1 March 2022

Revolution Bars Group plc (LSE: RBG)
Unaudited Interim results for the 26 weeks ended 1 January 2022

Positive outlook following continued investment in all brands

Revolution Bars Group plc ("the Group"), a leading UK operator of 67 premium bars, trading predominantly under the Revolution and Revolución de Cuba brands, today announces its unaudited interim results for the 26 weeks ended 1 January 2022.

Results to 1 January 2022

	H1 FY22 *(IFRS 16)* *£m*	H1 FY21 *(IFRS 16)* *£m*	H1 FY20 *(IFRS 16)* *£m*	H1 FY22 *(IAS17)* *£m*	H1 FY21 *(IAS17)* *£m*	H1 FY20 *(IAS17)* *£m*
Total Sales	74.1	21.6	81.2	74.1	21.6	81.2
Operating Profit/(Loss)	6.7	(14.4)	1.0	4.1	(14.2)	(3.5)
Adjusted[1] EBITDA	12.2	(1.2)	12.8	7.6	(5.8)	7.6
Profit/(Loss) Before Tax	4.3	(17.7)	(1.6)	3.7	(14.7)	(3.9)
Basic Profit/(Loss) Per Share	1.9p	(15.7)p	(2.9)p	1.6p	(13.0)p	(7.9)p
Net Cash/(Net Bank Debt)*	4.2	(21.0)	(8.4)	4.2	(21.0)	(8.4)

* "Net cash"/net bank debt is cash in bank less all drawings on the Revolving Credit Facility ("RCF") and Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan

Key points

Encouraging trading when restriction free

- After restrictions were released on 19 July 2021, two weeks into FY22, the Group enjoyed strong trading. Life-for-like[2] ("LFL") sales between then and 13 November 2021 were very strong at +14% ahead of the comparable period in FY20 aided by the return of students, the return of office workers, staycations and investment in our guest propositions;
- Overall, comparable LFL[2] sales versus FY20 for the period from 19 July 2021 to 1 January 2022 remained positive at +1.4% despite the additional restrictions imposed on our guests in the Christmas period, which was reflected in LFL[2] sales for the 6-week period ending 1 January 2022 of -23%;
- Despite the disappointing messaging by the Government around Omicron, our bars performed admirably, and our sales teams have worked tirelessly to rebook our corporate guests' Christmas parties into the next few months; and
- Since "Plan B" restrictions ended, we have seen positive LFL[2] sales versus FY20 of 6% in February, notwithstanding some ongoing restricted trading in Scotland, Northern Ireland and Wales, taking the year to date LFL[2] sales since Freedom Day on 19 July 2021 to 0.5%.

Robust results and stable financial position

- The Group has maintained a net cash position from 25 August 2021 through to the end of FY22 H1 due to positive cash generation from strong sales;
- Adjusted[1] EBITDA, as measured under IAS 17 inclusive of rental charges, was £7.6 million, matching the £7.6 million adjusted[1] EBITDA we achieved in FY20 H1, the last period unaffected by COVID-19;
- We delivered profit before tax of £4.3 million in FY22 H1, versus a loss of (£17.7) million in the comparative FY21 period, and a loss of (£1.6) million in the comparative FY20 period;
- Successful net proceeds of £34.0 million from the FY21 equity fundraisings, as well as positive cash generation from trade, have allowed the enhanced refurbishment programme to begin in FY22, whilst also commencing new site acquisitions;

- Capex of £2.4 million was spent in line with expectations in FY22 H1 across four refurbishments, the new concepts, and other planned capital expenditure. An additional five refurbishments have been completed in FY22 so far, with 19 in total expected to be completed in FY22;
- We are pleased with current performance of the sites refurbished so far, and confident they will achieve the two-year payback target we set for refurbishments;
- The Hospitality industry has been significantly affected by inflationary cost increases in areas such as employment, food, transportation and energy, and as all meaningful Government support comes to an end in the coming months we continue to monitor these cost pressures closely and take action to mitigate wherever possible; and
- Net bank debt reduced from £21.0 million at the end of FY21 H1 to net cash of £4.2 million at the end of FY22 H1.

Investing in our brands, people and propositions

- Successful launch of two new concepts: Founders & Co., an artisanal market-place experience now well established, and Playhouse, a competitive socialising concept launched in November 2021 which continues to deliver extremely encouraging results;
- First new bar lease signed since 2018, with two new openings targeted this year and six next year, with a strong pipeline to achieve this;
- We launched the "Rev U" training academy, including new career pathways for all operational roles. We also launched our first ever high potential programme for General Managers, our Area Manager Development programme and the "leading and inspiring teams" programme for our support centre managers. In addition, we implemented a mentoring programme;
- The Group became an above-minimum wage paying employer to enable us to attract and retain the best talent in the industry; and
- Our cocktail menu is now carbon neutral aided by the removal of passionfruit which saves approximately 100 tonnes of carbon and provides a significant reduction in waste, alongside our other industry-leading initiatives.

Outlook

- After the release of trading restrictions under "Plan B" and the positive news of the removal of COVID-passports in England, we are delighted to have seen a return to strong LFL[2] sales growth in February 2022;
- We are excited to see the confidence of our corporate guests to rebook their postponed Christmas parties over the next few months, and look forward to welcoming them back;
- Consumer confidence in visiting pubs, bars and restaurants is also returning and is highest in our young guest base;
- Our strong approach to cost control is mitigating the impact of inflationary pressures wherever possible;
- We believe that we are well positioned to continue to capitalise on the favourable rental market;
- We continue to monitor the developing situation in Ukraine however we expect any impact on our business to be limited; and
- Taking into account the above, despite the Government's response to Omicron, which in our view was overly cautious and caused a substantial loss of trade during the important festive season, the Board is now confident of delivering adjusted[1] EBITDA (on an IAS 17 basis) towards the top end of the range of market expectations, which is currently between £8.0 and £10.0 million, assuming that the COVID-19 landscape does not significantly deteriorate.

[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 year and comparative reporting periods
[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Rob Pitcher, Chief Executive Officer, said:

"We are hugely encouraged by the performance in FY22 H1 and are excited about the future as we all now "learn to live" with COVID-19. We are emerging strongly following a period of severe disruption and now believe that, assuming no further variants, we can look forward to a sustained period of growth.

We continue to urge the Government to support the recovery and rebuilding of the hospitality industry by leaving VAT at 12.5% for food and non-alcoholic beverages and retaining business rates relief at current levels, in-particular maintaining the cap at £2.0 million, not reducing it to £110,000.

Demonstrating our renewed confidence, we have signed our first new lease since 2018, have a pipeline of opportunities, and several amazing refurbishments taking place. There's never been a more exciting time for the Group."

