder representatives, both when material changes are being made to the Remuneration Policy and in respect of the implementation of the Policy.

On behalf of the Board, I would like to thank shareholders for their continued support, and I look forward to your approval of our Directors' Remuneration Report at the forthcoming AGM.

Jemima Bird
Chair of the Remuneration Committee
16 October 2023

DIRECTORS' REMUNERATION POLICY

This section sets out a summary of the Directors' Remuneration Policy (the "Policy") which applies to the Chairman, Executive Directors and Non-Executive Directors and which remains unchanged from last year.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

ELEMENT	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
BASE SALARY			
To attract and retain key individuals. To reflect the relevant skills and experience in the role.	Salaries will normally be reviewed annually taking into account performance, experience, responsibilities, relevant market information and the level of workforce pay increases.	Annual increases will usually be commensurate with those of the wider workforce. Further increases may be considered if there are significant changes in responsibility or scope of the role, sustained increase in the size of the business, or if there are significant movements in market rates. New joiners, where pay is initially set below market levels, may benefit from larger increases as their salary is progressed towards the market rate based on their development in the role.	A broad-based assessment of individual and Group performance is considered as part of any salary review.
PENSION			
To provide cost-effective, yet market-competitive, retirement benefits.	Contribution to a personal pension arrangement or cash in lieu of pension by way of a salary supplement.	Set at market-competitive levels for Executive Directors. The maximum contribution will be up to 15% of salary. Only basic annual salary is pensionable.	Not applicable.
BENEFITS			
To provide benefits that assist Directors in the performance of their roles and are designed to be competitive and cost effective.	Car and fuel allowance for Executive Directors, private health insurance and life insurance cover. Other benefits may be offered (e.g. relocation) where considered appropriate.	Not applicable.	Not applicable.
ANNUAL BONUS PLAN			
To motivate Executive Directors and incentivise the achievement of key financial and strategic goals and targets over the financial period.	Based on the achievement of performance metrics measured at Group level. Bonus is paid wholly in cash. Malus and clawback provisions operate.	Maximum bonus potential is 100% of salary for the Executive Directors. The Remuneration Committee retains discretion to withhold or reduce a bonus even if the objectives have been met.	Stretching performance conditions based on financial performance of the Group and personal strategic objectives which reflect key business drivers. The majority (if not all) of any bonus will be determined by financial measures with only a minority being paid for achieving threshold performance levels.

DIRECTORS' REMUNERATION POLICY CONTINUED

ELEMENT	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
RESTRICTED SHARE AWARDS ("RSA")			
To encourage a long-term focus and aligns the interests of Executive Directors with shareholders.	Awards will normally vest after three years from grant and, once vested, its vested shares may not normally be sold until at least five years from the grant date (other than to pay relevant taxes). Dividends equivalents may accrue over the vesting period and any holding period but only to the extent awards vest. Malus and clawback provisions operate.	Up to 100% of salary.	Vesting will be subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against an underpin. In addition, the Remuneration Committee may reduce the extent to which an award vests if it believes this better reflects the underlying performance of the Company over the relevant period.
EXECUTIVE SHARE OWNERSHIP			
To align Executive Directors' and shareholders' interests.	Whilst employed, all Executive Directors are expected to hold an investment of at least 200% of base salary in the Company using 50% of net share awards which vest under the Company's share plans. The post-employment shareholding policy is described below.	200% of salary.	Not applicable.

POST-EMPLOYMENT SHAREHOLDING POLICY

The Remuneration Committee's post-employment shareholding policy for Executive Directors is as follows:

- Unvested share awards will be treated in line with the good leaver/bad leaver provisions as per the prevailing Remuneration Policy;
- Any share awards which vested pre-cessation of employment, but which are still subject to a two-year holding period will need to be retained by the individual (either on a post-tax basis or as unexercised awards), post cessation of employment, until the relevant two-year holding period has expired; and
- No restrictions will apply in respect of own shares held, irrespective of whether those shares are held as part of the shareholding guideline or not.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

EXECUTIVE SHARE OWNERSHIP			
To attract and retain high-calibre Non-Executive Directors. To set remuneration by reference to the responsibilities and time commitment undertaken by each Non-Executive Director.	Fee levels are reviewed on a periodic basis and are set based on expected time commitments and responsibilities and in the context of the fee levels in companies of a comparable size and complexity. The Remuneration Committee sets the fee for the Non-Executive Chairman, whereas fees for the Non-Executive Directors are set by the members of the Board, excluding the Non-Executive Directors.	Any increase in fees may be above those of the wider workforce (in percentage terms) in any particular year, reflecting the periodic nature of any review and/or changes to time commitments and/or responsibilities. In exceptional circumstances, if there is a temporary yet material increase in the time commitment for Non-Executive Directors, the Board may opt to pay additional fees to recognise the additional workload.	Not applicable.

