1 March 2019

Revolution Bars Group plc (LSE: RBG)

Interim results for the 26 weeks ended 29 December 2018

Revolution Bars Group plc ("the Group"), a leading UK operator of 79 premium bars, trading under the Revolution and Revolución de Cuba brands, today announces its interim results for the 26 weeks ended 29 December 2018.

Financial highlights

	26 weeks to 29 December 2018	26 weeks to 30 December 2017
Revenue	£78.5m	£73.8m
Like-for-like* (LFL) sales	(4.0%)	0.4%
Operating loss	(£3.1m)	(£3.7m)
Adjusted** Operating profit	£3.3m	£6.0m
Adjusted** EBITDA	£6.9m	£8.9m
Basic Loss per share	(6.2p)	(6.8p)
Adjusted* earnings per share	4.2p	9.4p
Interim Dividend	nil	1.65p

Key points

- LFL* sales for the period declined 4%. Q1 LFL* sales were -5% but improved to -3.1% in Q2. The four week festive**** period saw positive LFL* sales at 2.6%, a sixth consecutive year of festive growth.
- Overall, the five new sites opened in the period are trading well and we expect them to deliver good returns.
- Revolución de Cuba, which has a well-invested and differentiated offering, saw positive LFL* sales growth during the period.
- Revolution's LFL* sales declined due to under-investment in the brand's proposition, exacerbated by management instability and the hot summer.
- Revolution brand review completed in the period, and multiple workstreams are in development or in the process of being implemented.
- Refurbished Revolution sites saw a performance uplift, giving us confidence for future investment.
- The Group has identified a total of £1.5m annualised cost savings, of which actions to deliver £650,000 have recently been initiated.
- The Group continues to generate strong cashflow, however the focus is now on reallocating capital towards refurbishing the existing estate and reducing bank borrowings.
- The Board is not recommending the payment of an Interim Dividend.

Outlook & Strategy Update

- Trading at the beginning of Q3 has been challenging with LFL* sales of -7.3% in the 8 weeks to 23rd February 2019 but improved in the first three weeks of February at -5.5% despite being disadvantaged by short periods of closure of three Revolution sites for refurbishment, Valentine's Day not coinciding with Wednesday student events, and later half term holiday weeks. Adjusting for these inconsistencies would give an improvement for these three weeks of 1.9%pts to -3.6%, which the Board believes is a better indicator of the underlying trend. LFL* sales are expected to improve significantly as we come up against softer comparatives for the remainder of the financial year.
- Slow start to H2 means that FY19 Adjusted** EBITDA is now expected to be in the range £11m - £12m.

- Focus is now on enhancing the proposition and delivering performance from the existing estate Therefore, the new site opening programme has been halted. The Board is fully committed to expanding the footprint longer term.
- Three Revolutions have been refurbished in early February 2019 and another four further refurbishments, including three further Revolutions, are planned in the remainder of FY19.
- Workstreams to improve the Revolution customer proposition and therefore improve sales and profit from our existing estate continue to be designed and implemented.
- The Board is confident that these workstreams alongside the increased investment will both improve the customer proposition and accelerate the return to LFL* sales growth.

Commenting on the results, Rob Pitcher, Chief Executive Officer, said:

"While Revolución de Cuba has performed well and delivered growth in the reporting period, it is clear that the lack of investment into the Revolution proposition is impacting performance. Revolution has been reviewed, the issues identified, and workstreams are being implemented to restore it to growth. Our confidence in achieving this is underpinned by the good performance of the new Revolution venues, while the recently refurbished sites are also seeing uplifts. We have therefore decided to prioritise the refurbishment programme over new openings. We expect trading to improve as we come up against softer comparatives for the rest of the financial year."

The information contained within this announcement is deemed to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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A presentation for analysts will be held today and the presentation will be made available on the Group's corporate website at www.revolutionbarsgroup.com.

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*** *Restated – see Note 5 of the Notes to the Half-yearly Financial Report for an explanation of the reclassification of certain cash and cash equivalents giving rise to a restatement of the Consolidated statement of financial position as at 30 December 2017 and the Consolidated statement of cash flow for the 26 weeks ended 30 December 2017.*

**** 4 weeks to and including New Year's Eve. *The* 26 week reporting period ended 29 December 2018.

CHAIRMAN'S STATEMENT

Our Business

The Group is a leading operator of 79 premium bars with a strong presence throughout the UK for its two high-quality retail brands: Revolution, which is focused on young adults; and Revolución de Cuba, which attracts a broader age range. The Group is wet-led but also offers food and entertainment.

Providing exceptional customer experiences is at the heart of the business' strategy to drive LFL* sales growth through repeat visits, while attracting new customers with targeted offers and social media activity. As part of the long-term strategy, the Group seeks to expand its footprint with new sites in good locations.

Financial Performance

Total Group Sales for the 26-week period were up 6.4% to £78.5m (FY18: £73.8m), however LFL* sales declined 4.0%. Q1 LFL* sales were -5.0%, as the previously documented issues impacting the Group in the later stages of the reporting period continued into Q1. With more normal trading conditions, the Group's performance improved in Q2 with LFL* sales down 3.1% assisted by strong trading over the four-week Christmas period**** driven by pre-bookings with the Group posting 2.6% LFL* sales growth, its 6th consecutive year of festive growth.

Trading in Revolución de Cuba was encouraging with LFL* sales in growth. However, trading at Revolution (as outlined in last October's Preliminary Results statement) continued to be challenging and is the focus of management's attention following a period of under-investment in the brand proposition. The CEO's report provides an update on the actions management is taking to revitalise the brand and return it to LFL* sales growth. Adjusted** EBITDA for the Period was £6.9m (FY18: £8.9m), as previously guided in January 2019.

There were five new venue openings in the period, three Revolución de Cubas and two Revolutions, resulting in the Group trading from 79 venues at the period end (60 Revolution and 19 Revolución de Cuba). Overall, the new venues are trading well and we expect them to deliver good returns. In addition, three new sites were refurbished in the period and have seen an uplift in performance.