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

Chairman's Statement

Our business
At the end of the reporting period, the Group operated 67 premium bars with a strong presence throughout the UK for its two original high-quality retail brands: Revolution (47 bars), focused on young adults; and Revolución de Cuba (18 bars), which attracts a broader age range, as well as our two new exciting concepts, Founders & Co. (one bar) which welcomes families and adults alike, and Playhouse (one bar) focused on fun-loving individuals. Most of the Group's sales are derived from drink and food with some late-night admission receipts driven by entertainment completing the sales mix, with further diversification into other revenue streams via the new concepts.

Founders & Co., an artisanal market-place experience, delivered strong sales over the festive period, showing the great position it has already built in the Swansea community. We have also been very pleased with the launch of Playhouse, our competitive socialising offering, which is attracting great local interest in Northampton. We continue to monitor the new brands carefully and support the teams as they continue to grow.

Following the successful equity fundraisings in FY21 and cash generation in FY22 H1, I'm very pleased to say that we are emerging from the pandemic with a strong balance sheet which allows us to refocus our resources on investing in the existing estate to improve the underlying performance of the business, as well as seeking expansion opportunities. We are in an excellent position to grow the business, whether that is organically, or through acquisition of single or small groups of sites.

We have continued to drive strategies in many key areas, making significant headway in our Diversity and Inclusion ("D&I") agenda, as well as a real focus on Wellbeing as our people faced unprecedented personal challenges throughout the pandemic. We have made significant investments in sustainability; our cocktail menu is now carbon neutral aided by the removal of passionfruit which saves approximately 100 tonnes of carbon and provides a significant reduction in waste.

Our results
Sales for the 26-week period of £74.1 million (FY21: £21.6 million) were 243.1% higher than the corresponding period in the prior year. After the first two weeks of FY22, the Group was allowed to return to unrestricted trading and saw significantly increased levels of trade. This is in comparison to FY21, where the first half of the year was severely impacted by ongoing COVID-19 lockdowns, tiers and social distancing restrictions. We were very pleased to see the performance comparable to FY20 H1, the last normal first-half-year of trading prior to COVID-19, despite a challenging winter period due to Omicron.

Our profit before tax for the 26-week period of £4.3 million reflects a return to more normal trading, whereas the equivalent period for FY21 was a loss before tax of (£17.7) million following months of challenging restrictions, as well as significant non-cash exceptional impairments following the downturn in our trading expectations.

Adjusted[1] EBITDA, our preferred KPI, is significantly impacted by IFRS 16 and thus the Directors believe that business progress is best measured by the directly comparable IAS 17 Alternative Performance Measures[3] ("APM") of adjusted[1] EBITDA which was £7.6 million (2021: loss of (£5.8) million), following a return to positive trading conditions and active cost mitigations. This is in line with the adjusted[1] EBITDA of £7.6 million achieved in FY20 H1, the last comparable normal trading period.

When free to trade without the imposed COVID-19 restrictions, we are a highly cash generative business. The Group has generated positive cashflows from operating activities of £14.5 million in the 26-week period to 1 January 2022. These funds continue to support the business during periods of uncertainty, and in achieving our enhanced refurbishment programme, with a further focus on new sites and potentially acquisitions. As at FY22 H1-end, the Group had cash in bank less all drawings on the Revolving Credit Facility ("RCF") and Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan ("net cash") of £4.2 million.

Current trading
As previously announced, Omicron had a severe impact on corporate guest bookings over the festive period, with the "work from home" guidance continuing the challenge into January. We were very happy to find many of our corporate guests postponed, rather than cancelled, bookings into the new year, and pleasingly many have already rebooked for the coming months and we look forward to welcoming our guests back. We were pleased with the removal of "Plan B" restrictions in late January, coupled with January's payday, where we began to see our guests coming out in full numbers again.

We are of course aware that the risk of COVID-19 has not yet been eradicated, and the Financial Review provides information on liquidity and going concern, and also the full going concern disclosures, which include references to material uncertainty, which can be found in note 1.

We continue to be excited with the return to normal trading; the Government advice to "learn to live" with COVID-19 is positive, and we look forward to a strong second half of the year. Following the recent announcement to remove "Plan B" measures, we are very positive and confident of the future outlook for the Group.

The market outlook and current trading and outlook are set out in more detail in the Chief Executive Officer's statement.

Our People

The Group is led by an experienced and committed executive management team with proven credentials in the industry, as well as a young, energised workforce who are excited to return to delight guests. Throughout the pandemic our people have shown a remarkable resilience and enthusiasm, delivering excellent service and fun and memorable experiences in our bars for our guests. I pay tribute to them and also to the senior management team and all levels of management who have had to adapt to very different ways of operating and leading.

Keith Edelman

Non-Executive Chairman

28 February 2022

[1] Adjusted performance measures exclude exceptional items, share-based payment charges and bar opening costs

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[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Chief Executive Officer's statement

Business review
FY22 began with a disappointing delay to "freedom day", which was moved from 21 June to 19 July 2021, meaning the first two weeks of the financial year were impacted by ongoing social distancing restrictions. Once restrictions were released, we were delighted with the strong sales performance seen across our estate. As we had predicted, pent-up demand from our young guest base helped drive a return to normality and we were very encouraged by the levels of custom across the estate.

Restrictions on foreign travel continued to be beneficial in driving a strong summer performance, with most people staying in the UK for a "staycation". We were pleased with a continued extremely strong performance into the autumn following the return of university students and office workers to towns and cities.

Prior to the impact of Omicron, both Revolution and Revolución de Cuba were in growth, with Revolution in particular driving the strong performance of the Group. Enhancements to our brand propositions and a focus on delivering fun and memorable experiences has helped to drive guests back into our bars. Unfortunately, the Government's fear campaign regarding Omicron and "Plan B" derailed festive trading, where corporate guests were discouraged from fulfilling their large group bookings. The Group saw many bookings postponed or cancelled due to the Government messaging, but we are now excited to welcome these postponed guests back to us in the coming months.

Our first new concept, Founders & Co., launched at the end of FY21 and we have seen it continue to grow with a particularly successful festive period. Management at the location continue to solidify its position in the Swansea community through a variety of exciting events. Our second new concept, Playhouse, launched in November 2021, converting our existing Northampton site. Playhouse has had a positive reception; the showstopping "Raceway" – a remote control race track where the mini-asphalt can seat up to 10 players as they speed their car around the exciting laps - opened in December and we are very encouraged with the initial response from our guests and the local media.

