10 April 2024

Revolution Bars Group plc (LSE: RBG)
Unaudited Interim results for the 26 weeks ended 30 December 2023

Making the right decisions on our portfolio to secure the future profitability of our businesses

Revolution Bars Group plc ("the Group"), a leading UK operator of 58 premium bars and 22 gastro pubs, trading predominantly under the Revolution, Revolución de Cuba and Peach Pubs brands, today announces its unaudited interim results for the 26 weeks ended 30 December 2023. These results should be read in conjunction with a separate announcement regarding a Proposed Restructuring plan, Placing, Open Offer and simultaneously the launch of a Formal Sale Process.

With the announcement of its unaudited interim results for the 26 weeks ended 30 December 2023, which are now available on the Company's website, the Company has requested that trading in its ordinary shares on AIM be restored with effect from 7.30 a.m. on 11 April 2024.

Results to 30 December 2023

	H1 FY24 ***(IFRS 16)*** ***£m***	**H1 FY23** ***(IFRS 16)*** ***£m***	**H1 FY24** ***(IAS 17)*** ***£m***	**H1 FY23** ***(IAS 17)*** ***£m***
Total Sales	82.3	76.0	82.3	76.0
Operating Profit	7.2	3.1	(0.7)	0.9
Adjusted[1] EBITDA	8.9	9.8	3.2	5.1
Profit/(Loss) Before Tax	3.1	(0.1)	(2.1)	0.0
Net Bank Debt	(20.0)	(18.5)	(20.0)	(18.5)

Key points

With ongoing challenges to the Hospitality sector, the Group was pleased to have traded positively over the important festive season. The Group achieved sales growth year-on-year of 8.3%, and a profit before tax of £3.1 million, after an exceptional gain on disposal of £3.9 million relating to the exit from certain leasehold properties.

Group like-for-like[2] ("LFL") sales for the four weeks from 4 to 31 December 2023 were +9.0%, the best festive period since 2019. LFL[2] sales for FY24 H1, including New Year's Eve, continued to demonstrate an improving trend at -2.8%.

- ***Peach Pubs,*** following the opening of our 22nd Peach pub in November 2023, the brand delivered its best ever Christmas trading period, and continues to trade well.
- ***Revolución de Cuba*** has also seen a pleasing performance across FY24 H1. Corporate guests return to Christmas parties in full this year, and our refreshed brand proposition delighted party-goers who recorded excellent guest feedback scores.
- ***Revolution*** continues to experience challenged trading as a result of its younger guests who are disproportionately impacted by the cost-of-living crisis pressurising their discretionary income.
- ***Founders & Co.*** continues to go from strength to strength, delivering double-digit LFL[2] growth every month in FY24 H1 as it continues to build on its status as a community hub for likeminded guests. This concept is now well positioned for growth and is an exciting prospect for the Group.

Despite a strong festive trading period, the macroeconomic trading environment continued to provide a challenging trading environment. The prospect of the statutory blended 11%

increase in the national living wage in April 2024 will add further cost pressure. Accordingly, eight site closures were announced in January 2024 to reduce expected future losses.

The Board remains confident of achieving Alternative Performance Measures ("APM") adjusted[1] EBITDA in line with its previous expectations. Net Bank Debt is £21.8 million at 10 April 2024.

Following an ongoing period of softer trade post-Christmas, coupled with significant cost pressures on the Group and industry, today we have announced that the Board has concluded that it is in the best interests of the Group for Revolution Bars Limited to propose a Restructuring Plan, alongside a number of additional measures to be implemented across the Group to re-shape the business, as well as exploring, in parallel, a Formal Sale Process in order to deliver the best outcome for stakeholders.

In order to fund a potential Restructuring Plan and provide working capital for the Group, the Board has concluded that the Group needs to raise additional equity capital from new and existing investors through a Fundraising. Further details of the proposed Fundraising, Restructuring Plan and Formal Sale Process are contained in a separate announcement, released this morning.

[1] Adjusted performance measures exclude exceptional items, share-based payment charges and bar opening costs
[2] Like-for-like ("LFL") sales are same site sales defined as sales at only those venues that traded in the same week in both the current and prior year
[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Rob Pitcher, Chief Executive Officer, said:

"The first half of FY24 has seen continued challenges with the cost-of-living crisis disproportionately impacting particularly the discretionary expenditure of our young Revolution brand guests. Revolución de Cuba and Peach have been less impacted as the guest profile is more affluent, and both brands enjoyed very strong festive trading, and Revolución de Cuba, in particular, has shown excellent trading when compared against the wider Bars market.

I would like to take this opportunity to thank our brilliant teams for always bringing a smile to our guests, and their continued resilience and hard work in the face of these challenging times. They have delivered another brilliant Christmas, continue to delight and thrill our guests, and I appreciate their continued professionalism."

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Chairman's Statement

After three frustrating festive trading periods, hampered by the pandemic, strikes, and other external factors, it was good to see the Group's best festive trading period since 2019. Corporate guests returned in force, and with fewer train strikes impacting consumer confidence, we were pleased to see improved walk-in custom also. The Group delivered like-for-like[2] ("LFL") sales of +9.0% during the key December weeks, as well as an improving trend in LFL[2] sales overall in the first half of the year.

Peach experienced its best ever Christmas trading period, hitting new records in three consecutive weeks. Revolución de Cuba also saw double-digit LFL[2] growth and continued to outperform the bars market for the past 13 of the last 13 months to December 2023. Founders & Co. continues to go from strength to strength, also delivering double-digit LFL[2] growth.

These three brands provide a strong backbone to the business, with plenty of opportunity for growth and expansion.

Revolution had a strong Christmas but was again disproportionately impacted by the limited discretionary spending of its younger guest base. We are pleased to see excellent guest feedback when our young guest base do join us, but the challenging cost-of-living crisis continues to impact their ability to go out on a frequent basis. Accordingly, we have had to take action by closing certain sites to secure the future of the wider Group, and by exploring a more formal turnaround strategy for this part of the Group. We look forward to the day that our young guest base can return with more frequency to our Revolution branded sites.

Our business
At the end of the reporting period the Group operated 88 venues consisting of the following brands: Revolution (46 bars), focused on young adults; Revolución de Cuba (17 bars), which attracts a broader age range; Playhouse (two bars), a competitive socialising offering; Founders & Co. (one bar), an artisanal market-place experience; and the Peach Pubs (22 pubs) offering high quality food and drink in the heart of England.

One new Peach Pub, being The Three Horseshoes, was opened late FY24 H1 and is performing in line with expectations.

In January 2024 we took the difficult decision to close eight unprofitable bars in total, across the Revolution, Revolución de Cuba, and Playhouse brands, which takes the Group portfolio to 58 bars and 22 pubs. Since June 2023, we have closed 10 bars and currently retain the leases on seven of these with negotiations continuing to exit the leases.

We continue to monitor our portfolio of sites to ensure that management focus is appropriately focused on the brands and sites where genuine strong performance and growth can be achieved. It has been necessary to complete the above closures to mitigate future site losses and allow our key sites to thrive.

Our results
Sales for the 26-week period of £82.3 million (FY23 H1: £76.0 million) were 8.3% higher, reflecting a strong festive trading period in FY24, where we welcomed the full return of corporate guests. The heightened sales also include Peach for the full half year in FY24, whereas the prior year only included Peach post-acquisition from October 2022. Despite a good Christmas, there is still room for growth in our business and we hope to continue outperforming the key Christmas trading period in years to come, when the Group is not disrupted by continued external factors.

Our statutory profit before tax for the period of £3.1 million (FY23 H1: loss before tax of (£0.1) million) reflects the increase in sales and non-cash gains from disposing of two leases. Adjusted[1] EBITDA, our preferred KPI, is significantly influenced by IFRS 16 and thus the Directors believe that business performance is best measured by the directly comparable IAS 17 Alternative Performance Measures[3] ("APM") of adjusted[1] EBITDA profit of £3.2 million (FY23 H1: profit of £5.1 million). The reduction in APM[3] adjusted[1] EBITDA is a direct result of reduced LFL[2] sales as well as heightened costs.

The Group continues to operate a £30.0 million Revolving Credit Facility ("RCF" and had net bank debt of £20.0 million at FY24 H1 end. As at 10 April 2024, the Group had net bank debt of £21.8 million.

Our People
I would like to take this opportunity to thank all our colleagues in the Group; whether you are based in one of our bars or pubs, or in the Support Centre, our people have shown real resilience and enthusiasm in overcoming and navigating our way through the challenges facing Hospitality. Our enthusiastic and ambitious workforce create amazing experiences in all our pubs and bars by delivering excellent service to our guests.