We remain a cash generative and profitable business, however, the board has decided that until there is a recovery in the Group's underlying sales performance, it is appropriate to suspend both the opening of new sites and the payment of dividends in order to prioritise investment in the existing estate and reduce bank borrowings. The Board intends to resume the payment of dividends at the earliest opportunity consistent with the Group's priorities at the time.

Current Trading

Since the turn of the calendar year, trading has continued to be challenging reflecting an ongoing market trend of stronger Christmas trading followed by a deeper sales trough in January. Trading at the start of February was disadvantaged by half term dates moving to the end of the month as a result of Easter being much later this year. Looking forward, the Group will benefit from much softer sales comparatives caused by the 'Beast from the East', the record hot summer and the FIFA World Cup in 2018.

Board

Rob Pitcher took up his appointment as CEO immediately prior to the start of the reporting period and has worked hard to quickly identify many areas for improvement.

Additionally, Michael Shallow, the Company's Senior Non-Executive Director, retired from the Board at the Annual General Meeting on 26 November 2018. I would like to in particular thank Michael

Shallow for his contribution as the Senior Non-Executive Director and leading the audit committee from the IPO. Jemima Bird, an existing Non-Executive Director, was appointed Senior Non-Executive Director and William Tuffy joined the Company and the Board as a Non-Executive Director and Chair of the Audit Committee.

The Group has a skilled workforce and experienced senior management teams with proven credentials in the industry. They have faced numerous challenges throughout the period but have shown immense dedication and commitment in dealing with the substantial swings in customer demand before, during and after the Christmas and New Year trading period. I would like to recognise the commitment and substantial effort of all our employees and thank them for their contribution.

Keith Edelman
Chairman

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CHIEF EXECUTIVE OFFICER'S STATEMENT

Joining the business immediately prior to the start of the reporting period, I was cognisant of the challenges and issues facing the Group. Revolución de Cuba, which has an excellent, well-invested and differentiated proposition, has performed well and delivered LFL* sales growth in the period. The Revolution brand, as previously identified, has seen little development for some time; accordingly, we have launched several workstreams to restore its competitive position, the details of which are set out further down this statement.

During the period, we opened five new sites. Revolution Glasgow and Revolución de Cuba Southampton in August; Revolución de Cuba Bristol in October; and Revolución de Cuba Huddersfield and Revolution Durham in November. Overall, the new venues are trading well and we expect them to deliver good returns.

In addition, we continue to be innovative in our use of space: we developed a new roof garden as part of the refurbishment of Revolution Wigan to maximise our trading area. We have also undertaken refurbishments at Revolution Sheffield and Revolución de Cuba Cardiff. Following investment, these sites are performing well. The performances of new and refurbished Revolution sites show that given the right level of investment the proposition performs well.

Prior to the important festive trading period we completed our research into the Revolution brand's customer proposition. Getting this completed in the autumn was important to allow the team to focus on delivering another record festive period, which I'm delighted to say they did. Since then we have established the workstreams we believe are required to return the brand back to LFL* sales and profit growth. Measures within each workstream are aimed at building customer loyalty, driving profit, and ultimately returning the existing estate to LFL* sales growth. I believe that delivering on these workstreams whilst focusing on our operating standards will give us an excellent platform from which to drive future growth.

The key findings of the research were as follows:

1) Revolution brand is not delivering on customers' value equation of price, quality and experience.
2) Speed of service is a key frustration from current users.
3) Customers are craving experiences and associate Revolution with 'fun', providing us with a real opportunity to deliver these experiences though on-site events.
4) There has been a lack of innovation on food and drink menus to keep up with consumer demands.
5) The Revolution estate is varied and may benefit from a segmented offering.

Update on actions taken since October:

Customer Proposition:
Customer research into the Revolution brand has been completed and workstreams established with several trials now underway. Our iconic cocktail masterclass offering has had a new gin-based variant added ahead of the summer season. New operating standards have been established for both brands.

Digital Journey:
We have rolled out our online booking engine to 44 sites with a further 16 sites going live over the next month. Year-to-date bookings are tracking up 30% and the system is also helping customer experience during peak trading. Since the implementation of our online reputation management tool, Reputation.com, our response rate to reviews is now over 95%, up from 36% a year ago. Deliveroo /

Click & Collect has made slower progress, however, both will launch in April with an additional 20 sites added to our Deliveroo offering, bringing the total to 70 sites.

Sales Generation:
Price positioning research has been completed and changes relating to these findings are in the process of being implemented across the estate. Trials are also underway in two Revolution areas to establish a better value proposition and a simplified promotional structure. Our autumn food menu in Revolution did not drive the turnaround in performance we had anticipated and, therefore, we have instigated a spring food menu refresh to address the gaps in our current offering. Recently, we have restructured the food team with the Director of Food leaving the business and the food team being realigned to our Marketing Director.

In addition, we have continued to establish our Saturday night 'peak time perfect' project. The format has been developed into 'Saturday X' (for large sites) and Saturday 'Y' (for smaller sites). Six sites are live on 'Saturday X' and outperforming the core estate by 7% post-9pm on a Saturday. A trial of 'Saturday Y' will be live across nine sites by the end of April.

Cost Leadership:
Better adoption of the S4 labour scheduling system coupled with more accurate sales forecasting is helping to drive greater efficiency. Productivity in December, at LFL* sites, was 4% better than last year, whilst for the half year labour hours at LFL* sites have reduced by 1% more than the sales decline. We continue to reduce our energy consumption through use of better technology, hourly usage monitoring and rollout of LED lighting which is now up to 39 sites from six at the start of the reporting period.

Estate Development:
Overall, the five new venues (which include two Revolution bars) are trading well and we expect them to deliver good returns. As a result of the new openings programme, only three refurbishments were completed in H1, including two Revolution sites and these sites are seeing an uplift in performance. A further four refurbishments will be completed in H2, with an aspiration of 15 sites in FY20 consistent with a 5/6-year investment cycle.