The challenge faced, with varying rules and restrictions, has been exacerbated by the differing devolved nation rules, with highly disproportionate trading between the devolved nations as a direct result of the ongoing restrictions in Wales, Scotland and Northern Ireland. Approximately 15% of the Group's business comes from these locations where restrictions were slower to lift in the summer, and earlier to return in the autumn and winter. We look forward to a full release of restrictions across the entirety of the United Kingdom as soon as possible.

We are making good progress on our ***strategic priorities***, despite the continued distraction of COVID-19, with highlights including:

- *Investing in our team*:
  - Became an above-minimum wage paying employer to enable us to retain and attract the best talent in the industry;
  - Diversity and Inclusion ("D&I") champions recruited from across the entire workforce to set up a new D&I advisory Board; establishment of our "Inclusion Revolution" Strategy, with data driven insight through our partnership and research with "Wiser";
  - Identified the key elements of our Wellbeing Strategy. Nominated Area Wellbeing Champions to drive insight and inform actions in wellbeing focus groups. Mental Health First Aid training for all managers across the business as well as support centre colleagues;
  - Launched the "Rev U" training academy, including new career pathways for all operational roles. We also launched our first ever high potential programme for our General Managers. We also introduced our Area Managers Development programme, management level apprenticeships, and implemented a mentoring programme;
  - Highest ever participation rate in our Quality of Life survey, at 83% of the staff population. Strong Engagement and our highest Employee Net Promoter Score ("Employee NPS") score (32) since 2017, despite extremely challenging trading conditions; and
  - Enhanced our long service awards to demonstrate our commitment back to our wonderful people and to celebrate their long-standing contributions to the Group.

- *Investing in our brands and guest experience:*
  - "Feed It Back" guest experience feedback platform launched across the business, to harness even greater insights from our guests allowing us to deliver the excellent experiences they expect;
  - Continued investment in our digital capabilities, the urgency for which became much greater in the last 18-24 months in order to operate effectively under the imposed COVID-19 restrictions. Building on the success seen in FY21, the Revolution App now has over one million registered users, up from 230,000 in February 2020; and

    - Return of students to towns and cities saw greater attraction of university clubs and societies, as well as the launch of new promotor-led events which have been delivering very encouraging results.

- *Investing in our estate:*
    - First new concept, Founders & Co., continues to build a strong local reputation and deliver pleasing results;
    - Successful launch of our second new concept, Playhouse. We are very pleased with the initial responses to the site, furthered by the launch of the "Raceway" on the top floor;
    - Delivered four refurbishments in FY22 H1, and a further five in FY22 H2 to date. We are pleased with current performance of the sites refurbished so far, and confident they will achieve the two-year payback target we set for refurbishments;
    - First new bar lease signed since 2018, with two new openings targeted this year and six next year, with a strong pipeline to achieve this; and
    - Continued exciting developments in our industry-leading sustainability programme: our cocktail menu is now carbon neutral aided by the removal of passionfruit which saves approximately 100 tonnes of carbon and provides a significant reduction in waste; the Group scored a B in Carbon Disclosure Project ("CDP") reporting meaning Management are taking coordinated action on climate issues and is better than the Bars, hotels & restaurants sector average; ongoing investment in our carbon-reduction test site in Reading; and our science-based targets are expected to be validated soon.

Our People
The last 18-24 months, dealing with the ever-changing restrictions and enforced lockdowns, has taken its toll not just on our business but has had a profound impact on our teams who have had to live with the reality of not knowing when they would be allowed to carry out their chosen profession or be placed into furlough. I've been truly humbled and amazed at their resilience in standing firm in the face of such great adversity.

I'm proud of the fact that our core team stayed true to our values and committed to the Group, helping us to not only navigate our way through the tough times, which included huge recruitment challenges with Chefs and Door Staff, but enabled us to emerge stronger and more engaged than pre-pandemic. This is evidenced by our highest ever participation rate in our company-wide employee survey which also delivered our highest employee net promoter score and engagement level since 2017. I believe these outstanding results were delivered via the numerous people-focused interventions we have put into the business over the past two years, including our tailored induction programme, our wellness strategy and our diversity and inclusion agenda.

I would like to take this opportunity to extend my thanks and gratitude to all our colleagues for their continued efforts and positivity during the challenges over the last 18-24 months. Their ability to create the fun and memorable experience for our guests is second to none and I'm extremely privileged to be able to lead such a great team.

Market outlook
When allowed to trade without restrictions, the Group has seen extremely strong sales performance in FY22 H1 with high cash generation. We have been pleased to see the Government now encouraging people to "learn to live" with COVID-19 and are pleased to see that consumer confidence is returning with our corporate guests rebooking their delayed Christmas parties and our young guests excited to enjoy themselves in our bars.

We are also encouraged that our guest base is less impacted by the cost-of-living pressures impacting the United Kingdom. Our young guests are typically still living at home, university or renting and we see them continue to choose to spend their cash on fun experiences in our bars.

We believe the property market is favourable at the moment, with many hospitality venues having sadly become empty since the pandemic or still with significant sums of unpaid rent still outstanding.

More fundamentally, the UK Government must recognise the urgent need to introduce business rates reform; UKHospitality estimates the Hospitality industry overpays £2.4bn each year; following the pandemic, which hit the Hospitality industry particularly hard, there is undue pressure and expense on heavily indebted businesses who are trying to rebuild. UK high streets are seeing the effects of this dated and inefficient system, causing serious unjust imbalances in the rates businesses are paying. We recognise an online sales tax could be hard to implement, but just because something is difficult doesn't mean it shouldn't happen, and we would welcome any reform which alleviates this very serious problem causing undue burden and expense. We would also encourage the Government to maintain the current reduced VAT of 12.5% for non-alcohol beverages and food to support the hard-hit Hospitality industry.

We continue to monitor the developing situation in Ukraine however we expect any impact on our business to be limited.

Current Trading and Outlook
After such a successful start to FY22, we were very disappointed by the impact of the Government and devolved nations' response to Omicron and the impact this had on consumer confidence. Following the lifting of "Plan B"

restrictions, which helpfully coincided with January pay-day, we have seen a return to strong growth again and are pleased with the performance of the refurbishments completed so far. After a successful summer of normal trade in 2021, we are very positive about the outlook with a return to unrestricted trading. Door Staff recruitment challenges have subsided and are no longer impacting trading. Some kitchen recruitment issues persist in particularly challenging locations, which we continue to focus our efforts on resolving.

Our new concepts, Founders & Co. and Playhouse, are both performing well and we're very encouraged by the early performance of Playhouse which is still experiencing the excitement of a newly opened bar following the recent introduction of its "Raceway" and continued positive local media around the new offering. We have signed our first new bar lease since 2018, with two new openings targeted this year and six next year, with a strong pipeline to achieve this.