ANNUAL REPORT ON REMUNERATION

COMPOSITION OF THE REMUNERATION COMMITTEE (UNAUDITED)

The Committee currently consists of Jemima Bird (Committee Chair), Keith Edelman and William Tuffy. None of the Committee has any personal financial interest (other than as a shareholder), conflicts of interest from cross-directorships, or day-to-day involvement in the running of the business.

The Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) may be invited to attend meetings, although are not present when matters affecting their own remuneration is discussed. The Company Secretary or their nominee acts as secretary to the Committee.

The Committee receives independent remuneration advice from FIT Remuneration Consultants LLP (“FIT”) on aspects of senior executive remuneration. FIT is a member of the Remuneration Consultants Group and is a signatory to its code of conduct. FIT has no connection with Revolution Bars Group plc other than in the provision of advice on executive remuneration. The terms of engagement are available from the Company Secretary on request.

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE 52 WEEKS ENDING 1 JULY 2023 (UNAUDITED)

BASE ANNUAL SALARY

Current Executive Director salary levels are as follows:

Role	Director	From 1 April 2023	From 1 April 2022	% Increase
Chief Executive Officer	Rob Pitcher	£369,210	£367,710	0.4%
Chief Financial Officer	Danielle Davies	£237,885	£236,385	0.6%

Consistent with the cost-of-living base salary increases awarded to the general workforce, Executive Directors received a £1,500 increase from 26 March 2023.

ANNUAL BONUS

Annual bonus provision for FY24 will continue to be capped at 100% of salary for Executive Directors with a majority based on sliding scale profit-related targets and a minority based on strategic targets. While the profit and strategic targets are currently commercially sensitive, details of the targets and performance against the targets will be disclosed in next year’s Directors’ Remuneration Report.

SHARE AWARDS

The Committee intends to grant Restricted Share Awards (“RSAs”) in 2023 in line with the Remuneration Policy approved by shareholders in 2020 which will:

- be set at no more than 50% of salary for the CEO and 40% of salary for the CFO (with lower levels cascaded below Board); and
- vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment of performance against an underpin (i.e. the Committee must be satisfied that Revolution’s underlying performance and delivery against its strategy and recovery plans is sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance) and the shareholder experience more generally (including the risk of windfall gains)). No shares can be disposed of by Executive Directors until at least five years from grant, other than those required to settle any taxes directly related to the vesting of those shares.

NON-EXECUTIVE DIRECTORS’ FEES AND INCENTIVES

The Chairman and Non-Executive Directors received the same cost-of-living increase of £1,500 awards to the general workforce from 26 March 2023. No other changes were made to Chairman and Non-Executive Director fees.

ANNUAL REPORT ON REMUNERATION CONTINUED

DIRECTORS' REMUNERATION FOR THE 52 WEEKS ENDED 1 JULY 2023 (AUDITED)

		Fees/Salary	Taxable Benefits ¹	Pension ²	Total Fixed Benefits	Annual Bonus ³	Long-term Incentives ⁴	Total Variable Benefits	Total
Executive Directors									
Rob Pitcher	2023	368	18	49	435	–	175	175	610
	2022	358	18	49	425	221	334	555	980
Danielle Davies	2023	237	13	7	257	–	90	90	347
	2022	230	16	7	253	142	172	314	567
Non-Executive Directors									
Keith Edelman	2023	93	–	–	93	–	–	–	93
	2022	91	–	–	91	–	–	–	91
Jemima Bird	2023	42	–	–	42	–	–	–	42
	2022	39	–	–	39	–	–	–	39
William Tuffy	2023	42	–	–	42	–	–	–	42
	2022	39	–	–	39	–	–	–	39
Aggregate emoluments									
	2023	782	31	56	869	–	265	265	1,134
	2022	757	34	56	847	363	506	869	1,716

1 Taxable benefits comprise medical insurance policies and car allowances.

2 Rob Pitcher and Danielle Davies received a pension provision/salary supplement of 15% and 3% of salary respectively.

3 Details of the annual bonus awards for FY23 are set out below. As set out in last year's Directors' Remuneration Report, bonuses equating to 95% of salary were awarded to Executive Directors in FY23 in respect of the 52 weeks ended 2 July 2022. 60% of this has been paid to date, shown in the 2022 rows above, with the remaining amount still due to be paid.