H2 FY19 workstreams

Team Engagement:
Recognising the importance of having highly skilled bartenders, we will be establishing a Bartender Academy with the aim of driving our speed of service at peak trading, improving our overall customer experience and team engagement. We are also conducting a full review of all site processes and procedures looking to remove unnecessary tasks to drive productivity and improve the customer experience. We have a predominately young team at the front line and to ensure these talented 'Gen Z' colleagues are contributing to our brand proposition, we will be running focus groups with them across the country.

Digital Journey:
Our focus in this area over the next few months will be to ensure the successful launch of the all-new Revolution brand website with more traffic to the site and more online bookings being generated.

Sales Generation:
Our bars need to be embedded in their local high street community and, as part of this, Revolution will be seeking to partner with local businesses and brands to host midweek experiential events in our bars. Speed of service at peak times has been a hindrance and the refinement of all aspects of our cocktail offering will help deliver this as part of our March menu launch. In order to deliver better

value for our customers food prices in Revolution have been lowered across key value items and the spring food menu is focused on driving both volume and margin through an improved range.

Cost leadership:
Another of our workstreams is focused on process simplification with a full review of all Group processes to be undertaken to drive efficiency and reduce unnecessary cost. Site cost benchmarking is underway with total annualised target savings identified of c£500,000. We are also targeting cost reductions of £1 million in central support costs, of which actions to deliver £650,000 have already been taken.

Estate Development:

Within the last few weeks refurbishments have been undertaken at Revolution Cambridge, Revolution Clapham Junction and Revolution Leadenhall. Further refurbishments are planned before the end of the financial period at the Revolution bars in Beaconsfield, Albert Dock Liverpool and Call Lane Leeds as well as the Revolución de Cuba in Leeds.

In addition, having recently completed a review of our portfolio, we have identified a potential opportunity to drive profitability through the segmentation of the Revolution Brand into two operating templates (all day sites and evening-only sites). Work on this is underway and we expect trials in a small number of sites to commence before the end of the financial period.

Future workstreams FY20

Customer Proposition:
As our customer experience continues to develop we need to work hard to stay ahead of current trends and this is an area we will be focused on over the next year, including evolving our competitive socialising offering.

Digital Journey:
Following the launch of the Revolution website in H2'19, our attention in this area will turn to the development of apps for both brands that will include a facility to order and pay at table.

Sales Generation:
Our pre-booked sales function is a real engine for growth and we will further develop our skills in the area of corporate sales as this remains a largely untapped opportunity.

Estate Development:
Once the Revolution brand has been returned to sales and profit growth, we will continue to grow our estate into new and profitable locations.

Strategic update

Frustratingly, trading so far in 2019 has been challenging. As in recent years, stronger Christmas trading is followed by a weaker January. Snow then impacted the January pay weekend and the February half term was later in the month due to a much later Easter this year. In addition, the uncertain political and economic environment is unsettling for our consumers.

In order to prioritise the recovery of Revolution LFL* sales, we will focus capital investment activity on our existing estate rather than opening new sites until a recovery in the brand has been achieved. Given the new Revolution sites are performing well and recently refurbished sites are seeing an uplift in performance, I am confident that Revolution can be revitalised through re-investment in the brand proposition and by focusing on the workstreams outlined above.

The early signs from recent refurbishments, gives us confidence that this is the right capital allocation policy to be pursuing at this time. Longer-term, we remain fully committed to expanding the footprint of our estate.

Our people

Our team is exceptionally dedicated and is working extremely hard. I would like to thank them for their commitment, particularly throughout the festive season where we delivered a sixth consecutive year of growth. I look forward to working closely with them as we return the Group to sustained growth.

Rob Pitcher
Chief Executive Officer
1 March 2019

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FINANCIAL REVIEW

Summary

As reported in the financial statements:

- Sales in the interim period were £78.5m (FY18: £73.8m) up 6.4%
- On a like-for-like* basis, sales were down -4.0%
- Operating loss £3.1m (FY18: £3.7m) impacted by Exceptional costs of £5.2m (FY18: £9.6m)
- Adjusted** Operating profit £3.3m (FY18: £6.0m)
- Adjusted** EBITDA £6.9m (FY18: £8.9m)
- Basic Loss per share -6.2p (FY18: -6.8p loss)
- Adjusted** Earnings per share 4.2p (FY18: 9.4p)
- Interim dividend suspended (FY18: 1.65p per share)

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** *Adjusted measures exclude exceptional items, bar pre-opening costs and share-based payment charges/(credits).*

Basis of preparation

Consistent with previous reporting periods, the Group operates a weekly accounting calendar and as each accounting period refers only to complete accounting weeks, the period under review reflects the results of the twenty-six weeks to 29 December 2018. There have been no changes to accounting policies relative to the comparative period other than the implementation of new accounting standards IFRS9 and IFRS 15, neither of which materially impact the financial statements.

The directors believe that Adjusted** EBITDA provides a better representation of underlying performance as it excludes the effect of exceptional items, share-based payment charges/credits (non-cash), and bar opening costs that are influenced by the number and timing of new venue openings, none of which items directly relate to the underlying trading performance of the Group.

Trading performance

Sales for the 26 weeks ended 29 December 2018 rose by 6.4% to £78.5m (FY18: £73.8m). LFL* sales over the same period declined by -4.0%.

Operating loss was £3.1m (FY18: Operating loss £3.7m) but this measure was significantly impacted in both the current and comparative reporting period by exceptional items as detailed below:

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 in the period amounted to £5.2m (FY18: £9.6) and comprised the following:

	(Unaudited) 26 weeks ended 29 December 2018 £'000	(Unaudited) 26 weeks ended 30 December 2017 £'000	Audited 52 weeks ended 30 June 2018 £'000
Impairment of property, plant and equipment	**3,532**	860	860
Onerous lease charges	**1,673**	**5,637**	**6,987**
Professional fees related to merger and acquisition activity	-	2,186	1,707
Costs associated with changes in executive team	-	705	948
Other exceptional fees	-	169	585
Total exceptional items	**5,205**	9,557	11,087

As a result of the impairment testing of property, plant and equipment, the net book value of assets at six of the Group's bars was written down (five bars fully written down and one partially). This has occurred due to poor trading performance of these bars during the last twelve months and the directors consider that these bars are unlikely to recover to a level in the foreseeable future where they will generate sufficient cash flows to justify their current book value. One bar's tangible assets that were impaired by £542,000 in the previous reporting period have been reinstated following a strong recovery in its trading performance.