The Hospitality industry has been significantly affected by inflationary cost increases in areas such as employment, food, transportation and energy, and as all meaningful Government support comes to an end in the coming months I am pleased with our continued rigorous approach to cost control which enables us to mitigate wherever possible many of the cost pressures coming our way.

We are very pleased with the advancements in our brand offerings, D&I, sustainability and the guest journey furthered in the year.

The Board is now confident of delivering adjusted EBITDA (on an IAS 17 basis) towards the top end of the range of market expectations, which is currently between £8.0 and £10.0 million, assuming that the COVID-19 landscape does not significantly deteriorate.

Rob Pitcher
Chief Executive Officer

28 February 2022

Financial Review

Introduction

- The "H1 FY22" accounting period represents trading for the 26 weeks to 1 January 2022 ("the period"). The comparative period "H1 FY21" represents trading for the 26 weeks to 26 December 2020 ("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 FY22 H1 IFRS 16 statutory numbers, followed by APM[3] under IAS 17. A reconciliation between statutory and APM[3] figures is provided in note 17;
- When considering the results for the period, it should also be noted that sales over the Christmas period were heavily impacted by the move to "Plan B" including the return to the "Work from Home" instruction, implementation of Vaccine Passports for late night bars and Government messaging which encouraged the limiting of social interactions resulting in a significant impact on Christmas trade, all of which we are pleased to now see removed;
- When considering the results for the prior period it should be noted that trade was severely impacted by ongoing COVID-19 lockdowns, tiers and social distancing restrictions, and therefore we have also included a comparison to FY20 H1, the last comparable period unaffected by COVID-19;

	H1 FY22 *(IFRS 16)* *£m*	**H1 FY21 *(IFRS 16)* *£m***	**H1 FY20 *(IFRS 16)* *£m***	**H1 FY22 *(IAS17)* *£m***	**H1 FY21 *(IAS17)* *£m***	**H1 FY20 *(IAS17)* *£m***
Total Sales	74.1	21.6	81.2	74.1	21.6	81.2
Operating Profit/(Loss)	6.7	(14.4)	1.0	4.1	(14.2)	(3.5)
Adjusted[1] EBITDA	12.2	(1.2)	12.8	7.6	(5.8)	7.6
Profit/(Loss) Before Tax	4.3	(17.7)	(1.6)	3.7	(14.7)	(3.9)
Non-cash Exceptionals	0.0	(4.0)	(4.2)	0.1	(2.8)	(7.4)
Cash Exceptionals	0.0	(2.2)	(0.2)	0.0	(2.4)	(0.0)
Net Cash/(Net Bank Debt)	4.2	(21.0)	(8.4)	4.2	(21.0)	(8.4)

Results

The Group is very pleased to have seen a positive upturn in trading since social distancing restrictions were lifted on 19 July 2021; this is in comparison to FY21 where the first half of the year was severely impacted by ongoing COVID-19 lockdowns, tiers and social distancing restrictions. The Group has seen a significant increase in revenue in the year to £74.1 million (2021: £21.6 million), 243.1% higher than the corresponding period, which shows the level of disruption that lockdowns and restrictions created in FY21 H1.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA (see note 17), was £13.4 million higher than the equivalent prior year period, at a profit of £7.6 million (2021: loss of (£5.8) 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.

Gross profit in the year amounted to £57.8m (2021: £15.9 million) which amounted to a gross margin of 78.0%, up from 73.3% in the equivalent prior period. The increase in margin was in part due to a change in the mix of products sold, with guests now able to enjoy late-night trading at higher full price volumes. Lower discounts, particularly in our cocktail menu, and better trading agreements also contributed to this improved margin.

FY20 H1 was the last equivalent normal period of trade, and we are excited to have achieved the same APM[3] adjusted[1] EBITDA in FY22 H1 of £7.6 million (2020: same). Revenue of £74.1 million was lower than FY20 H1 of £81.2 million due to challenging Christmas trading due to Omicron, but APM[3] profit before tax was higher at £3.7 million (2020: loss before tax of (£3.9) million) due to ongoing cost mitigations including rental savings.

Pleasingly, the Group ended its use of the Coronavirus Job Retention Scheme ("CJRS") early as the bars returned to normality. The final payment of deferred VAT payments from the pandemic was made in January 2022. The two-thirds reduction in business rates for the English Hospitality industry, capped at £2.0 million, expires at the end of March 2022 and was therefore applicable throughout the period. The reduction will result in an overall £2.0 million saving for the Group in FY22, of which £1.3 million has been recognised in FY22 H1. A further £0.5 million in rates savings relating to the devolved nations has also been recognised in FY22 H1.

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 and charges/credits arising from long-term incentive plans ("LTIPs").

	26 weeks ended 1 January 2022 IFRS 16 £m	26 weeks ended 26 December 2020 IFRS 16 £m	53 weeks ended 3 July 2021 IFRS 16 £m	26 weeks ended 1 January 2022 APM[3] IAS 17 £m	26 weeks ended 26 December 2020 APM[3] IAS 17 £m	53 weeks ended 3 July 2021 APM[3] IAS 17 £m
Pre-tax profit/(loss)	**4.3**	**(17.7)**	**(26.3)**	**3.7**	**(14.7)**	**(22.8)**
Add back Exceptional items	(0.0)	6.2	5.4	0.1	5.2	3.2
Add back LTIP (credit)/charge	(0.0)	0.0	0.1	(0.0)	0.0	0.1
Adjusted[1] pre-tax profit/(loss)	**4.3**	**(11.5)**	**(20.8)**	**3.8**	**(9.5)**	**(19.5)**
Add back Depreciation	5.6	6.9	11.8	3.4	3.3	6.3
Add back Amortisation	0.0	0.0	0.0	0.0	0.0	-
Add back Finance costs	2.3	3.3	5.1	0.4	0.4	1.2
Adjusted[1] EBITDA	**12.2**	**(1.2)**	**(3.9)**	**7.6**	**(5.8)**	**(12.0)**

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. The statutory exceptional credit position of £0.02 million has seen a significant reduction due to the high impairments in the previous year as a result of COVID-19 on trade. The prior half-year charge of £6.2 million included property restructure costs relating to the Revolution Bars Limited Company Voluntary Arrangement ("CVA") of £2.2 million, an impairment charge of £10.5 million, offset with a £6.5 million gain on disposal as a result of surrendered leases.

Finance costs

Finance costs of £2.3 million (2021: £3.3 million) are made up £0.4 million of bank interest paid on borrowings (2021: £0.4 million) and £1.9 million of lease interest (2021: £2.9 million).