Current trading
After a strong Christmas, trading has been challenging in January and February with the ongoing strain on consumer finances. Revolución de Cuba and Peach Pubs continue to see much better performance than the Revolution brand, whose guests remain more heavily impacted by the cost-of-living crisis. With improvements to the guest proposition in both main bar brands and an array of exciting events and guest experiences launching in the coming months, we anticipate seeing growth in performance.

We are pleased to see an improvement in economic data, with inflation and interest rates stabilising. Despite the cost impact of National Minimum Wage increases on the business, this does also constitute a significant pay increase for many of our teams and guests.

We continue to see pleasing advancements in our brand offerings and guest journey, and the Board remains confident of achieving APM[3] adjusted[1] EBITDA in line with market expectations set in January 2024 for FY24.

Fundraising, Restructuring Plan, Formal Sale Process and M&A Process and Fundraising
Following an ongoing period of softer trade, coupled with significant cost pressures on the Group, today we have announced a Fundraising to fund a potential Restructuring Plan, and provide working capital support for the Group. At the same time as the Fundraising, we have also announced our intention to propose a Restructuring Plan for Revolution Bars Limited together with a number of additional measures to be implemented across the Group to re-shape its business, as well as exploring, in parallel, a Formal Sale Process in accordance with the City Code on Takeovers and Mergers and an M&A Process, in order to deliver the best, outcome for the stakeholders.

The Group has already implemented many actions to mitigate the impact on the Group, including driving operational efficiencies, reducing costs and cash outflows throughout the business, which has included redundancies and reductions in overhead costs, in addition to also reducing capital expenditure.

The impact of such strategies has demonstrated improved performance in the Group, particularly in Revolución de Cuba and Peach. However, the Board has decided it is necessary to propose a Restructuring Plan to enable improved performance from the Group, at the same time as commencing a Formal Sale Process.

Further details of the proposed Fundraising, Restructuring Plan, Formal Sale Process and the M&A Process are contained in a separate announcement, released this morning.

Keith Edelman
Non-Executive Chairman
10 April 2024

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Chief Executive Officer's statement

Business review

Festive trading across all brands was very strong, seeing +9.0% like-for-like sales across the four key trading weeks, being the best festive period since 2019. When there is a reason to come out and celebrate, we are pleased to see that our guests choose our venues. Bars saw the return of corporate Christmas parties, with Revolución de Cuba in particular experiencing pre-booked party revenue over the festive period grow significantly by 26% versus the prior year. Likewise, pubs traded very strongly benefiting from family festive celebrations, some of whom have only felt comfortable in large groups this year following the pandemic.

We are also seeing a benefit where companies are increasing their team welfare budgets as a counterbalance to working remotely. We are encouraged to receive very positive guest feedback on such events.

Trading in the first half of the year has reflected the patterns seen in the wider industry. The cost-of-living crisis continues to have a higher impact on our younger guests in particular and hampers our progress. Performance across our brands is very much based on age and socio-economic groupings. Bars sit within a challenged market, with Revolution particularly impacted by the cost-of-living issues of younger guests. Revolución de Cuba performs better due to a slightly older guest base, further progressed in their careers with more stable income and therefore less impacted by rises in the cost-of-living.

Pubs are performing well in part as a result of the more affluent socio-economic status of these guests, and we are pleased with performance over the first half. We are confident that once the cost-of-living crisis has run its course that younger guests will return to our venues as they did immediately post-pandemic.

The sector in general is experiencing a divergence in performance, which is in line with the trends we experience, with pubs and restaurants performing more strongly than bars and late-night venues. The bar market has been down 8-10% throughout 2023.

The bar market has also been impacted by a reduction in commuters and the ongoing regular rail strikes which have targeted weekend trade. We continue to see the impact of working from home, particularly on Fridays, which is our second busiest trading day of the week. Train journeys have remained approximately 20% lower than pre-pandemic levels throughout the reporting period, with seven of the weekends in the reporting period affected by strikes. Working from home on a Friday also continues to negatively impact trading in our bars.

In addition, the industry and ourselves have seen an ever-increasing cost base fueled by inflation, increases in minimum wage, and business rates continue to rise well above inflationary levels. Other cost pressures started to ease during the reporting period, and it was pleasing to see utilities prices in particular reduce. The general cost of goods has also started to stabilise, but the prospect of a blended 11% increase in national living wage impacts the business by approximately £3 million for a full year, so remains an additional burden.

We were very pleased to open our first new Peach Pub, The Three Horseshoes, since acquiring the business in October 2022. The pub is now well established in the community, and we are excited to further expand this brand when the opportunity arises.

In order to fund such future growth, coupled with the ongoing and increasing cost challenges, the business made the difficult decision to close eight of its least profitable bars as part of Management's constant review of the Group estate.

Our Brand family

Revolution's 41 bars (after eight closures in January 2024) are aimed at 18 to 30-year-old guests, who have been disproportionately impacted by the ongoing cost-of-living crisis. A night out is now seen as a treat occasion, and accordingly we have continued to support those guests with excellent value for money through offers such as £2.99 food and drink deals and extended 2-4-1 cocktail happy hours. We continue to focus on creating occasions for guests to enjoy through themed brunches, engaging entertainment, and events such as Bangers Bingo. We are pleased to see the Revolution brand still perform well on big occasions such as pay-day weekends, bank holiday weekends and Christmas.

Revolución de Cuba's 15 bars are aimed at a slightly older target market who are further into their careers and have more disposable income and are therefore more protected from the cost-of-living crisis. Guests continue to demonstrate resilience, with the return of corporate guests during the festive period resulting in very strong trade. Our live music and entertainment offering engages our guests, and we are pleased to have outperformed the bars market for 13 out of the last 13 months to December 2023.

Peach Pubs's 22 beautiful gastropubs have continued to perform well since acquisition, with full integration into the business almost complete. Festive trading was especially strong, with record-breaking weeks. Whilst the unseasonably wet July and August challenged trade, the brand continues to perform well with its more-affluent guests remaining resilient to external challenges. We were excited to open our first new Peach Pub, since acquisition, in FY24 H1.

Founders & Co., our market hall concept in Swansea, has performed well over the last 12 months, building an exceptional reputation in its local market, and continues to develop towards maturity, having now been open for two years. We are very excited by the brand and see this concept primed for expansion.

Playhouse, our competitive socialising concept, saw the closure of its second site in Newcastle-under-Lyme in the year due to lack of footfall. The original venue, in Northampton, continues to trade well and shows good signs of progress in a difficult location. We were very proud to see the brand's Slice Shop Pizza offering, once again, make the final of the National Pizza Awards in 2023.

Group strategic priorities
We continue to focus on our five key strategic priorities, which we believe are key to driving performance and navigating the ongoing challenging environment. Below is some of our progress made across FY24 H1:

- *Maximising Revenue & Profit*:
  - We opened our first new Peach Pub in FY24 H1, welcoming The Three Horseshoes to the brand portfolio;
  - Peach synergies are progressing well, with the Spirits tender and range rollout completed. The Draught beer tender was also completed with the new range implemented in early 2024;
  - A "value for money" focus saw the £2.99 summer meal deal extended until the festive menu period, and then relaunched in January 2024. We continue to explore value for money offerings to help our guests enjoy themselves at a price they can afford;
  - Following a review of the profitability of the Group's portfolio, the least profitable bars have seen 10 closures in FY24 to date, and various partial closures were seen across bars in January and February; and
  - A huge focus on pre-booked revenue has seen significant growth in weekly brunch events in both of our main bar brands. Key dates and Christmas performed extremely well, with growth in pre-booked revenue over the festive period of 15.8% across bars, and across the first half of the year of 14.8%. Third party gifting agencies also performed very well based on strengthening relationships with brands such as Virgin Experience, doubling in growth in the trading period.

- *Guest Experience*:
  - Revolución de Cuba brand proposition has been trained into all team members, with initial great feedback from guests. Key guest experience improvements have been trialled and successfully rolled out across the brand, with the focus on delivering a fiesta every day;
  - A current focus in Revolution on consistently delivering brand basics every day, whilst delivering outstanding value for money for our guests whilst they are struggling financially;
  - Revolution brand proposition research phase was completed during FY24 H1; creation and refinement phase is ongoing with trials due to be implemented in the Spring;
  - Brand collaboration with Red Bull for the student return, which delivered some outstanding results through our joint House Parties campaign, which will be built upon for 2024;
  - Brand collaboration with Barratt Sweets has led to the creation of three new Revolution Flavour vodka which will launch into the brand over the Easter weekend, and will be a feature of the Spring 2024 campaign; and
  - A Music and Events manager was recruited, and a full overhaul of the Revolution background music system has been completed. A full programme of events will be launched into the Revolution brand in the Spring, with a focus on Weekend Day parties to capture a slightly older target market who have higher disposable income.