Onerous lease provisions amounting to £1,491,000 have been made in respect of two further bars where trading profit contributions are projected to be insufficient to cover future rental commitments. The two bars have periods of 8 years and 13 years to run to break clauses in their leases. There are currently no plans to close either bar and management are committed to improving trading performance, which if achieved could result in these provisions being reversed. The assets of these bars have been fully impaired previously. The balance of the charge of £182,000 primarily reflects a small reduction in the risk free discount rate used to calculate the provision on the nine properties for which onerous lease provisions have been made previously, two of which are non-trading; it also includes adjustments in respect of the nine bars previously provided

In the prior period, there were professional fees relating to merger and acquisition activity in respect of the Board recommended offer from Stonegate Pub Company Limited and merger proposals from the Deltic Group Limited. The prior period also included costs associated with changes in the executive team relating to the resignations of the Chief Executive Officer ("CEO") and Chief Operating Officer and also fees and expenses relating to the recruitment of the new CEO. Other exceptional fees related to work undertaken in connection with accounting reviews and restatements of prior period accounts.

*Adjusted*** *EBITDA*

A reconciliation between Operating loss and Adjusted** EBITDA is given below.

	(Unaudited) 26 weeks ended 29 December 2018	(Unaudited) 26 weeks ended 30 December 2017	Audited 52 weeks ended 30 June 2018
Reconciliation of Non-GAAP measure	**£'000**	£'000	£'000
Operating loss	**(3,079)**	(3,720)	(3,019)
Exceptional items	**5,205**	9,557	11,087
Share-based payment credit	**(44)**	(765)	(1,566)
Non-recurring new bar opening costs	**1,242**	936	2,029
Adjusted operating profit	**3,324**	6,008	8,531
Finance expense	**(403)**	(239)	(555)
Adjusted profit before tax	**2,921**	5,769	7,976
Depreciation	**3,589**	2,880	6,477
Finance expense	**403**	239	555
Adjusted EBIDTA	**6,913**	8,888	15,008

An analysis of exceptional items is set out above.

The share-based payment credit in the period relates to the lapse of the first tranche of the 2015 IPO options. The large credit in the comparative period primarily relates to the forfeiture of options granted under the Long Term Incentive Plan as a result of the resignations of the former Chief Executive Officer and the Chief Operating Officer.

Non-recurring new bar opening costs primarily relate to five bars opened in the current period (FY18 interim: four bars). Costs comprise overheads during the fit-out period, recruitment, training and payroll costs prior to commencement of trading.

The table below shows how Adjusted** EBITDA has changed in the constituent parts of the estate.

Adjusted EBITDA by estate segmentation**		**(Unaudited) 26 weeks ended 29 December 2018**	(Unaudited) 26 weeks ended 30 December **2017**
	Number of venues	**£m**	£m
Venues opened pre July 2017	68	**10.3**	12.4
Venues opened in prior period (FY18)	6	**0.9**	0.3
Venues opened in current period (FY19)	5	**0.3**	-
Adjusted EBITDA from venues	79	**11.5**	12.7
Central support costs		**(4.6)**	(3.8)
Adjusted EBITDA		**6.9**	8.9

The principal reason for the reduction in Adjusted** EBITDA is the reduction at the LFL* estate where sales were down by 4.0% in the period. This coupled with gross margins down 0.3%pts due to additional promotional activity and increases in property overhead costs of £0.5m resulted in a £2.1m reduction in Adjusted** EBITDA at LFL* venues. Payroll costs at these venues were flat despite the National Minimum Wage being 3.7% higher year on year and a further 1% increase in pension rates. In real terms, therefore, labour hours reduced by almost 1% more than the LFL* sales decline.

Of the six venues opened in the prior reporting period, four opened in the first half, including three in December. The two other venues opened at the end of the third and fourth quarters. As Adjusted** EBITDA excludes bar opening costs, the improvement at these sites is due to a combination of sales annualisation and maturing EBITDA conversion. Average weekly sales per venue for these six venues in the period was £45,000, with adjusted* EBITDA equating to 13.0% of sales. Further improvements in EBITDA conversion are anticipated in the second half as more of the sites trade through their anniversaries of opening and operate as mature businesses for a full twelve months.

Five venues opened during the course of the 26 week period. Overall, these sites have performed encouragingly helped by strong Christmas trading despite not benefitting from a long pre-booking period for Christmas parties. One of the venues, Bristol de Cuba, is located on the harbour waterfront and whilst trading to date has been disappointing its substantial outside area is expected to deliver significant uplifts in sales in the warmer months. This group of new venues has insufficient trading history to make meaningful reference to their profit conversion or returns on investment at this time.

Central costs are £800k higher than last year and represented 5.9% sales (FY18: 5.2% sales). The principal reasons for the increase are: (a) for ten weeks of the comparative period there was no CEO, (b) this year's cost includes a Food director, (c) the central sales team was expanded to drive Christmas bookings, particularly to Corporates, and (d) supporting seven additional sites in comparison to the first half of FY18.

Capital expenditure
The Group spent £8.3m on capital expenditure during the period (FY18: £6.6m). Of this, £5.7m (FY18: £4.3m) related to new venue openings. £2.6m was incurred on the existing estate (FY18: £2.3m) and comprised venue refurbishments, building renovation works, equipment replacement and IT investments and equipment replacements.

Operating cash flow and net debt
The Group continued to be cash generative in the period with a net cash inflow from operating activities of £6.9m (FY18 Restated***: £7.4m). The decrease was a result of lower adjusted** EBITDA offset by the absence of cash exceptional items (FY18 interim: £3.0m).

The Group had gross borrowings of £18.5m (FY18: £10.5m) at the end of the period all relating to drawings on its committed revolving credit facility of £25m. The credit facility runs to December 2021. At the period end, cash and cash equivalents were £3.7m (FY18 Restated***: £5.0m) and therefore net-debt was £14.8m (FY18 Restated***: £5.5m).