Liquidity

On 11 November 2021, the RCF was extended to 30 June 2023, and interest was increased by 1.2% with a further up-to 1% chargeable if the RCF is drawn to within £5.0 million of total limits. A new deleveraging method was also agreed based on overperformance compared to the severe but plausible downside case. The RCF also reduced to £16.3 million following £1.0 million of amortisation in December 2021.

The original £16.5 million CLBILS loan is a three-year term loan expiring 5 July 2023, and the new £3.5 million CLBILS loan is a three-year term loan expiring 9 May 2024. We would like to thank NatWest and our shareholders for this support during the year.

The Company now has committed Facilities as follows:

	RCF £m	CLBILS £m	Total £m
30 June 2022	16.3	14.8	31.1
31 December 2022	16.3*	14.3*	30.6*
30 June 2023	15.3*	13.8*	29.1*

** Facilities are due to deleverage after 30 June 2022 under the overperformance deleverage agreement detailed above, meaning the facilities will reduce further at this point based on overperformance of FY22 against the severe but plausible downside case*

Taxation

There is no tax payable in respect of the current period due to previous losses made. Accordingly, the charge in the current year is £nil (2021: £nil).

Earnings/(loss) per share
Basic earnings per share for the period was 1.9 pence (2021: loss (15.7) pence). Adjusting for exceptional items, non-recurring opening costs and credits arising from long-term incentive plans resulted in an adjusted[1] earnings per share for the period of 1.9 pence (2021: loss of 12.0 pence).

Operating cash flow and net bank debt
The Group generated net cash flow from operating activities in the period of £14.5 million (2021: utilised (£5.6) million), whilst capital expenditure payments of £2.4 million, bank loan interest £0.4 million and loan repayments of £0.5 million contributed to a net cash inflow in the period of £7.3 million decreasing net bank debt from (£3.6) million as at 3 July 2021 to a net cash closing position of £4.2 million as at 1 January 2022.

Capital expenditure
The Group made capital investments of £2.4 million (2021: £1.0 million) during the period; this was incurred entirely on the existing bars post COVID-19, comprising building renovation works as part of the enhanced refurbishment programme, as well as equipment replacement and IT investment.

Dividend
As notified previously, the Board has suspended payments of dividends. Furthermore, (a) a condition of taking on the CLBILS facility is that the Company is unable to pay a dividend whilst the CLBILS remains outstanding and (b) as a result of the CVA referred to above, the Company's subsidiary entity, Revolution Bars Limited, is unable to pay a dividend for a period of three years until 13 November 2023. A restriction on the Group's principal trading subsidiary being unable to make a dividend payment to its Parent Company may significantly impact the Company's ability to make a dividend payment until after 13 November 2023. There was no dividend paid or declared in either the current or prior period.

Going concern
As reported in the Group Annual Report and Accounts 2021, the severe disruption to the Group's trade during the last twelve months caused by COVID-19 and the resultant and frequently changing operating restrictions imposed by the UK Government and the devolved authorities indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group and Company to continue as a going concern.

This uncertainty is most definitely reduced following the release of restrictions since 19 July 2021, but continues to exist whilst there is a risk of further restrictions being imposed, such as the heightened Government caution with Omicron that impacted December 2021 trading. Management remains positive following the release of "Plan B" restrictions in January 2022, alongside the scrapping of COVID-passports. The unpredictability of the nature, extent and duration of COVID-19 and future variations, and the imposed operating restrictions seen to date means that the uncertainty still exists. How this will impact the Group's operational performance and in particular the level of sales and EBITDA generated will in turn determine the Group's covenant compliance.

As reported in the Group Annual Report and Accounts 2021 and reflected in these interim financial statements, the Group took various actions to support its liquidity including: two equity fundraisings securing a total of £34.0 million net proceeds; securing a total of £20.0 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans; and securing committed total facilities (including the CLBILS) as at 31 December 2021 of £32.6 million. As at the 26-weeks ended 1 January 2022, the Group had net cash of £4.2 million.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these condensed financial statements. 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
28 February 2022

[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 year and comparative reporting periods
[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 1 January 2022

	Note	**Unaudited 26 weeks ended 1 January 2022**	Unaudited 26 weeks ended 26 December 2020	Audited 53 weeks ended 3 July 2021
		£'000	£'000	£'000
Revenue		**74,134**	21,636	39,417
Cost of sales		**(16,289)**	(5,772)	(11,352)
Gross profit		**57,845**	15,864	28,065
Operating expenses:				
– operating expenses, excluding exceptional items		**(51,246)**	(24,059)	(47,217)
– exceptional items	4	**20**	(6,221)	(5,361)
– grant income	5	**51**	-	3,357
Total operating expenses		**(51,175)**	(30,280)	(49,221)
Operating profit/(loss)		**6,670**	(14,416)	(21,156)
Finance expense	6	**(2,324)**	(3,292)	(5,140)
Profit/(loss) before taxation		**4,346**	(17,708)	(26,296)
Income tax	7	**-**	-	-
Profit/(loss) and total comprehensive income/(expense) for the period		**4,346**	(17,708)	(26,296)
Earnings/(loss) per share:				
– basic and diluted (pence)	9	**1.9**	(15.7)	(21.2)
Dividend declared per share (pence)		**-**	-	-

Revolution Bars Group plc
Condensed Consolidated Statement of Financial Position
at 1 January 2022

	Note	**Unaudited 26 weeks ended 1 January 2022**	Unaudited 26 weeks ended 26 December 2020	Audited 53 weeks ended 3 July 2021
		£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment	10	**33,455**	35,554	33,945
Right-of-use assets	10	**61,952**	66,276	64,044
Intangible assets		**28**	20	24
		95,435	101,850	98,013
Current assets				
Inventories		**3,616**	2,787	2,956
Trade and other receivables	11	**6,794**	1,281	5,218
Cash and cash equivalents		**19,446**	4,593	12,118
		29,856	8,661	20,292
Total assets		**125,291**	110,511	118,305
Liabilities				
Current liabilities				
Trade and other payables		**(25,296)**	(11,646)	(20,361)
Lease liabilities	12	**(5,666)**	(5,626)	(5,143)
Provisions	13	**(1,101)**	-	(842)
		(32,063)	(17,272)	(26,346)
Net current liabilities		**(2,207)**	(8,611)	(6,054)
Non-current liabilities				
Lease liabilities	12	**(97,425)**	(103,191)	(100,034)
Interest-bearing loans and borrowings	14	**(15,251)**	(25,583)	(15,751)
Provisions	13	**(1,444)**	(1,004)	(1,404)
		(114,120)	(129,778)	(117,189)
Total liabilities		**(146,183)**	(147,050)	(143,535)
Net liabilities		**(20,892)**	(36,539)	(25,230)
Equity attributable to equity holders of the parent				
Share capital		**230**	125	230
Share premium		**33,794**	14,050	33,794
Merger reserve		**11,645**	11,645	11,645
Accumulated losses		**(66,561)**	(62,359)	(70,899)
Total equity		**(20,892)**	(36,539)	(25,230)