- *Cost Control*:
  - A reduction in energy consumption across our bars of 35% on the 2017 baseline has helped mitigate periods of heightened utilities costs. Pleasingly, wholesale prices continue to fall. Our dynamic purchasing agreement for forward buying is working well;
  - New technology continues to be trialled or rolled out across our sites including intelligent extract and heat recovery technology;
  - At the half year we have delivered annualised £1.1 million in synergies from the acquisition of Peach through a reduction in people costs, food costs, other goods not for resale, and drink purchasing synergies now flowing through the completion of the Spirits and Beer tenders; and
  - An updated labour management system has been rolled out to all bars brands, with projected annual efficiency savings of £1.1 million.

- *Diversification of Sales*:
  - Finalisation of a brand partnership with "The Jockey Club" will see the launch of a Revolution branded bar at the Grand National horseracing meet at Aintree in April 2024. We are hopeful that this will develop into a wider partnership; and

    - Brand collaboration with Barratt Sweets has been established for the sale of Revolution Flavour vodka shots in our bars, and we will look to develop this relationship over time if the launch proves successful.

- *Brand Awareness and ESG including Sustainability and EVP*:
    - We were incredibly proud to have improved our Carbon Disclosure Project score from a B to an A- this year, moving the Group into the leadership band. Our score is now higher than the Europe regional average, and higher than the Bars, hotels & restaurants sector average;
    - Further reduction in energy usage across our bars' estate of 35% on a like-for-like basis, compared to our 2017 baseline, through best practice initiatives including rolling out cellar cooling energy efficient tech to all bars;
    - Half-hourly meters are being rolled out to all Peach Pubs to enable the same energy reduction plan to take place in pubs. Peach waste collection has moved to Biffa, allowing better analysis of recycling rates. Our Planet Heroes in the pubs maintain a focus on these two key areas and other energy saving methods;
    - Extending our twice-yearly Quality of Life survey to our Peach colleagues, we were pleased to still deliver exceptional survey results for the Group despite difficult trading conditions. Ongoing development of training and development maintains a focus in delivering an incredible place to work for our people; and
    - Strengthened our commitment to suicide prevention within the industry by introducing a safeguarding tool, R;PPLE, to automatically and discretely intercept content from harmful searches. We are the first in the hospitality industry to have implemented this.

Our People

The challenges faced by our young guests are also reflective of what our younger team members are facing. We employ a significant number of students and other young people, and we are aware of their struggles on a daily basis and look to ways to support them. We welcome the National Living Wage increases for our teams to help them combat the cost-of-living crisis.

Due to current trading, we have had to make the difficult decision to make some redundancies in the support centre also, resulting in a reduction in people costs of approximately 10%. Our focus has been on clear and open communication to all colleagues across this challenging time. Our latest Quality of Life colleague survey, in the Autumn, reflected a drop in our employee Net Promotor Score ("NPS"); however, the results were still towards the top end of historical surveys.

I am very proud of the consistent high-quality service our teams provide to our guests, that is reflected in the continued high levels of guest NPS feedback.

Market outlook

Whilst we remain cautious of the macro-economic climate, we are pleased to see some positive indications for the consumer.

Inflation has come down from peak levels and continues to see a downward trend. Likewise, interest rates look to have peaked and are forecast to fall during 2024. Household disposable income, in January 2024, was at its highest level since March 2022, and the energy price cap is set to fall in April 2024.

Consumer confidence is at its highest point since January 2022, with the National Living Wage increase set to deliver approximately £45 per week more to younger workers in full time employment. Whilst all the above should provide a big step forward for consumer facing businesses such as ours, some concerns do remain.

Tube and rail strikes in response to the cost-of-living crisis have had devastating impacts on Hospitality businesses since 2022; however, several unions have agreed deals to prevent further strike action, reducing the potential impact of strike action in 2024.

The cost of delivering the increases in National Minimum Wage and National Living Wage are significant for any employee-led businesses. Business rates are being increased in April 2024 by 6.9%, which was the inflation rate back in September 2023 and not reflective of current market conditions.

The Government needs to recognise these challenges, which are not unique to our business, and reduce the burden of business tax increase. In order for the sector to deliver economic growth and employment, further support should be offered to Hospitality through reduced VAT for a fixed period of time and business rates support measures for companies of all sizes.

Current Trading and Outlook

Following a strong festive period, trading since the turn of the year has remained challenging. The post-Christmas January hangover lasted into February, with this impact being seen across the wider industry and many businesses having to extend their January offerings into February to maintain guest footfall.

The divergence in performance across the brands remains consistent with Revolución de Cuba and Peach performing more strongly than the Revolution brand, which is reliant on the younger generation who we know are still suffering with the cost-of-living crisis. We are expectant that the planned above inflation increase in National Minimum Wage will provide a meaningful boost to this generation's spending power, allowing them to return to nights out on a more frequent basis. Economic data also looks more positive for the Revolución de Cuba and Peach guest.

Whilst we anticipate some economic improvement from which we will benefit, the markets in which we operate are expected to remain challenging in the near term. However, the Board remains confident in achieving trading performance in line with its previous expectations.

Rob Pitcher
Chief Executive Officer
10 April 2024

Financial Review

Introduction

- The "H1 FY24" accounting period represents trading for the 26 weeks to 30 December 2023 ("the period"). The comparative period "H1 FY23" represents trading for the 26 weeks to 31 December 2022 ("the prior period");
- The Group continues to offer comparative Alternative Performance Measures[3] ("APM") of the numbers converted to IAS 17 following the implementation of IFRS 16 in FY20. APM[3] for the current period are given equal prominence in this review because, in the opinion of the Directors, these provide a better guide to the underlying performance of the business;
- The results information therefore gives FY24 H1 IFRS 16 statutory numbers, followed by APM[3] under IAS 17. A reconciliation between statutory and APM[3] figures is provided in note 19.

	H1 FY24 *(IFRS 16)* *£m*	**H1 FY23 *(IFRS 16)* *£m***	**H1 FY24*(IAS 17)* *£m***	**H1 FY23 *(IAS 17)* *£m***
Total Sales	82.3	76.0	82.3	76.0
Operating Profit	7.2	3.1	(0.7)	0.9
Adjusted[1] EBITDA	8.9	9.8	3.2	5.1
Profit/(Loss) Before Tax	3.1	(0.1)	(2.1)	0.0
Non-cash Exceptionals	4.0	0.0	(0.8)	-
Cash Exceptionals	(0.1)	(1.5)	(0.1)	(1.5)
Net Bank Debt	(20.0)	(18.5)	(20.0)	(18.5)

Results
We are pleased to see an increase in total sales for the Group from £76.0 million to £82.3 million a result of the strong festive trading period, as well as the impact of having Peach for the full half-year, offset by softer like-for-like[2] ("LFL") sales. Continued heightened inflationary pressures impact on the adjusted[1] EBITDA position on both a statutory and APM[3] EBITDA perspective, whilst Management has focused on effective cost mitigations and reductions wherever possible.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA, was £1.9 million lower than the equivalent prior year period, at a profit of £3.2 million (FY23 H1: profit of £5.1 million). This is our preferred metric as it is a proxy for the underlying cash available, in a normal trading period, for investment, loan servicing and repayment, and for distributing to shareholders in the form of dividends. Softer like-for-like[2] sales and heighted costs in the business have driven this reduction.

Gross profit in the half year was £63.0 million (FY23 H1: £58.6 million) which amounted to a gross margin of 76.5% comparable to 77.1% in the equivalent prior period. The Group has experienced strong margins in recent years due to product mix, and improved discounting and trade agreements. However, this has reduced slightly as a result of the impact of Peach's higher-food participation driving a lower margin on the full 26-week period. Bars margins continue to improve.

Underlying profitability
The Board's preferred profit measures are APM[3] adjusted[1] EBITDA and APM[3] adjusted[1] pre-tax profit/(loss) as shown in the tables below. The APM[3] adjusted[1] measures exclude exceptional items, bar opening costs and charges arising from long-term incentive plans ("LTIPs).