Loss per share
Basic loss per share was 6.2 pence (FY18: loss of 6.8 pence per share) as a result of significant exceptional charges in both periods. Adjusted** basic earnings per share for the period was 4.2 pence (FY18: 9.4 pence).

Dividend
The Board has taken the decision to suspend payment of a dividend in order to prioritise investment in refurbishing the existing estate and reducing bank borrowings. However, the Board intends to resume the payment of dividends at the earliest appropriate opportunity, consistent with the Group's priorities at the time (FY18 interim dividend: 1.65 pence per share).

Current outlook
Trading at the beginning of Q3 has been challenging with LFL* sales of -7.3% in the 8 weeks to 23rd February 2019, though LFL* sales were improved in the first three weeks of February despite being disadvantaged by short periods of closure at three Revolution sites for refurbishment, Valentine's Day not coinciding with Wednesday student events, and later half term holiday weeks. Adjusting for these inconsistencies would give an improvement for these three weeks of 1.9%pts to -3.6%, which the Board believe is a better indicator of the underlying trend. LFL* sales are expected to improve as we come up against softer comparatives for the remainder of the financial year and the many workstreams focused on the Revolution brand, as set out in the Chief Executive Officer's statement, start to take hold.

The slow start to H2 means that FY19 Adjusted** EBITDA is now expected to be in the range £11m - £12m.

Given negative LFL* sales trends, the higher level of bank borrowings and the economic uncertainties related to the current status of the government's Brexit negotiation, the Board is adopting a more cautious outlook in the short term with new openings halted in order to focus capital investment on the existing estate and to reduce bank borrowings. The ongoing specific concerns regarding Brexit are related to food supplies and availability of labour, and both situations are being closely monitored. The Group's bigger concern regarding Brexit relates to the potentially adverse impact on consumer demand.

Mike Foster
Chief Financial Officer
1 March 2019

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Revolution Bars Group plc
Condensed Consolidated Statement of Comprehensive Income
for the 26 weeks ended 29 December 2018

	Note	**Unaudited 26 weeks ended 29 December 2018 £'000**	Unaudited 26 weeks ended 30 December 2017 £'000	Audited 52 weeks ended 30 June 2018 £'000
Revenue		**78,472**	73,848	141,939
Cost of sales		**(18,966)**	(17,638)	(33,751)
Gross profit		**59,506**	56,210	108,188
Operating expenses				
- operating expenses, excluding exceptional items		**(57,380)**	(50,373)	(100,120)
- exceptional items	8	**(5,205)**	(9,557)	(11,087)
Total operating expenses		**(62,585)**	(59,930)	(111,207)
Operating loss		**(3,079)**	(3,720)	(3,019)
Finance expense		**(403)**	(239)	(555)
Loss before taxation		**(3,482)**	(3,959)	(3,574)
Tax	9	**393**	545	730
Loss and total comprehensive income for the period		**(3,089)**	(3,414)	(2,844)
(Loss) per share				
- Basic and diluted (pence)	11	(6.2p)	(6.8p)	(5.7p)

Non-GAAP alternative performance measure				
Operating loss		**(3,079)**	(3,720)	(3,019)
Exceptional items	8	**5,205**	9,557	11,087
Share based payment credit	10	**(44)**	(765)	(1,566)
Non-recurring new venue pre-opening costs		**1,242**	936	2,029
Adjusted operating profit		**3,324**	6,008	**8,531**
Finance expense		**(403)**	(239)	(555)
Adjusted profit before tax		**2,921**	5,769	7,976
Depreciation		**3,589**	2,880	6,477
Finance expense		**403**	239	555
Adjusted EBIDTA		**6,913**	8,888	15,008
Adjusted Earnings Per Share				
- Basic and diluted (pence)	11	**4.2p**	9.4p	13.0p

Revolution Bars Group plc
Condensed Consolidated Statement of Financial Position
at 29 December 2018

	Unaudited As at 29 December 2018 £'000	Unaudited As at 30 December 2017 Restated* £'000	Audited As at 30 June 2018 £'000
Assets			
Non-current assets			
Deferred tax asset	**-**	27	-
Property, plant and equipment	**61,365**	56,134	60,195
	61,365	56,161	60,195
Current assets			
Inventories	**4,696**	4,394	3,892
Trade and other receivables	**9,828**	8,312	11,474
Tax receivable	**265**	-	265
Cash and cash equivalents	**3,656**	4,972	4,025
	18,445	17,678	19,656
Total assets	**79,810**	73,839	79,851
Liabilities			
Current liabilities			
Trade and other payables	**(24,390)**	(21,307)	(23,956)
Tax payable	**-**	(1,250)	-
	(24,390)	(22,557)	(23,956)
Non-current liabilities			
Interest-bearing loans and borrowings	**(18,500)**	(10,500)	(15,500)
Deferred tax liability	**(297)**	-	(690)
Provisions	**(9,869)**	(9,222)	(8,912)
Rent-free creditor	**(3,177)**	(2,144)	(2,433)
	(31,843)	(21,866)	(27,535)
Total liabilities	**(56,233)**	(44,423)	(51,491)
Net assets	**23,577**	29,416	28,360
Equity attributable to equity holders of the Parent			
Share capital	**50**	50	50
Merger reserve	**11,645**	11,645	11,645
Retained earnings	**11,882**	17,721	16,665
Total equity	**23,577**	29,416	28,360

*Restated – see Note 4 of the Notes to the Half-yearly Financial Report for an explanation of the reclassification of certain cash and cash equivalents giving rise to a restatement of the Consolidated statement of financial position as at 30 December 2017 and the Consolidated statement of cash flow for the 26 weeks ended 30 December 2017.