4 Based on the five-day average prior to issue face value of Restricted Share Awards granted to Executive Directors on 25 October 2022 in respect of 2023 (see below) and 23 November 2021 in respect of 2022.

ANNUAL BONUS (AUDITED) FOR FY23

As a result of performance in the year, annual bonus awards of 0% of salary were awarded to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

SHARE AWARDS GRANTED IN FY23 (AUDITED)

The following share awards were granted to Executive Directors in the 52 weeks to 1 July 2023:

Executive	Type of Award	Exercise Price (p)	Number of Awards Granted	Basis of Award	Face Value ¹
Rob Pitcher	RSA	0.1	1,798,621	50% of salary	£175,078
Danielle Davies	RSA	0.1	925,005	40% of salary	£90,040

¹ Based on a share price of 9.7 pence being the five-day average prior to the grant date.

The awards, which were granted on 25 October 2022, will vest and become exercisable on the later of: (i) three years from the date of grant, being 25 October 2025; and (ii) the preliminary announcement of the results for FY25. Vesting will be subject to the Remuneration Committee being satisfied that the Group's underlying performance and delivery against its strategy and plans is sufficient to justify the level of vesting having regard to such factors as the Remuneration Committee considers to be appropriate in the round (including, inter alia, revenue, earnings and share price performance) and the shareholder experience more generally (including windfall gains).

OUTSTANDING EXECUTIVE SHARE AWARDS (AUDITED)

Executive Director	Scheme	Grant Date	Exercise Price (p)	No. of Shares at 2 July 2022	Granted during the year Number	Vested during the year Number	Lapsed during the year Number	No. of Shares at 1 July 2023	Vesting Date
Rob Pitcher	PSP	23.10.19	0.1	531,269	–	–	(531,269)	–	23.10.22
	RSA	24.12.20	0.1	475,759	–	–	–	475,759	24.12.23
	RSA	23.11.21	0.1	1,519,149	–	–	–	1,519,149	23.11.24
	RSA	25.10.22	0.1	–	1,798,621	–	–	1,798,621	25.10.25
				2,526,177	1,798,621	–	(531,269)	3,793,529	
Danielle Davies	RSA	24.12.20	0.1	244,676	–	–	–	244,676	24.12.23
	RSA	23.11.21	0.1	781,277	–	–	–	781,277	23.11.24
	RSA	25.10.22	0.1	–	925,005	–	–	925,005	25.10.25
				1,025,953	925,005	–	–	1,950,958	
Total				3,552,130	2,723,626	–	(531,269)	5,744,487	



ANNUAL REPORT ON REMUNERATION CONTINUED

PAYMENTS MADE FOR LOSS OF OFFICE AND PAYMENTS TO PAST DIRECTORS (AUDITED)

No payments were made for loss of office and no payments were made to past Directors.

DIRECTORS' INTERESTS AND SHAREHOLDING GUIDELINES (AUDITED)

The following table shows Directors' interests in the Company:

Director	Beneficially owned at 1 July 2023 Number	Outstanding Share Awards Number	Outstanding Share Awards under All Employee Share Plans Number	Total Interest in Shares Number	Shareholding as a % of Base Salary at 1 July 2023	Prospective Shareholding* as a % of Base Salary at 1 July 2023
Rob Pitcher	1,500,000	3,793,529	–	5,293,529	25%	55%
Danielle Davies	305,993	1,950,958	–	2,256,951	8%	32%
Keith Edelman	370,000	–	–	370,000	n/a	n/a
William Tuffy	100,000	–	–	100,000	n/a	n/a
Jemima Bird	7,500	–	–	7,500	n/a	n/a

* The Prospective Shareholding shows the position if all outstanding options to date were to mature at the current share price at current salaries, applying the "net of tax" equivalent number which assumes shares would be sold to pay the tax impact.

Executive Directors are expected to build and then hold shares equal in value to at least 200% of base salary in Company shares. 50% of any awards which vest under the Company's LTIPs (net of any taxes due) must be retained until the requirement has been met. The table above shows Directors' interests in shares and the percentage of the guideline held as at 1 July 2023.

The shareholding counting towards the measurement of the guideline is based on legally owned shares. The percentage of guideline met is based on the annual base salary and the higher of the acquisition cost of the shareholding or its current market value. Once an Executive Director meets the required holding, the Executive Director is only required to purchase additional shares equivalent to the value of any increase in base salary.

APPROVAL

This report was approved by the Remuneration Committee and signed on its behalf by:

Jemima Bird
Chair of the Remuneration Committee
16 October 2023