	26 weeks ended 30 December 2023 IFRS 16 £m	26 weeks ended 31 December 2022 IFRS 16 £m	52 weeks ended 1 July 2023 IFRS 16 £m	26 weeks ended 30 December 2023 APM[3] IAS 17 £m	26 weeks ended 31 December 2022 APM[3] IAS 17 £m	52 weeks ended 1 July 2023 APM[3] IAS 17 £m
Pre-tax profit/(loss)	**3.1**	**(0.1)**	**(22.2)**	**(2.1)**	**0.0**	**(9.1)**
Add back Exceptional items	(3.9)	1.5	20.2	0.9	1.5	7.7
Add back charge/(credit) arising from LTIPs	0.1	(0.2)	0.1	0.1	(0.2)	0.1
Add back Bar opening costs	-	-	-	-	-	-
Adjusted[1] pre-tax (loss)/profit	**(0.7)**	**1.2**	**(2.1)**	**(1.2)**	**1.4**	**(1.5)**
Add back Depreciation	5.6	5.4	12.1	3.0	2.8	6.0
Add back Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Add back Finance costs	4.1	3.2	7.1	1.4	0.8	2.1
Adjusted[1] EBITDA	**8.9**	**9.8**	**17.1**	**3.2**	**5.1**	**6.6**

Exceptional items and accounting for long-term incentive plans

Exceptional items, by virtue of their size, incidence or nature, are disclosed separately in order to allow a better understanding of the underlying trading performance of the Group. Exceptional expenses for the half-year were credit of £3.9 million (FY23 H1: charge of £1.5 million). This predominantly related to exceptional gain on disposals as a result of exited leases, some lease modifications arising on regeared leases, offset by some exceptional costs associated with exiting the sites. The prior year charge predominantly relates to a charge of £1.5 million made up of the expenses incurred during the acquisition of Peach.

Credit/charge relating to long-term incentive schemes

A charge of £0.1 million (FY23 H1: credit of £0.2 million) on long-term incentive schemes arose as a result of the restricted share award schemes, with the prior year credit arising on the forfeiture on previous schemes.

Finance costs

Finance costs of £4.1 million (FY23 H1: £3.2 million) are made up of £1.3 million of bank interest paid on borrowings (FY23 H1: £0.8 million) and £2.8 million of lease interest (FY23 H1: £2.4 million).

Liquidity

At the start of FY24 the Group held a £30.0 million Revolving Credit Facility "RCF", expiring October 2025. Interest is charged on the utilised RCF at a margin determined by leveraging plus SONIA, with unutilised RCF values having interest charged at 40% of margin.

In March 2023, an amendment was made to the facility to hold a £1.35 million Energy Guarantee for the purposes of signing a new energy contract. A further amendment was made in October 2023 such that all originally agreed reductions in total facility level be deferred to 30 June 2025, meaning at that date the £30.0 million facility will reduce by £5.0 million to a £25.0 million facility. In November 2023, the Energy Guarantee was reduced to £1.1 million in reflection of reduced energy prices and buying patterns.

In accordance with the updated amendments, the Group will therefore have committed funding facilities available during the going concern assessment period as shown in the table below:

	Energy Guarantee £m	RCF £m	Total Facility £m
31 December 2023	1.1	28.9	30.0
30 June 2024	1.1	28.9	30.0
31 December 2024	1.1	28.9	30.0
30 June 2025	1.1	23.9	25.0

With reference to the Going Concern statement in the Financial Review, the Group has agreed in principle, subject to final and legally binding documentation being entered into, and subject to the Restructuring Plan of Revolution Bars Limited being sanctioned, a number of support measures with National Westminster Bank plc (the "Lender"). This additional support would be documented through the Restructuring Plan of Revolution Bars Limited. However, the Lender wants to understand the outcome of the Formal Sale Process, and whether a more optimal outcome could be achieved through the Formal Sale Process or the Restructuring Plan of Revolution Bars Limited. The

Lender has also agreed to waive certain anticipated covenant breaches to enable the Group to allow the Plan Company to explore the implementation of a Restructuring Plan and progress the Formal Sale Process.

Taxation
There is no tax payable in respect of the current period due to previous losses made.

Earnings/(loss) per share
Basic earnings per share for the period was 1.3 pence (FY23 H1: earnings of 0.1 pence). Adjusting for exceptional items, non-recurring opening costs and charges arising from long-term incentive plans resulted in an adjusted[1] basic loss per share for the period of (0.6) pence (FY23 H1: earnings of 0.7 pence).

Operating cash flow and net bank debt
The Group generated net cash flow from operating activities in the period of £10.1 million (FY23 H1: generated 3.3 million), whilst capital expenditure payments of £1.2 million, bank loan interest £1.3 million, and loan repayments of £6.8 million (offset by drawdowns of £5.8 million), and lease rental payments of £6.0 million contributed to a net cash inflow in the period of £0.6 million decreasing net bank debt of £(21.6) million as at 1 July 2023 to a net bank debt closing position of £(20.0) million as at 30 December 2023.

Capital expenditure
The Group made capital investments of £1.2 million (FY23 H1: £4.6 million) during the period; this was incurred entirely on existing bars, comprising some minor required refurbishment work and ongoing reinvestment in bars and pubs, as well as equipment replacement and IT investment.

Dividend
As notified previously, the Board has suspended payments of dividends. There was no dividend paid or declared in either the current or prior period.

Going concern
Following a period of softer trading, which we have seen directly impact and reduce headroom on the Group's facilities, the Board has had to consider all strategic options available to it. The Group has already deployed several strategies to combat the ongoing significant external challenges including optimising staffing levels, amending opening hours and introducing temporary closures during quieter periods. There have been a number of redundancies and reductions to overhead costs, as well as reducing capital expenditure. The Group has also performed site rationalisations via consensual landlord negotiations where possible.

As a result, despite challenging conditions, performance has been encouraging, particularly across Revolución De Cuba and Peach Pubs. The Revolution branded bars have demonstrated gradual improvements, culminating in the strongest Christmas trading period in 2023, since 2019, with Group like-for-like sales at +9.0%.

Despite this, the Board has concluded that it is in the best interest of the Group for Revolution Bars Limited, to propose a Restructuring Plan alongside a number of additional measures to be implemented across the Group to re-shape its business, as well as exploring, in parallel, a Formal Sale Process and an M&A Process, in order to deliver the best outcome for stakeholders. Advisers have been appointed to support the Group through this process.

In order to fund a potential Restructuring Plan, and provide additional working capital for the Group, the Board has concluded, having undertaken a detailed review of the Group's financial forecasts and expected trading performance, that the Company needs to raise additional equity capital from new and existing investors is required, being the Fundraising, further details of which are set out in a separate announcement this morning. Without the additional funding proposed to be raised in connection with the Fundraising, and without the cost savings delivered through the proposed Restructuring Plan, the Board anticipates that the Group will face liquidity pressures in Q1 FY25.

As an alternative to the Restructuring Plan, the Group has also announced the commencement of a Formal Sale Process and the M&A Process to explore whether a sale of the shares in the Company, a sale of the shares in one or more of the Company's subsidiaries, or a sale of the business and assets of either the Company and/or the business and assets of the Company's subsidiaries, will provide a more beneficial outcome for the stakeholders than the Restructuring Plan.

The Company's secured creditor, the Lender, has agreed, in principle and subject to final and legally binding documentation being entered into, and to the Restructuring Plan being implemented, to provide, in aggregate, c.£6.9 million of additional support to the Group. £6.2 million of this additional support would be documented through the Restructuring Plan of the Plan Company by way of a £4.0 million write-off of existing debt and 12 months of payment-in-kind interest estimated, based on the latest company projections, to total £2.2 million. In addition, the Lender has provided c.£0.7 million of additional working capital support by allowing the Group to retain proceeds from the sale of the freehold support office and has also agreed in principle and subject to final and legally binding documentation being entered into and subject to the Restructuring Plan being sanctioned, to extend the term of the facilities, reschedule the amortisation of the outstanding facility, relax the minimum liquidity covenant until April 2025 and delay the reinstatement of the maintenance covenants for a period of time to provide the Group with significant flexibility.

However, the Lender wants to understand the outcome of the sale process, and whether a more optimal outcome could be achieved through the Formal Sale Process or the Restructuring Plan of Revolution Bars Limited. The Lender has also agreed to waive certain anticipated covenant breaches to enable the Group to allow the Plan Company to explore the implementation of a Restructuring Plan and progress the Formal Sale Process.

A material uncertainty exists due to the risk that rather than improving, trading and cashflows deteriorate below the downside case considered by the Board, or that in the event that the Restructuring Plan proceeds, that it is either delayed beyond the currently anticipated timeline for which the Company has adequate working capital or not sanctioned by the Court, leading to the Fundraising and any additional support from the Lender (as outlined above) not coming into effect. It cannot be guaranteed that the bank would extend their forbearance to accommodate a further review of options available to the business.