Revolution Bars Group plc
Condensed Consolidated Statement of Changes in Equity
for the 26 weeks ended 29 December 2018

		Reserves		
	Share capital £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 July 2017	50	11,645	23,550	35,245
Total comprehensive expense for the period	-	-	(3,414)	(3,414)
Credits arising from long-term incentive plans	-	-	(765)	(765)
Dividends paid	-	-	(1,650)	(1,650)
At 30 December 2017	50	11,645	17,721	29,416
Total comprehensive income for the period	-	-	570	570
Credits arising from long-term incentive plans	-	-	(801)	(801)
Dividends paid	-	-	(825)	(825)
At 30 June 2018	50	11,645	16,665	28,360
Total comprehensive income for the period	-	-	(3,089)	(3,089)
Credits arising from long-term incentive plans	-	-	(44)	(44)
Dividends paid	-	-	(1,650)	(1,650)
At 29 December 2018	**50**	**11,645**	**11,882**	**23,577**

Revolution Bars Group plc
Consolidated Statement of Cash Flow
for the 26 weeks ended 29 December 2018

	Unaudited 26 weeks ended 29 December 2018	**Unaudited 26 weeks ended 30 December 2017 Restated***	Audited 52 weeks ended 30 June 2018
	£'000	**£'000**	£'000
Cash flows from operating activities			
Loss after tax from operations	**(3,089)**	(3,414)	(2,844)
Adjustments for:			
Net finance costs	**403**	239	555
Depreciation of property, plant and equipment	**3,589**	2,880	6,477
Impairment of property, plant and equipment	**3,532**	860	860
Tax credit	**(393)**	(545)	(778)
Credits arising from long-term incentive plans	**(44)**	(765)	(1,566)
Operating cash flows before movement in working capital	**3,998**	(745)	2,704
Increase in inventories	**(804)**	(1,074)	(572)
Decrease / (increase) in trade and other receivables	**1,646**	2,242	(920)
Increase in trade and other payables	**992**	1,509	3,323
Increase in provisions	**1,080**	5,479	6,234
	6,912	7,411	10,769
Tax paid	**-**	-	(565)
Net cash flows generated from operating activities	**6,912**	7,411	10,204
Cash flows from investing activities			
Purchase of property, plant and equipment	**(8,291)**	(6,619)	(14,276)
Net cash flows used in investing activities	**(8,291)**	(6,619)	(14,276)
Cash flow from financing activities			
Equity dividend paid	**(1,650)**	(1,650)	(2,475)
Interest paid	**(340)**	(220)	(478)
Drawdown of borrowings	**3,000**	3,000	8,000
Net cash flows generated from financing activities	**1,010**	1,130	5,047
Net (decrease) / increase in cash and cash equivalents	**(369)**	1,922	975
Opening cash and cash equivalents	**4,025**	3,050	3,050
Closing cash and cash equivalents	**3,656**	4,972	4,025

*Restated – see Note 4 of the Notes to the Half-yearly Financial Report for an explanation of the reclassification of certain cash and cash equivalents giving rise to a restatement of the Consolidated statement of financial position as at 30 December 2017 and the Consolidated statement of cash flow for the 26 weeks ended 30 December 2017.

Notes to the Half-yearly Financial Report

1. Reporting entity

Revolution Bars Group plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. Its Registered Office is at 21 Old Street, Ashton-under-Lyne, OL6 6LA, United Kingdom. The Company's shares are listed on the London Stock Exchange.

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 29 December 2018 comprises the Company and its subsidiaries (together referred to as the 'Group').

2. Basis of preparation

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated financial statements of the Group for the 26 weeks ended 29 December 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The condensed consolidated 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 30 June 2018.

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 30 June 2018, amended as referred to below for Prior Year Restatements as set out in note 4 of this Half-yearly Financial Report.

The comparative figures for the 52 weeks ended 30 June 2018 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 not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

3. Changes in accounting policies

During the period, the Group have adopted IFRS 9 'Financial Instruments' (IFRS 9) and IFRS 15 'Revenue from Contract with Customers' (IFRS 15). Both standards became mandatory effective for periods beginning on or after 1 January 2018.

IFRS 9

IFRS 9 "Financial Instruments" has replaced all phases of the financial instruments project and IAS 39 "Financial Instruments: Recognition and Measurement". The standard mainly covers three distinct areas:

- The classification and measurement of financial assets and liabilities;
- Impairment of financial assets;
- General hedge accounting.

Classification and measurement of financial assets and liabilities

All recognised financial assets that are within the scope of IFRS 9 are now required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing financial assets and the contractual cash flow characteristics.

The Group has no designated debt investments that meet the amortised cost or fair value though other comprehensive income (FVTOCI) criteria as measured fair value through profit and loss (FVTPL).

The Directors of the Company reviewed and assessed the Group's existing financial assets and liabilities based on the facts and circumstances upon transition and concluded that the initial application of IFRS 9 has had no impact on classification and measurement.

Impairment of financial assets

IFRS 9 requires a new impairment model with impairment provisions based on expected credit losses rather than incurred credit losses under IAS 39. The expected credit loss model requires the Group to account for expected credit losses (ECL) and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. On this basis, it is no longer necessary for a credit event to have occurred before credit losses are recognised. As a consequence of this change, credit losses are recognised earlier than under IAS 39.

The Group assessed the risk profile of its trade receivables. The Group analysed the risk profile based on past experience and an analysis of the asset's current financial position, adjusted for factors that are specific to the assets, general economic conditions of the industry in which the assets operate and assessment of both the current and the forecast direction of conditions at the reporting date. The Directors believe that there are no financial assets that will require a change in treatment and the requirement consideration of forward looking credit losses will not have any impact on the Group’s financial position. Therefore, the adoption of IFRS 9 has not had any impact on the carrying value of the Group's trade receivables and as such no adjustment has been made.

General hedge accounting

The Group does not hedge any of its assets and as such the requirement will not impact on any reported balances in the financial statements,

IFRS 15

IFRS 15 “Revenue from Contracts with Customers” introduced a new revenue recognition model that recognises revenue either at a point in time or over time. IFRS 15 requires the Group to apportion revenue earned from contracts with customers to performance obligations the Group has with our customers, on the basis of stand-alone selling prices. This is done through applying a five-step model defined in the standard. The model features a contract-based five-step analysis:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligation in the contract.
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group performed an impact assessment, identifying all current sources of revenue and analysing accounting requirements for each under IFRS 15. The Group has the following revenue streams:

Sales from bars

The Group recognises revenue from the principal activities of sale of food and drink within its bars, for which the consideration is known and the performance obligations are satisfied at the point of sale. The Company also operates a central booking operation to organise events and parties for which it receives deposits in advance of the event. This Company only recognises deposits as revenue at the point when the goods and services have been transferred to the customer i.e. the party has taken place. As such the new standard will not have any impact on the performance of the Company.