Revolution Bars Group plc
Condensed Consolidated Statement of Changes in Equity
for the 26 weeks ended 1 January 2022

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	(Accumulated losses) / retained earnings £'000	Total equity £'000
At 27 June 2020	**50**	**-**	**11,645**	**(44,667)**	**(32,972)**
Loss and total comprehensive expense for the period	-	-	-	(26,296)	**(26,296)**
Fundraising	180	33,794	-	-	**33,974**
Charge arising from long-term incentive plans	-	-	-	64	**64**
At 3 July 2021	**230**	**33,794**	**11,645**	**(70,899)**	**(25,230)**
Profit and total comprehensive income for the period	-	-	-	4,346	**4,346**
Credit arising from long-term incentive plans	-	-	-	(8)	**(8)**
At 1 January 2022	**230**	**33,794**	**11,645**	**(66,561)**	**(20,892)**

Revolution Bars Group plc
Condensed Consolidated Statement of Cash Flow
at 1 January 2022

	Note	**Unaudited 26 weeks ended 1 January 2022**	Unaudited 26 weeks ended 26 December 2020	Audited 53 weeks ended 3 July 2021
		£'000	£'000	£'000
Cash flow from operating activities				
Profit/(loss) before tax from operations		**4,346**	(17,708)	(26,296)
Adjustments for:				
Net finance expense	6	2,324	3,292	5,140
Exceptional gain on disposal	4	-	(6,538)	(8,388)
Depreciation of property, plant and equipment	10	2,843	3,893	6,045
Depreciation of right-of-use assets	10	2,716	3,040	5,770
Impairment of property, plant and equipment	10	56	2,749	3,273
Impairment of right-of-use assets	10	-	7,816	8,315
Lease modification	12	(76)	(17)	(28)
Amortisation of intangibles		1	1	1
(Credits)/charges arising from long-term incentive plans	8	(8)	16	64
Operating cash flows before movement in working capital		**12,202**	(3,456)	(6,104)
(Increase)/decrease in inventories		**(661)**	807	637
(Increase)/decrease in trade and other receivables		**(1,576)**	2,148	(2,908)
Increase/(decrease) in trade and other payables		**4,220**	(5,129)	4,859
Increase/(decrease) in provisions		**299**	(15)	1,228
Net cash flow generated from/(used in) operating activities		**14,484**	(5,645)	(2,288)
Cash flow from investing activities				
Purchase of intangible assets		**(5)**	(1)	(5)
Purchase of property, plant and equipment	10	**(2,409)**	(974)	(2,038)
Net cash flow used in investing activities		**(2,414)**	(975)	(2,043)
Cash flow from financing activities				
Net proceeds from equity fundraising		**-**	14,125	33,974
Interest paid	6	**(411)**	(402)	(1,133)
Lease surrender premiums paid		**-**	(1,250)	(1,700)
Principal element of lease payments	12	**(1,918)**	(1,954)	(4,438)
Interest element of lease payments	12	**(1,913)**	(2,890)	(4,007)
Repayment of borrowings		**(500)**	(30,918)	(52,749)
Drawdown of borrowings		**-**	32,000	44,000
Net cash flow (used in)/from financing activities		**(4,742)**	8,711	13,947
Net increase in cash and cash equivalents		**7,328**	2,091	9,616
Opening cash and cash equivalents		12,118	2,502	2,502
Closing cash and cash equivalents		**19,446**	4,593	12,118

Reconciliation of net bank debt			
Net increase in cash and cash equivalents	**7,328**	2,091	9,616
Cash inflow from increase in borrowings	**-**	(32,000)	(44,000)
Cash outflow from repayment of borrowings	**500**	30,918	52,749
Opening net bank debt	**(3,633)**	(21,998)	(21,998)
Closing net cash/(net bank debt)	**4,195**	(20,989)	(3,633)

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 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 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 1 January 2022 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

The condensed consolidated interim financial statements of the Group for the 26 weeks ended 1 January 2022 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 53 weeks ended 3 July 2021.

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 53 weeks ended 3 July 2021.

The comparative figures for the 53 weeks ended 3 July 2021 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 reported in the Group Annual Report and Accounts 2021, the severe disruption to the Group's trade during the last twelve months caused by COVID-19 and the resultant and frequently changing operating restrictions imposed by the UK Government and the devolved authorities indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group and Company to continue as a going concern.

This uncertainty is most definitely reduced following the release of restrictions since 19 July 2021, but continues to exist whilst there is a risk of further restrictions being imposed, such as the heightened Government caution with Omicron that impacted December 2021 trading. Management remains positive following the release of "Plan B" restrictions in January 2022, alongside the scrapping of COVID-passports. The unpredictability of the nature, extent and duration of COVID-19 and future variations, and the imposed operating restrictions seen to date means that the uncertainty still exists. How this will impact the Group's operational performance and in particular the level of sales and EBITDA generated will in turn determine the Group's covenant compliance.

As reported in the Group Annual Report and Accounts 2021 and reflected in these interim financial statements, the Group took various actions to support its liquidity including: two equity fundraisings securing a total of £34.0 million net proceeds; securing a total of £20.0 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans; and securing committed total facilities (including the CLBILS) as at 31 December 2021 of £32.6 million. As at the 26-weeks ended 1 January 2022, the Group had net cash of £4.2 million.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these condensed financial statements. 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 53 weeks ended 3 July 2021. These accounting policies are all expected to be applied for the 52 weeks to 2 July 2022.

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 in to 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. The Company has utilised the practical expedient to not assess whether rent waivers agreed as a result of COVID-19 are lease modifications.

Items impacting Alternative Performance Measures

Exceptional items
Items that by virtue in their size, incidence or nature 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, bar closure costs, lease surrender costs, 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 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.

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;

- COVID-19
- Supply chain
- Refurbishment and acquisition of sites
- Consumer demand and PR
- Health and safety
- Leasehold rent increases
- Supplier concentration
- National minimum/living wage legislation

The Group's operating environment is severely impacted by COVID-19, with the continued uncertainty over future strains and potential imposed restrictions.