The Board is taking all necessary actions for the most beneficial outcome for the stakeholders, as well as ensuring the Group can return to normal levels of refurbishment and estate expansion. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the circumstances noted above indicate the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group were unable to continue as a going concern.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and
- the interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the year; and
  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Danielle Davies
Chief Financial Officer
10 April 2024

[1] *Adjusted performance measures exclude exceptional items and share-based payment charges and bar opening costs*
[2] *Like-for-like ("LFL") sales are same site sales defined as sales at only those venues that traded in the same week in both the current and prior year*
[3] *APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis*

Revolution Bars Group plc
Condensed Consolidated Statement of Comprehensive Income
for the 26 weeks ended 30 December 2023

	Note	**Unaudited 26 weeks ended 30 December 2023**	Unaudited 26 weeks ended 31 December 2022	Audited 52 weeks ended 1 July 2023
		£'000	£'000	£'000
Revenue	4	**82,300**	75,951	152,551
Cost of sales		**(19,331)**	(17,378)	(35,419)
Gross profit		**62,969**	58,573	117,132
Operating expenses:				
– operating expenses, excluding exceptional items		**(59,701)**	(53,988)	(112,039)
– exceptional items	5	**3,898**	(1,501)	(20,244)
Total operating expenses		**(55,803)**	(55,489)	(132,283)
Operating profit/(loss)		**7,166**	3,084	(15,151)
Finance expense	6	**(4,088)**	(3,175)	(7,056)
Profit/(Loss) before taxation		**3,078**	(91)	(22,207)
Income tax	7	**-**	257	(27)
Profit/(Loss) and total comprehensive income for the period		**3,078**	166	(22,234)
Earnings/(Loss) per share:				
– basic (pence)	9	**1.3**	0.1	(9.7)
– diluted (pence) (restated* - see note 9)	9	**1.3**	0.1	(9.7)*
Dividend declared per share (pence)		-	-	-

Revolution Bars Group plc
Condensed Consolidated Statement of Financial Position
at 30 December 2023

	Note	**Unaudited 26 weeks ended 30 December 2023**	Unaudited 26 weeks ended 31 December 2022	Audited 52 weeks ended 1 July 2023
		£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment	10	**34,117**	46,028	36,161
Right-of-use assets	10	**65,708**	82,017	67,706
Intangible assets		**31**	28	30
Goodwill		**17,419**	12,111	17,419
Other non-current assets	11	**646**	-	-
		117,921	140,184	121,316
Current assets				
Inventories		**4,318**	4,043	3,405
Trade and other receivables	11	**6,717**	7,575	11,448
Tax receivable		**38**	-	-
Cash and cash equivalents		**3,980**	4,508	3,367
		15,053	16,126	18,220
Total assets		**132,974**	156,310	139,536
Liabilities				
Current liabilities				
Trade and other payables	12	**(29,995)**	(28,957)	(31,720)
Lease liabilities	13	**(6,955)**	(6,615)	(7,087)
Provisions	14	**(871)**	(924)	(871)
Tax payable		**-**	-	(27)
		(37,821)	(36,496)	(39,705)
Net current liabilities		**(22,768)**	(20,370)	(21,485)
Non-current liabilities				
Lease liabilities	13	**(111,495)**	(117,829)	(118,236)
Interest-bearing loans and borrowings	15	**(24,000)**	(23,000)	(25,000)
Provisions	14	**(1,875)**	(2,003)	(1,967)
		(137,370)	(142,832)	(145,203)
Total liabilities		**(175,191)**	(179,328)	(184,908)
Net liabilities		**(42,217)**	(23,018)	(45,372)
Equity attributable to equity holders of the parent				
Share capital		**230**	230	230
Share premium		**33,794**	33,794	33,794
Merger reserve		**11,645**	11,645	11,645
Accumulated losses		**(87,886)**	(68,687)	(91,041)
Total equity		**(42,217)**	(23,018)	(45,372)

Revolution Bars Group plc
Condensed Consolidated Statement of Changes in Equity
for the 26 weeks ended 30 December 2023

	Share capital £'000	Share premium £'000	Reserves: Merger reserve £'000	Reserves: (Accumulated losses) / retained earnings £'000	Total equity £'000
At 2 July 2022	**230**	**33,794**	**11,645**	**(68,690)**	**(23,021)**
Loss and total comprehensive expense for the period	-	-	-	(22,234)	(22,234)
Credit arising from long-term incentive plans (note 23)	-	-	-	(117)	(117)
At 1 July 2023	**230**	**33,794**	**11,645**	**(91,041)**	**(45,372)**
Profit and total comprehensive income for the period	-	-	-	3,078	**3,078**
Charge arising from long-term incentive plans	-	-	-	77	**77**
At 30 December 2023	**230**	**33,794**	**11,645**	**(87,886)**	**(42,217)**

Revolution Bars Group plc
Condensed Consolidated Statement of Cash Flow
at 30 December 2023

	Note	**Unaudited 26 weeks ended 30 December 2023**	Unaudited 26 weeks ended 31 December 2022	Audited 52 weeks ended 1 July 2023
		£'000	£'000	£'000
Cash flow from operating activities				
Profit/(Loss) after tax from operations		**3,078**	166	(22,207)
Adjustments for:				
Net finance expense	6	**4,088**	3,175	7,056
Depreciation of property, plant and equipment	10	**3,207**	2,992	6,634
Depreciation of right-of-use assets	10	**2,349**	2,411	5,423
Impairment of property, plant and equipment	10	**-**	-	6,096
Impairment of right-of-use assets	10	**-**	-	12,642
Lease modification	5	**(287)**	(30)	(50)
Gain on disposal	5	**(3,867)**	-	-
Acquisition costs	5	**-**	-	1,499
Amortisation of intangibles		**2**	3	5
Taxation charge		**-**	-	27
Charge/(Credit) arising from long-term incentive plans	8	**77**	(163)	(117)
Operating cash flows before movement in working capital		**8,647**	8,554	17,008
(Increase)/decrease in inventories		**(913)**	(208)	584
Decrease/(increase) in trade and other receivables		**4,182**	3,378	(543)
(Decrease)/increase in trade and other payables		**(1,823)**	(8,066)	(6,936)
(Decrease)/increase in provisions		**-**	(390)	(443)
Net cash flow generated from operating activities		**10,093**	3,268	9,670
Cash flow from investing activities				
Cost of acquisition of subsidiaries, net of cash acquired		**-**	(9,190)	(10,689)
Purchase of intangible assets		**-**	(3)	(7)
Purchase of property, plant and equipment	10	**(1,163)**	(4,617)	(5,533)
Net cash flow used in investing activities		**(1,163)**	(13,810)	(16,229)
Cash flow from financing activities				
Interest paid	6	**(1,302)**	(754)	(1,895)
Principal element of lease payments	13	**(2,789)**	(2,236)	(6,432)
Interest element of lease payments	13	**(3,226)**	(3,098)	(4,885)
Repayment of subsidiary borrowings		**-**	(5,926)	(5,926)
Repayment of borrowings	15	**(6,800)**	(21,751)	(25,751)
Drawdown of borrowings	15	**5,800**	30,000	36,000
Net cash flow used in financing activities		**(8,317)**	(3,765)	(8,889)
Net increase/(decrease) in cash and cash equivalents		**613**	(14,307)	(15,448)
Opening cash and cash equivalents		**3,367**	18,815	18,815
Closing cash and cash equivalents		**3,980**	4,508	3,367

Reconciliation of net bank debt			
Net increase/(decrease) in cash and cash equivalents	**613**	(14,307)	(15,448)
Cash inflow from increase in borrowings	**(5,800)**	(30,000)	(36,000)
Cash outflow from repayment of borrowings	**6,800**	21,751	25,751
Opening (net bank debt)/net bank cash	**(21,633)**	4,064	4,064
Closing net bank debt	**(20,020)**	(18,492)	(21,633)

Notes to the Half-yearly Financial Report

1. General information and basis of preparation

(a) General Information

Revolution Bars Group plc (the "Company") is a company incorporated in the United Kingdom and registered in England and Wales. Its Registered Office is at 21 Old Street, Ashton-under-Lyne, OL6 6LA, United Kingdom. The Company's shares were admitted to trading on the AIM market of the London Stock Exchange on 27 July 2020.

This half-yearly Financial Report is an interim management report as required by DTR 4.2.3 of the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority (the 'FCA').

These condensed consolidated interim financial statements as at and for the 26 weeks ended 30 December 2023 comprises the Company and its subsidiaries (together referred to as the "Group").