Discount Cards

The Group currently offers a discount card “Revolution card” or the “Amigos card”, where customers purchase a card with an entitlement to discounts on selected food and drink items. The selling price of the cards range from £2 to £4 (includes VAT) and amounts to an inconsequential percentage of the total sales. Such amounts are recorded as a sale at the point of receipt notwithstanding that the related discounts run to the end of August each year. The cash received from the sale of cards is not material to the Group’s overall revenue. Also, usage of the cards is such that only a small proportion are used more than once i.e. a substantial proportion of the related discount cost is also incurred on the date of the sale of the card, thus matching off against the income from the sale of the card. The Group believe that the amount and profile of this income does not warrant a more complicated accounting treatment of the discount cards than currently employed.

An assessment of the potential impact of the standard has been undertaken in the year and the Group have concluded that revenue recognition under IFRS 15 is expected to be broadly consistent with our current practice and that there would be no material changes to the consolidated results or financial position of the Group.

Future accounting developments
IFRS 16 "Leases" was issued on 13 January 2016 and is effective for accounting periods beginning on or after 1 January 2019. The Group will implement this standard for the 52 weeks ended 27 June 2020. The Group will apply the modified retrospective approach for transition, including no requirement to restate comparative amounts. IFRS 16 is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements. The Group will recognise within the statement of financial position a right of use asset and lease liability for all applicable leases. Within the consolidated statement of profit and loss and other comprehensive income, rent expense will be replaced by depreciation and interest expense resulting in a substantial increase in finance costs. This will result in an increase in the Group's adjusted EBITDA as operating lease costs will be replaced by a depreciation charge and finance costs. There will be no impact on cash flows, although the presentation of the Group cash flow statement will change significantly, with an increase in cash flows from operating activities being offset by an increase in cash flows from financing activities.

The Group currently leases both properties and motor vehicles under a series of operating lease contracts which will be impacted by the new standard. These types of leases can no longer be recognised as operating leases and will need to be brought onto the Group's consolidated balance sheet from the date of adoption of the new standard.

It is anticipated that the transition to IFRS 16 will have a material impact on the value of lease assets and liabilities recognised in the consolidated balance sheet. Given the complexities of IFRS 16 and the sensitivity to key assumptions such as discount rates, it is not yet practicable to fully quantify the effect of IFRS 16 on the financial statements of the Group. A full quantification of IFRS 16 is expected to be included in the accounts for the 52 weeks ending 29 June 2019.

4. Significant accounting policies
The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 52 weeks ended 30 June 2018. These accounting policies are all expected to be applied for the 52 weeks to 29 June 2019.

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, venue closure costs including provisions for onerous leases, significant contract termination costs including costs associated with making changes to the Executive team and corporate Mergers and Acquisitions activity.

Share based payments
Charges/credits relating to share based payment arrangements, while not treated as exceptional items, are adjusted for when arriving at Adjusted EBITDA on the basis that such amounts are non-cash, can be material and can fluctuate significantly from period to period.

Bar opening costs

Bar opening costs refer to revenue costs incurred between becoming liable for the costs of a trading property and commencement of trading that property, and therefore are non-recurring at a newly opened venue. These cost mainly include rents and rates, staff recruiting costs, payroll and training. In the opinion of the directors, the separate reporting of bar opening costs allows a more accurate indication of the Group's underlying business performance, which the Directors believe would otherwise be distorted by the timing and number of new openings.

5. Prior year restatements

The financial statements for both the 26 weeks ended 30 December 2017 and the 52 weeks ended 30 June 2018 included a number of prior period adjustments that followed a review of the Group's accounting policies and practices. Those adjustments and the resulting corrections made to prior periods were fully detailed in those accounts. However, there was one adjustment relating to the reclassification of certain cash and cash equivalents that was included only in the annual statements to 30 June 2018 and accordingly is now updated in the interim period comparative numbers to 30 December 2017, in the statement of financial position and cash flow statement, as detailed below.

Customer credit and debit card transactions that have not yet cleared the bank account at period end but relate to sales within the reporting period were historically treated as cash and cash equivalents in the statement of financial position and the cash flow statement. These amounts are now reported as receivables rather than cash and cash equivalents and accordingly an adjustment of £1.0 million has been made to the relevant balances at 30 December 2017. This change in disclosure has no effect on profit or net assets for the 26 weeks ended 30 December 2017.

Consolidated statement of financial position as at 30 December 2017

	30 December 2017 As published £'000	Debit and credit cards £'000	30 December 2017 Restated £'000
Deferred tax asset	27	—	27
Property, plant and equipment	56,134	—	56,134
Inventories	4,394	—	4,394
Trade and other receivables	7,323	989	8,312
Cash and cash equivalents	5,961	(989)	4,972
Current assets	17,678	—	17,678
Trade and other payables	(21,307)	—	(21,307)
Tax payable	(1,250)	—	(1,250)
Current liabilities	(22,557)	—	(22,557)
Deferred tax liabilities	—	—	—
Financial liabilities	(10,500)	—	(10,500)
Other liabilities	(11,366)	—	(11,366)
Non-current liabilities	(21,866)	—	(21,866)
Net assets	**29,416**	**—**	**29,416**

Consolidated statement of cash flow for the 26 weeks ended 30 December 2017

	30 December 2017 As published £'000	Debit and credit cards £'000	30 December 2017 Restated £'000
Net cash inflow from operating activities	7,114	297	7,411
Net cash outflow from investing activities	(6,619)	—	(6,619)
Net cash inflow from financing activities	1,130	—	1,130
Net increase in cash and cash equivalents	1,625	297	1,922
Net cash and cash equivalents at beginning of period	4,336	(1,286)	3,050
Net cash and cash equivalents at end of period	5,961	(989)	4,972

6. Key Risks

The directors set out below the principal risks and uncertainties that face the business;

- Dependence on key sites
- Acquisition of new sites
- Consumer demand
- Discounting
- Health and safety
- Leasehold rents
- Supplier concentration
- National Minimum / Living Wage legislation
- Brexit

The key risks are consistent with those detailed on pages 18 and 19 of the annual financial statements for the 52 weeks ended 30 June 2018 where further information on the key risks is detailed.