4. 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 (credits)/charges comprised the following:

	Unaudited 26 weeks ended 1 January 2022 £'000	**Unaudited 26 weeks ended 26 December 2020 £'000**	Audited 53 weeks ended 3 July 2021 £'000
Administrative expenses:			
– impairment of right of use assets	**-**	**7,816**	8,315
– impairment of property, plant and equipment	**56**	**2,749**	3,273
– lease modification	**(76)**	**(17)**	(28)
– gain on disposal	**-**	**(6,538)**	(8,388)
– property restructure	**-**	**2,211**	2,189
Total exceptional items	**(20)**	**6,221**	5,361

Following the implementation of IFRS 16, impairment reviews now include right-of-use assets relating to leases. The net book value of property, plant and equipment at nine of the Group's bars (FY21-end: 30) was written down. There was no impairment on right-of-use assets (FY21-end: 31 bars). The significant reduction in the non-cash impairment charge is predominantly a reflection of the large impairments that have occurred in previous years due to the impact of COVID-19 on trade.

In the prior year, the exceptionals were impacted by a gain on disposal in respect of surrendered leases as a result of extinguishing the remaining IFRS 16 lease liability, and is net of surrender premiums paid and other relevant exceptional closure costs. Furthermore, a Company Voluntary Arrangement ('CVA') was undertaken by the Group's wholly owned subsidiary entity, Revolution Bars Limited. The Property Restructure costs predominantly comprised the associated CVA professional fees, alongside other legal and professional costs incurred through landlord negotiations and the relevant closure costs of the affected sites.

5. Grant income

	Unaudited 26 weeks ended 1 January 2022 £'000	**Unaudited 26 weeks ended 26 December 2020 £'000**	Audited 53 weeks ended 3 July 2021 £'000
Local authority grants	**51**	**-**	3,357
	51	**-**	3,357

The Government have provided various Local Authority grants to support the hospitality industry, particularly for periods of closure or severe restrictions. This income has been recognised as Other Income within operating profit/(loss).

6. Finance expense and income

	Unaudited 26 weeks ended 1 January 2022 £'000	**Unaudited 26 weeks ended 26 December 2020 £'000**	Audited 53 weeks ended 3 July 2021 £'000
Interest payable on bank loans and overdrafts	**411**	**402**	**1,133**
Interest on lease liabilities	**1,913**	**2,890**	**4,007**
Interest payable	**2,324**	**3,292**	**5,140**

7. Taxation

The taxation charge for the 26 weeks ended 1 January 2022 has been calculated by applying an estimated effective tax rate for the 52 weeks ending 2 July 2022. Due to brought-forwards tax losses, no tax was due for the half-year period. Due to the continued uncertainty over COVID-19, there was no deferred tax charge or credit to the income statement.

8. Share-based payments

	Unaudited 26 weeks ended 1 January 2022 £'000	Unaudited 26 weeks ended 26 December 2020 £'000	Audited 53 weeks ended 3 July 2021 £'000
(Credit)/charge in the period	**(8)**	**45**	94
Credit relating to forfeitures in period	**-**	**(29)**	(30)
Total (credit)/charge arising from long-term incentive plans	**(8)**	**16**	64

The Group currently operates an employee share incentive scheme, namely The Revolution Bars Group Share Plan. Awards under the scheme comprise:

- a Nominal Cost Option ("NCO") granted to acquire ordinary shares in the Company at an option price of 0.1 pence per share; and
- a linked, tax-favoured Company Share Option ("CSOP") granted under Part II of The Revolution Bars Group Share Plan to acquire a number of ordinary shares in the Company. The option price is set at the market value of the shares at the time of the award.

The Group issued 1,311,528 options under a Restricted Share Award scheme on 24 December 2020, and a further 4,155,290 options under a Restricted Share Award scheme on 23 November 2021.

9. Earnings/(loss) 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 1 January 2022 £'000	Unaudited 26 weeks ended 26 December 2020 £'000	Audited 53 weeks ended 3 July 2021 £'000
Profit/(loss) for the period (£'000)	**4,346**	**(17,708)**	(26,296)
Weighted average number of shares – basic and diluted ('000)	**230,049**	**113,093**	124,075
Basic and diluted profit/(loss) per ordinary share (pence)	**1.9**	**(15.7)**	(21.2)

A calculation of adjusted earnings per ordinary share is set out below:

	Unaudited 26 weeks ended 1 January 2021 £'000	Unaudited 26 weeks ended 26 December 2020 £'000	Audited 53 weeks ended 3 July 2021 £'000
Profit/(loss) on ordinary activities before taxation	**4,346**	**(17,708)**	(26,296)
Exceptional items	**(20)**	**6,221**	5,361
Share-based payments	**(8)**	**16**	64
Adjusted profit/(loss) on ordinary activities before taxation	**4,318**	**(11,471)**	(20,871)
Taxation on ordinary activities	**-**	**-**	-
Taxation on exceptional items	**4**	**(2,078)**	(2,600)
Adjusted profit/(loss) of ordinary activities after taxation	**4,322**	**(13,549)**	(23,471)
Basic and diluted number of shares ('000)	**230,049**	**113,093**	124,075
Adjusted basic and diluted earnings/(loss) per ordinary share (pence)	**1.9**	**(12.0)**	(18.9)

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

Property, plant and equipment	Freehold land and buildings	Short leasehold premises	Fixtures and fittings	IT equipment and office furniture	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 27 June 2020	1,426	82,740	56,246	8,891	149,303
Additions	-	1,133	641	264	2,038
Transfers	-	15	-	-	15
At 3 July 2021	1,426	83,888	56,887	9,155	151,356
Additions	-	793	1,198	418	2,409
At 1 January 2022	**1,426**	**84,681**	**58,085**	**9,573**	**153,765**
Accumulated depreciation and impairment					
At 27 June 2020	(1,216)	(50,752)	(48,280)	(7,833)	(108,081)
Depreciation charges	-	(3,238)	(2,282)	(525)	(6,045)
Impairment charges	-	(2,750)	(465)	(58)	(3,273)
Transfers	-	-	(6)	(6)	(12)
At 3 July 2021	(1,216)	(56,740)	(51,033)	(8,422)	(117,411)
Depreciation charges	-	(1,565)	(1,033)	(245)	(2,843)
Impairment charges	-	(30)	(25)	(1)	(56)
At 1 January 2022	**(1,216)**	**(58,335)**	**(52,091)**	**(8,668)**	**(120,310)**
Net book value					
At 1 January 2022	**210**	**26,346**	**5,994**	**905**	**33,455**
At 3 July 2021	210	27,148	5,854	733	33,945

Right-of-use assets - Group	**Bars**	**Vehicles**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 3 July 2021	105,269	418	105,687
Reassessment/modification of assets previously recognised	624	-	624
At 1 January 2022	105,893	418	106,311
Accumulated depreciation and impairment			
At 3 July 2021	(41,318)	(325)	(41,643)
Depreciation charges	(2,652)	(64)	(2,716)
Impairment charges	-	-	-
At 1 January 2022	(43,970)	(389)	(44,359)
Net book value			
At 1 January 2022	**61,923**	**29**	**61,952**
At 3 July 2021	63,951	93	64,044

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.