(b) Basis of preparation

The annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards ("IAS") and with the requirements of the Companies Act 2006 applicable to companies reporting under those standards, and they apply to the half-yearly Financial Report for the 26 weeks ended 30 December 2023 (prior period 26 weeks ended 31 December 2022).

The condensed consolidated interim financial statements of the Group for the 26 weeks ended 30 December 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the 52 weeks ended 1 July 2023.

As required by the Disclosure Guidance and Transparency Rules of the FCA, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the 52 weeks ended 1 July 2023.

The comparative figures for the 52 weeks ended 1 July 2023 are extracted from the Company's statutory accounts for that period. Those accounts have been reported on by the Company's auditor, filed with the Registrar of Companies and are available on request from the Company's Registered Office or to download from www.revolutionbarsgroup.com. The auditor's report on those accounts was unqualified, did include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, did include a reference to a material uncertainty relating to going concern, and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Going concern

As notified previously, the Board has suspended payments of dividends. There was no dividend paid or declared in either the current or prior period.

Going concern

Following a period of softer trading, which we have seen directly impact and reduce headroom on the Group's facilities, the Board has had to consider all strategic options available to it. The Group has already deployed several strategies to combat the ongoing significant external challenges including optimising staffing levels, amending opening hours and introducing temporary closures during quieter periods. There have been a number of redundancies and reductions to overhead costs, as well as reducing capital expenditure. The Group has also performed site rationalisations via consensual landlord negotiations where possible.

As a result, despite challenging conditions, performance has been encouraging, particularly across Revolución De Cuba and Peach Pubs. The Revolution branded bars have demonstrated gradual improvements, culminating in the strongest Christmas trading period in 2023, since 2019, with Group like-for-like sales at +9.0%.

Despite this, the Board has concluded that it is in the best interest of the Group for Revolution Bars Limited, to propose a Restructuring Plan alongside a number of additional measures to be implemented across the Group to re-shape its business, as well as exploring, in parallel, a Formal Sale Process and an M&A Process, in order to deliver the best outcome for stakeholders. Advisers have been appointed to support the Group through this process.

In order to fund a potential Restructuring Plan, and provide additional working capital for the Group, the Board has concluded, having undertaken a detailed review of the Group's financial forecasts and expected trading performance, that the Company needs to raise additional equity capital from new and existing investors is required, being the Fundraising, further details of which are set out in a separate announcement this morning. Without the additional funding proposed to be raised in connection with the Fundraising, and without the cost savings delivered through the proposed Restructuring Plan, the Board anticipates that the Group will face liquidity pressures in Q1 FY25.

As an alternative to the Restructuring Plan, the Group has also announced the commencement of a Formal Sale Process and the M&A Process to explore whether a sale of the shares in the Company, a sale of the shares in one or more of the Company's subsidiaries, or a sale of the business and assets of either the Company and/or the business and assets of the Company's subsidiaries, will provide a more beneficial outcome for the stakeholders than the Restructuring Plan.

The Company's secured creditor, the Lender, has agreed, in principle and subject to final and legally binding documentation being entered into, and to the Restructuring Plan being implemented, to provide, in aggregate, c.£6.9 million of additional support to the Group. £6.2 million of this additional support would be documented through the Restructuring Plan of the Plan Company by way of a £4.0 million write-off of existing debt and 12 months of payment-in-kind interest estimated, based on the latest company projections, to total £2.2 million. In addition, the Lender has provided c.£0.7 million of additional working capital support by allowing the Group to retain proceeds from the sale of the freehold support office and has also agreed in principle and subject to final and legally binding documentation being entered into and subject to the Restructuring Plan being sanctioned, to extend the term of the facilities, reschedule the amortisation of the outstanding facility, relax the minimum liquidity covenant until April 2025 and delay the reinstatement of the maintenance covenants for a period of time to provide the Group with significant flexibility.

However, the Lender wants to understand the outcome of the sale process, and whether a more optimal outcome could be achieved through the Formal Sale Process or the Restructuring Plan of Revolution Bars Limited. The Lender has also agreed to waive certain anticipated covenant breaches to enable the Group to allow the Plan Company to explore the implementation of a Restructuring Plan and progress the Formal Sale Process.

A material uncertainty exists due to the risk that rather than improving, trading and cashflows deteriorate below the downside case considered by the Board, or that in the event that the Restructuring Plan proceeds, that it is either delayed beyond the currently anticipated timeline for which the Company has adequate working capital or not sanctioned by the Court, leading to the Fundraising and any additional support from the Lender (as outlined above) not coming into effect. It cannot be guaranteed that the bank would extend their forbearance to accommodate a further review of options available to the business.

The Board is taking all necessary actions for the most beneficial outcome for the stakeholders, as well as ensuring the Group can return to normal levels of refurbishment and estate expansion. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the circumstances noted above indicate the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group were unable to continue as a going concern.

2. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 52 weeks ended 1 July 2023. These accounting policies are all expected to be applied for the 52 weeks to 29 June 2024.

Leases

Where the Company is a lessee, a right-of-use asset and lease liability are both recognised at the outset of the lease. Each lease liability is initially measured at the present value of the remaining lease payment obligations taking account of the likelihood of lease extension or break options being exercised. Each lease liability is subsequently adjusted to reflect imputed interest, payments made to the lessor and any modifications to the lease. The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, plus lease payments made at or before the commencement date adjusted by the amount of any prepaid or accrued lease payments, less any incentives received to enter into the lease, plus any initial direct costs incurred by the Group to execute the lease, and less any onerous lease provision. The right-of-use asset is depreciated in accordance with the Group's accounting policy on property, plant and equipment. The amount charged to the income statement comprises the depreciation of the right-of-use asset and the imputed interest on the lease liability.

When a lease is disposed of, the corresponding remaining lease liability is removed. If sufficient right-of-use asset remains, the corresponding credit will be taken there to appropriately remove any remaining asset also. Where the right-of-use asset has already been written down, either partially or in full, the remaining balance is taken as a credit to the P&L as an exceptional gain on disposal. This is in line with the same treatment taken on lease modifications and regears.

Items impacting Alternative Performance Measures

Exceptional items
Items that are unusual or infrequent in nature and material in size are disclosed separately in the income statement. The separate reporting of these items helps provide a more accurate indication of the Group's underlying business performance, which the Directors believe would otherwise be distorted. Exceptional items typically include impairments of property, plant and equipment and right-of-use assets, significant contract termination costs and costs associated with major one-off projects.

Share based payments
Charges relating to share-based payment arrangements, while not treated as an exceptional item, are adjusted for when arriving at adjusted EBITDA on the basis that such amounts are non-cash, can be material and often fluctuate significantly from period to period, dependent on factors unrelated to the Group's underlying trading performance.

Bar opening costs
Bar opening costs relate to costs incurred in getting new bars fully operation and primarily include costs incurred before the opening and preparing for launch, even if the bars do not open in the period. Although not treated as an exceptional item, these are adjusted for when arriving at adjusted EBITDA on the basis that such amounts are non-cash, can be material and often fluctuate significantly from period to period, dependent on factors unrelated to the Group's underlying trading performance.

3. Key Risks
The directors believe that the principal risks and uncertainties faced by the business are as set out below. Occurrence of any of these risks or a combination of them may significantly impact the achievement of the Group's strategic goals;

- Consumer demand and Cost-of-living
- COVID-19
- Climate change and Sustainability
- Refurbishment and acquisition of bars
- Supplier concentration and inflationary cost rises
- Consumer trends and PR
- Health and safety
- National minimum/living wage
- Funding and Interest rates

4. Segmental reporting

The Group's continuing operating businesses are organised and managed as reportable business segments according to the information used by the Group's Chief Operating Decision Maker ("CODM") in its decision making and reporting structure.

The Group's internal management reporting is focused predominantly on revenue and APM IAS 17 adjusted EBITDA, as these are the principal performance measures and drives the allocation of resources. The CODM receives information by trading venue, each of which is considered to be an operating segment. All operating segments have similar characteristics and, in accordance with IFRS 8, are aggregated to form an "Ongoing business" reportable segment. Within the ongoing business, assets and liabilities cannot be allocated to individual operating segments and are not used by the CODM for making operating and resource allocation decisions.

The Group performs all its activities in the United Kingdom. All the Group's non-current assets are located in the United Kingdom. Revenue is earned from the sale of drink and food with a small amount of admission and other income.