7. Going concern

The Directors have reviewed the Group's trading forecasts. These forecasts demonstrate that the Group has adequate financial resources, including its £25 million revolving credit facility which is committed until December 2021, to continue in operational existence for the foreseeable future.

The Group is forecast to remain compliant with the terms of the revolving credit facility and the financial covenants attached to it, which are tested quarterly. The Directors expect to utilise the revolving credit facility for cash flow management and general business purposes as required.

8. 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 in the period amounted to £5.2m (FY18: £9.6m) and comprised the following:

	Unaudited 26 weeks ended 29 December 2018 £'000	Unaudited 26 weeks ended 30 December 2017 £'000	Audited 52 weeks ended 30 June 2018 £'000
Impairment of property, plant and equipment	**3,532**	860	860
Onerous lease charges	**1,673**	5,637	6,987
Professional fees related to merger and acquisition activity	**-**	2,186	1,707
Costs associated with changes in executive team	**-**	705	948
Other exceptional fees	**-**	169	585
Total exceptional items	**5,205**	9,557	11,087

As a result of the impairment testing performed annually, unless there is an impairment trigger, of property, plant and equipment, the net book value of assets at six of the Group's bars was written down (five bars fully written down and one partially). This has occurred due to poor trading performance of these bars during the last twelve months and the directors consider that these bars are unlikely to generate sufficient cash flows to the end of their lease terms to justify their current book value. The net book value of the assets of one bar (£542,000) impaired in the comparative period has been reinstated following a strong recovery in its trading performance.

Onerous lease provisions have been made in respect of two fully written down bars where bar contributions are projected to be insufficient to cover future rental commitments.

In the prior period, there were professional fees relating to merger and acquisition activity in respect of the Board recommended offer from Stonegate Pub Company Limited and merger proposals from the Deltic Group Limited. There were also costs associated with changes in the executive team relating to compensation payments and legal costs associated with the resignations of the Chief Executive Officer ("CEO") and Chief Operating Officer and also fees and expenses relating to the recruitment of the new CEO. Other exceptional fees related to work undertaken in connection with accounting reviews and restatements of prior period accounts.

9. Taxation

The taxation charge for the 26 weeks ended 29 December 2018 has been calculated by applying an estimate effective tax rate for the 52 weeks ending 29 June 2019. After including exceptional items and share based payment charges/credits, the effective rate of tax credit on the loss before taxation for the 26 weeks ended 29 December 2018 was 11.3% (26 weeks ended 30 December 2017: 13.8%).

The current tax rate is lower than UK rate of corporation tax owing mainly to differences between depreciation that is not eligible for tax relief and capital allowances for which tax relief has been claimed, and carried forward losses which have been offset against the non-underlying profits.

10. Share-based payments

	Unaudited 26 weeks ended 29 December 2018 £'000	Unaudited 26 weeks ended 30 December 2017 £'000	Audited 52 weeks ended 30 June 2018 £'000
(Credit)/charge in the period	**(38)**	358	42
Credit relating to forfeitures in period	**(6)**	(1,123)	(1,608)
Total	**(44)**	(765)	(1,566)

11. (Loss)/earnings per share

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

	Unaudited 26 weeks ended 29 December 2018	Unaudited 26 weeks ended 30 December 2017	Audited 52 weeks ended 30 June 2018
(Loss) for the period (£'000)	**(3,089)**	(3,414)	(2,844)
Weighted average number of shares – basic and diluted ('000)	**50,029**	50,000	50,029
Basic and diluted loss per Ordinary Share (pence)	**(6.2)**	(6.8)	(5.7)

Loss for the period was impacted by exceptional costs, share based payments and bar opening costs. A calculation of adjusted earnings per ordinary share is set out below:

	Unaudited 26 weeks ended 29 December 2018 £'000	Unaudited 26 weeks ended 30 December 2017 £'000	Audited 52 weeks ended 30 June 2018 £'000
(Loss) on ordinary activities before taxation	**(3,482)**	(3,959)	(3,574)
Exceptional items	**5,205**	9,557	11,087
Share based payments	**(44)**	(765)	(1,566)
Bar opening costs	**1,242**	936	2,029
Adjusted profit on ordinary activities before taxation	**2,921**	5,769	7,976
Taxation on ordinary activities	**393**	545	730
Taxation on exceptional items and bar opening costs	**(1,225)**	(1,614)	(2,200)
Adjusted profit of ordinary activities after taxation	**2,089**	4,700	6,506
Basic and diluted number of shares ('000)	**50,029**	50,000	50,029
Adjusted basic and diluted EPS (pence per share)	**4.2**	9.4	13.0

12. Dividends

A final dividend of 3.30p per share totalling £1,650,000 was declared on 26 November 2018 and was paid on 7 December 2018.

An interim dividend in respect of the current period is not being declared (FY18: 1.65 pence per share).

13. Capital Commitments

There were £nil capital commitments as at 29 December 2018 (at 30 June 2018: £0.6 million).

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 has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU
- 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.

The Directors of Revolution Bars Group plc are detailed on pages 30 and 31 of the Revolution Bars Group plc Annual Report 2018. As noted therein, Michael Shallow did not seek re-election at the Company's Annual General Meeting on 26 November 2018. William Tuffy was appointed as a Non-executive director on 26 November 2018.

By order of the Board

Mike Foster
Chief Financial Officer
1 March 2019

INDEPENDENT REVIEW REPORT TO REVOLUTION BARS GROUP PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Revolution Bars Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-yearly financial report of Revolution Bars Group plc for the 26 week period ended 29 December 2018. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 29 December 2018;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flow for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
1 March 2019