The Group has determined that for the purposes of impairment testing, each bar is a cash generating unit (“CGU”). The bars are tested for impairment in accordance with IAS 36 “Impairment of Assets” when a triggering event is identified. The recoverable amounts for CGUs are predominantly based on value in use, which is derived from the forecast cash flows generated to the end of the lease term discounted at the Group’s weighted average cost of capital.

Impairment testing methodology
At the end of each reporting period, a filter test is used to identify whether the carrying value of a CGU is potentially impaired. This test compares a multiple of run rate EBITDA, adjusted for an allocation of central overheads, to the carrying value of the CGU. If this test indicates a potential impairment, a more detailed value in use review is undertaken using cash flows based on Board-approved forecasts covering a three-year period. These forecasts combine management’s understanding of historical performance and knowledge of local market environments and competitive conditions to set realistic views for future growth rates. Cash flows beyond this three-year period are extrapolated using a long-term growth rate to the end of the lease term. The cash flows assume a 5-year

refurbishment cycle, with an increase in revenue factored after refurbishments based on historical refurbishment outcomes.

The key assumptions in the value in use calculations are typically the cash flows contained within the Group's trading forecasts, the long-term growth rate and the risk-adjusted pre-tax discount rate.

11. Trade and other receivables

	Unaudited 26 weeks ended 1 January 2022 £'000	**Unaudited 26 weeks ended 26 December 2020 £'000**	Audited 53 weeks ended 3 July 2021 £'000
Amounts falling due within one year			
Trade and other receivables	**2,956**	726	1,896
Accrued rebate income	**824**	64	720
Prepayments	**3,014**	(389)	2,469
Other debtors	**-**	880	133
	6,794	1,281	5,218

12. Lease liabilities

	Short leasehold properties £'000	Vehicles £'000	Total £'000
At 3 July 2021	**105,079**	**98**	**105,177**
Reassessment/modification of liabilities previously recognised	76	-	76
Modifications taken as a credit to administrative expenses (note 4)	(76)	-	(76)
Lease liability payments	(3,763)	(68)	(3,831)
Lease concessions	(168)	-	(168)
Finance costs	1,912	1	1,913
At 1 January 2022	**103,060**	**31**	**103,091**

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 £1.9 million and principal of £1.9 million. £5.7 million of the net present value of lease liabilities, net of interest, are current, and £97.4 million are non-current.

13. 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 expiries 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. Dilapidation 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 3 July 2021	842	1,404	**2,246**
Movement on provision	307	40	**347**
Utilisation of provision	(48)	-	**(48)**
At 1 January 2022	**1,101**	**1,444**	**2,545**

	Unaudited 26 weeks ended 1 January 2022 £'000	Unaudited 26 weeks ended 26 December 2020 £'000	Audited 53 weeks ended 3 July 2021 £'000
Current	**1,101**	-	842
Non-current	**1,444**	1,004	1,404
	2,545	1,004	2,246

14. Interest-bearing loans and borrowings

	Unaudited 26 weeks ended 1 January 2022 £'000	Unaudited 26 weeks ended 26 December 2020 £'000	Audited 53 weeks ended 3 July 2021 £'000
Revolving credit facility	**-**	9,500	-
Coronavirus Large Business Interruption Loan Scheme	**15,251**	16,083	15,751
	15,251	25,583	15,751

As at the date of the consolidated financial position, the Group had an undrawn revolving credit facility (the "Facility") of £17.3 million expiring in June 2023, and £15.3 million remaining of Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans. The CLBILS is a three-year amortising loan which expires in July 2023 and May 2024.

The Facility and the CLBILS are secured and supported by debentures over the assets of Revolution Bars Group plc, Revolución De Cuba Limited, Revolution Bars Limited, Revolution Bars (Number Two) Limited and Inventive Service Company Limited, and an unlimited guarantee.

15. Dividends

No dividend in respect of the interim reporting period is being declared. No interim or final dividend was declared in respect of the 53 weeks ended 3 July 2021.

16. Capital Commitments

There were £nil capital commitments as at 1 January 2022 (at 3 July 2021: £nil).

17. 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 1 January 2022 £'000	26 weeks ended 26 December 2020 £'000	53 weeks ended 3 July 2021 £'000
Non-GAAP measures			
Revenue	**74,134**	21,636	39,417
Operating profit/(loss)	**6,670**	(14,416)	(21,156)
Exceptional items	**(20)**	6,221	5,361
(Credit)/charge arising from long-term incentive plans	**(8)**	16	64
Adjusted operating profit/(loss)	**6,642**	(8,179)	(15,731)
Finance expense	**(2,324)**	(3,292)	(5,140)
Adjusted profit/(loss) before tax	**4,318**	(11,471)	(20,871)
Depreciation	**5,559**	6,933	11,815
Amortisation	**1**	1	1
Finance expense	**2,324**	3,292	5,140
Adjusted EBITDA	**12,202**	(1,245)	(3,915)

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 1 January 2022	Reduction in depreciation	Reduction in interest	Onerous lease provision interest	Rent charge	26 weeks ended 1 January 2022
	IFRS 16					**IAS 17**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adjusted profit before tax	**4,318**	2,198	1,913	(26)	(4,626)	**3,777**
Depreciation	**5,559**	(2,198)	-	-	-	**3,361**
Amortisation	**1**	**-**	-	-	-	**1**
Finance expense	**2,324**	**-**	(1,913)	26	-	**437**
Adjusted EBITDA	**12,202**	**-**	**-**	**-**	**(4,626)**	**7,576**

	53 weeks ended 3 July 2021	Reduction in depreciation	Reduction in interest	Onerous lease provision interest	Rent charge	53 weeks ended 3 July 2021
	IFRS 16					**IAS 17**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adjusted loss before tax	**(20,871)**	5,497	4,007	(37)	(8,124)	**(19,528)**
Depreciation	**11,815**	(5,497)	-	-	-	**6,318**
Amortisation	**1**	**-**	-	-	-	**1**
Finance expense	**5,140**	**-**	(4,007)	37	-	**1,170**
Adjusted EBITDA	**(3,915)**	**-**	**-**	**-**	**(8,124)**	**(12,039)**

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. Impairment assumptions have been re-geared for an IAS 17 perspective, and the onerous lease provision movement has been included.

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 loss is impacted by the inclusion of rent expenditure from the income statement and inclusion of the onerous lease provision. Exceptionals are significant impacted by the change in impairment, gain on disposals recognised under IFRS 16, and the classification of certain cash closure exceptionals.