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Revenue	**82,300**	**75,951**	152,551
Cost of sales	**(19,331)**	**(17,378)**	(35,419)
Gross profit	**62,969**	**58,573**	117,132
Operating expenses:			
– operating expenses excluding exceptional items	**(59,701)**	**(53,988)**	(112,039)
– exceptional items	**3,898**	**(1,501)**	(20,244)
Total operating expenses	**(55,803)**	**(55,489)**	(132,283)
Operating profit/(loss)	**7,166**	**3,084**	(15,151)

Bar & Pub Revenue relates to food, drink and admission sales from the Group's bars and pubs. Other Revenue includes photobooth income, as well as other smaller revenue streams including rental, commission, accommodation, gaming and online revenue.

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Bar & Pub Revenue	**80,263**	**74,798**	149,742
Other Revenue	**2,037**	**1,153**	2,809
Revenue	**82,300**	**75,951**	152,551

5. Exceptional items

Exceptional items, by virtue of their size, incidence, or nature, are disclosed separately in order to allow a better understanding of the underlying trading performance of the Group. Exceptional charges/(credits) comprised the following:

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Administrative expenses:			
– impairment of right-of-use assets	**-**	**-**	12,642
– impairment of property, plant and equipment	**-**	**-**	6,096
– lease modification	**(287)**	**(30)**	(50)
– net gain on disposal	**(3,867)**	**-**	-
– acquisition costs	**-**	**1,498**	1,499
– business restructure	**256**	**33**	57
Total exceptional (credit)/charge	**(3,898)**	**1,501**	20,244

No impairment review is conducted at the half-year, but a full impairment review is conducted across the entire asset base at year-end. The two exited sites were already fully impaired.

The prior year exceptional items predominantly related to the legal and professional costs incurred during the acquisition of Peach.

The exceptional credits in FY24 H1 predominantly relate to the credit that arises under an IFRS 16 lease modification where a reduction in lease term or value is recognised, but the asset has already been impaired to a lower value. In those instances, the corresponding credit is taken as an exceptional credit.

Exceptional gains on disposal were also recognised on the exit of two leases through extinguishing IFRS 16 lease liabilities and is net of any surrender premiums paid or payable to, or received or receivable from, landlords, other relevant exit costs, and impairment on the exited leases.

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Gross gain on disposal	**(3,703)**	**-**	-
Surrender premiums (received)/paid in period	**(250)**	**-**	-
Related surrender costs paid in period	**86**	**-**	-
Impairment on exited properties	**-**	**-**	-
Net gain on disposal	**(3,867)**	**-**	-

6. Finance expense

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Interest payable on bank loans and overdrafts	**1,302**	**754**	1,895
Interest on lease liabilities	**2,786**	**2,421**	5,161
Interest payable	**4,088**	**3,175**	7,056

7. Income Tax

The taxation charge for the 26 weeks ended 30 December 2023 has been calculated by applying an estimated effective tax rate for the 52 weeks ending 29 June 2024. Due to brought-forward tax losses, no tax was due for the half-year period.

8. Share-based payments

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Charge/(credit) in the period	**77**	**1**	(166)
(Credit)/charge relating to forfeitures in period	**-**	**(164)**	49
Total charge/(credit) arising from long-term incentive plans	**77**	**(163)**	(117)

All remaining historic employee share incentive schemes ceased in the prior year after all schemes reached the end of their award period. Previous schemes did not meet the success criteria and have thus ceased to operate with all outstanding options lapsing.

The Group issued 4,155,290 options under a Restricted Share Award ("RSA") scheme on 23 November 2021, 5,628,887 options under a RSA scheme on 25 October 2022, and a further 2,961,954 options under a RSA scheme on 26 October 2023. These are all subject to leavers and forfeits. The 2020 RSA scheme vested in FY24 H1.

9. Earnings per share

The calculation of loss per ordinary share is based on the results for the period, as set out below:

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Profit/(Loss) for the period (£'000)	**3,078**	**166**	(22,234)
Weighted average number of shares – basic ('000)	**230,049**	**230,049**	230,049
Basic earnings/(loss) per Ordinary share (pence)	**1.3**	**0.1**	(9.7)
Weighted average number of shares – diluted ('000)	**242,717**	**240,534**	239,838
Diluted earnings/(loss) per Ordinary share (pence)	**1.3**	**0.1**	(9.7)

Diluted shares are calculated making an assumption of outstanding options expected to be awarded. The associated diluted earnings/(loss) per Ordinary Share cannot be anti-dilutive and therefore is capped at the same value as basic earnings/(loss) per Ordinary Share. The diluted loss per Ordinary Share was capped for the 52 weeks ended 1 July 2023, as it was anti-dilutive; however, this update wasn't rectified on the face of the Consolidated Statement of Comprehensive Income which incorrectly showed (9.3p) rather than (9.7p). This has now been restated.

Profit/(Loss) for the period was impacted by one-off exceptional costs. A calculation of adjusted earnings per Ordinary Share is set out below.

	Unaudited 26 weeks ended 31 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Profit/(Loss) on ordinary activities before taxation	**3,078**	**(91)**	(22,207)
Exceptional items, share-based payments and bar opening costs	**(3,821)**	**1,338**	20,127
Adjusted (loss)/profit on ordinary activities before taxation	**(743)**	**1,247**	(2,080)
Taxation on ordinary activities	**-**	**257**	(27)
Taxation on exceptional items and bar opening costs	**(741)**	**-**	3,561
Adjusted (loss)/profit of ordinary activities after taxation	**(1,484)**	**1,504**	1,454
Basic number of shares ('000)	**230,049**	**230,049**	230,049
Adjusted basic (loss)/earnings per share (pence)	**(0.6)**	**0.7**	0.6
Diluted number of shares ('000)	**242,717**	**240,534**	239,838
Adjusted diluted (loss)/earnings per share (pence)	**(0.6)**	**0.6**	0.6

Exceptional items, share-based payments and bar opening costs did not include share-based payments in FY23 and have been corrected to include so for the FY24 Interim Results and will also be corrected for the FY24 Annual Report and Accounts. By doing so, the adjusted basic and diluted earnings per share is reduced to 0.6p.

10. Property, plant and equipment and right-of-use assets

Property, plant and equipment	Freehold land and buildings £'000	Short leasehold premises £'000	Fixtures and fittings £'000	IT equipment and office furniture £'000	Total £'000
Cost					
At 1 July 2023	1,652	90,479	69,029	11,033	172,193
Additions	-	271	679	213	1,163
At 30 December 2023	**1,652**	**90,750**	**69,708**	**11,246**	**173,356**
Accumulated depreciation and impairment					
At 1 July 2023	(1,216)	(67,030)	(57,855)	(9,931)	(136,032)
Depreciation charges	-	(1,882)	(1,136)	(189)	(3,207)
At 30 December 2023	**(1,216)**	**(68,912)**	**(58,991)**	**(10,120)**	**(139,239)**
Net book value					
At 30 December 2023	**436**	**21,838**	**10,717**	**1,126**	**34,117**
At 1 July 2023	436	23,449	11,174	1,102	36,161

Right-of-use assets - Group	Short leasehold premises £'000
Cost	
At 1 July 2023	132,809
Additions	736
Reassessment/modification of assets previously recognised	(385)
At 30 December 2023	**133,160**
Accumulated depreciation and impairment	
At 1 July 2023	(65,103)
Depreciation charges	(2,349)
Impairment charges	-
At 30 December 2023	**(67,452)**
Net book value	
At 30 December 2023	**65,708**
At 1 July 2023	67,706

Depreciation and impairment of property, plant and equipment and right-of-use assets are recognised in operating expenses in the consolidated statement of profit or loss and other comprehensive income. No impairment review is conducted at the half-year, but a full impairment review is conducted across the entire asset base at year-end.

11. Trade and other receivables

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Amounts falling due within one year			
Trade and other receivables	**2,219**	3,877	4,429
Accrued rebate income	**629**	487	721
Prepayments	**3,869**	3,211	5,809
Other debtors	**-**	-	489
	6,717	7,575	11,448

There are also £646k of non-current receivables relating to lease deposits due under lease agreements, predominantly relating to pubs. This was included within current receivables at FY23-end and have been appropriately disclosed as long-term debtors from FY24 H1.

12. Trade and other payables

	Unaudited 26 weeks ended 30 December 2023 £'000	**Unaudited 26 weeks ended 31 December 2022 £'000**	Audited 52 weeks ended 1 July 2023 £'000
Amounts falling due within one year			
Trade payables	**13,424**	13,057	15,011
Other payables	**374**	1,272	1,339
Accruals and deferred income	**10,553**	10,272	11,261
Other taxes and social security costs	**5,644**	4,356	4,109
	29,995	28,957	31,720

13. Lease liabilities

	Short leasehold properties £'000
At 1 July 2023	125,323
Additions	736
Reassessment/modification of liabilities previously recognised	(390)
Surrender of leases (note 5)	(3,703)
Modifications taken as a credit to administrative expenses (note 5)	(287)
Lease liability payments	(6,015)
Finance costs	2,786
At 30 December 2023	**118,450**

The reassessment/modification of leases relates to re-gears on existing leases, where the terms of the lease have been changed such as an extension or change to rental amount.

The lease liability cash payments in the year comprise interest of £3.2 million and principal of £2.8 million. £7.0 million of the net present value of lease liabilities are current, and £111.5 million are non-current.

14. Provisions

The dilapidations provision relates to a provision for dilapidations due at the end of leases. The Group provides for unavoidable costs associated with lease terminations and expires against all leasehold properties across the entire estate, built up over the period until exit. Other provisions include provisions for various COVID-19 related items, which are uncertain of timing and therefore classified as less than one year. Dilapidations provisions are expected to be utilised over the next 5-15 years as leases come to an end.

	Other provisions £,000	Dilapidations provision £'000	**Total provisions £'000**
At 1 July 2023	871	1,967	2,838
Movement on provision	-	63	63
Utilisation of provision	-	(155)	(155)
At 30 December 2023	**871**	**1,875**	**2,746**

	Unaudited 26 weeks ended 30 December 2023 £'000	Unaudited 26 weeks ended 31 December 2022 £'000	Audited 52 weeks ended 1 July 2023 £'000
Current	**871**	924	871
Non-current	**1,875**	2,003	1,967
	2,746	2,927	2,838

15. Interest-bearing loans and borrowings

	Unaudited 26 weeks ended 30 December 2023 £'000	Unaudited 26 weeks ended 31 December 2022 £'000	Audited 52 weeks ended 1 July 2023 £'000
Revolving credit facility	**24,000**	23,000	25,000
	24,000	23,000	25,000

As at the date of the consolidated financial position, the Group had a total revolving credit facility (the "Facility") of £30.0 million expiring in October 2025, of which £24.0m was drawn down.

The Facility and the CLBILS are secured and supported by a fixed equitable charge over the assets of Revolution Bars Group plc, Revolución De Cuba Limited, Revolution Bars Limited, Revolution Bars (Number Two) Limited, Inventive Service Company Limited, and The Peach Pub Company (Holdings) Limited and its subsidiaries.

16. Dividends
No dividend in respect of the interim reporting period is being declared. No interim or final dividend was declared in respect of the 52 weeks ended 1 July 2023.

17. Capital Commitments
There were £nil capital commitments as at 30 December 2023 (at 1 July 2023: £nil).

18. Post Balance Sheet Events

Sale and Leaseback of the registered offices
On 22 February 2024, the Group completed a sale and leaseback on its registered offices at 21 Old Street, Ashton-under-Lyne, OL6 6LA. The freehold property was sold for £700,000 plus VAT, and the office space will now be leased back on an initial three-year term including a break clause.

Fundraising, Restructuring Plan, Formal Sale Process and M&A Process and Fundraising
Following an ongoing period of softer trade, coupled with significant cost pressures on the Group, today we have announced a Fundraising to fund a potential Restructuring Plan, and provide working capital support for the Group. At the same time as the Fundraising, we have also announced the intention for Revolution Bars Limited to propose a Restructuring Plan together with a number of additional measures to be implemented across the Group to re-shape its business, as well as exploring, in parallel, a Formal Sale Process in accordance with the City Code on Takeovers and Mergers and an M&A Process, in order to deliver the best, outcome for the stakeholders.

The Group has already implemented many actions to mitigate the impact on the Group, including driving operational efficiencies, reducing costs and cash outflows throughout the business, which has included redundancies and reductions in overhead costs, in addition to also reducing capital expenditure.

The impact of such strategies has demonstrated improved performance in the Group, particularly in Revolución de Cuba and Peach. However, the Board has decided it is necessary for Revolution Bars Limited to propose a Restructuring Plan to enable improved performance from the Group, at the same time as commencing a Formal Sale Process.

Further details of the proposed Fundraising, Restructuring Plan, Formal Sale Process and the M&A Process are contained in a separate announcement, released this morning.

19. Alternative Performance Measures - Adjusted EBITDA – Non-IFRS 16 Basis
The Board's preferred profit measures are Alternative Performance Measures ("APM") adjusted EBITDA and APM adjusted pre-tax loss, as shown in the tables below. The APM adjusted measures exclude exceptional items, bar opening costs and charges/credits arising from long term incentive plans. Non-GAAP measures are presented below which encompasses adjusted EBITDA on an IFRS 16 basis:

	26 weeks ended 30 December 2023 £'000	26 weeks ended 31 December 2022 £'000	52 weeks ended 1 July 2023 £'000
Non-GAAP measures			
Revenue	**82,300**	75,951	152,551
Operating profit	**7,166**	3,084	(15,151)
Exceptional items	**(3,898)**	1,501	20,244
Charge/(credit) arising from long-term incentive plans	**77**	(163)	(117)
Adjusted operating profit	**3,345**	4,422	4,976
Finance expense	**(4,088)**	(3,175)	(7,056)
Adjusted (loss)/profit before tax	**(743)**	1,247	(2,080)
Depreciation	**5,556**	5,403	12,057
Amortisation	**2**	3	5
Finance expense	**4,088**	3,175	7,056
Adjusted EBITDA	**8,903**	9,828	17,038

The below table reconciles from the statutory non-GAAP adjusted EBITDA to the APM formats, which translates to a pre-IFRS 16 basis by inputting the rental charge and other relevant adjustments.

	26 weeks ended 30 December 2023 IFRS 16 £'000	Reduction in depreciation £'000	Reduction in interest £'000	Onerous lease provision interest £'000	Rent charge £'000	IFRS 16 Exceptionals £'000	26 weeks ended 30 December 2023 IAS 17 £'000
Operating profit/(loss)	**7,166**	**2,579**	**-**	**-**	**(5,710)**	**(4,778)**	**(743)**
Exceptional items	(3,898)	-	-	-	-	4,778	880
Charge arising from long-term incentive plans	77	-	-	-	-	-	77
Adjusted operating profit	**3,345**	**2,579**	**-**	**-**	**(5,710)**	**-**	**214**
Finance expense	(4,088)	-	2,786	(100)	-	-	(1,402)
Adjusted loss before tax	**(743)**	**2,579**	**2,786**	**(100)**	**(5,710)**	**-**	**(1,188)**
Depreciation	5,556	(2,579)	-	-	-	-	2,977
Amortisation	2	-	-	-	-	-	2
Finance expense	4,088	-	(2,786)	100	-	-	1,402
Adjusted EBITDA	**8,903**	**-**	**-**	**-**	**(5,710)**	**-**	**3,193**

	52 weeks ended 1 July 2023 IFRS 16 £'000	Reduction in depreciation £'000	Reduction in interest £'000	Onerous lease provision interest £'000	Rent charge £'000	IFRS 16 Exceptionals £'000	52 weeks ended 1 July 2023 IAS 17 £'000
Operating loss	**(15,151)**	**6,022**	**-**	**-**	**(10,424)**	**12,592**	**(6,961)**
Exceptional items	20,244	-	-	-	-	(12,592)	7,652
Credit arising from long-term incentive plans	(117)	-	-	-	-	-	(117)
Adjusted operating profit	**4,976**	**6,022**	**-**	**-**	**(10,424)**	**-**	**574**
Finance income	-	-	16	-	-	-	16
Finance expense	(7,056)	-	5,145	(211)	-	-	(2,122)
Adjusted loss before tax	**(2,080)**	**6,022**	**5,161**	**(211)**	**(10,424)**	**-**	**(1,532)**
Depreciation	12,057	(6,022)	-	-	-	-	6,035
Amortisation	5	-	-	-	-	-	5
Finance income	-	-	(16)	-	-	-	(16)
Finance expense	7,056	-	(5,145)	211	-	-	2,122
Adjusted EBITDA	**17,038**	**-**	**-**	**-**	**(10,424)**	**-**	**6,614**

The APM profit measures have been prepared using the reported results for the current period and replacing the accounting entries related to IFRS 16 Leases with an estimate of the accounting entries that would have arisen when applying IAS 17 Leases. The effective tax rate has been assumed to be unaltered by this change.

The APM profit measures see a large reduction in depreciation due to the non-inclusion of IFRS 16 depreciation on the right-of-use assets, and similarly non-inclusion of the finance expense of interest on lease liabilities. The operating profit/loss is impacted by the inclusion of rent expenditure from the income statement and inclusion of the onerous lease provision. Exceptionals are significantly impacted by the change in impairment, and the classification of certain cash exceptionals.