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7 March 2023

Revolution Bars Group plc (LSE: RBG)
Unaudited Interim results for the 26 weeks ended 31 December 2022

An exciting acquisition during a challenging trading period
On track to achieve FY23 market expectations

Revolution Bars Group plc ("the Group"), a leading UK operator of 69 premium bars and 21 gastro pubs, trading predominantly under the Revolution, Revolución de Cuba and Peach Pubs brands, today announces its unaudited interim results for the 26 weeks ended 31 December 2022.

Results to 31 December 2022

	H1 FY23 *(IFRS 16)* *£m*	**H1 FY22 *(IFRS 16)* *£m***	**H1 FY23 *(IAS 17)* *£m***	**H1 FY22 *(IAS 17)* *£m***
Total Sales	76.0	74.1	76.0	74.1
Operating Profit	3.1	6.7	0.9	4.1
Adjusted[1] EBITDA	9.8	12.2	5.1	7.6
(Loss)/Profit Before Tax	(0.1)	4.3	0.0	3.7
Net Cash/(Net Bank Debt)	(18.5)	4.2	(18.5)	4.2

Key points

- The Group faced continuous and varied external headwinds impacting profitability during FY23 H1 including transport strikes, downturn in consumer confidence as a result of the cost-of-living crisis, record hot weather, as well as cost inflation. However, early indications show that the trading environment should improve with consumer confidence having bottomed out and energy prices trending in the right direction;
- There is evidence our brands are resonating with guests following record breaking like-for-like[2] ("LFL") pre-booked party revenue over the festive period, refurbishments performing well, and the latest new bars performing in line with expectations;
- Significant strategic progress was made during the period with the material acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), in order to diversify the Group's earnings away from a late-night and city centre focus. Synergies are on track and additional growth opportunities being identified;
- The Group had net debt of £23.1 million as at 6 March 2023, made up of £27.0 million drawn down revolving credit facility and £3.9 million cash, with £6.9 million headroom available on the facilities. Covenants have been reset to reflect current trading and market conditions; and
- FY23 H2 Group LFL[2] sales have been (6.8)% to date, an improvement of +2.6%pts on the first half of the year. All brands are trading in line with Board expectations, with Peach continuing its strong LFL[2] performance. The Board remains confident of achieved APM[3] adjusted[1] EBITDA in line with market expectations for FY23.

[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 most recent non-COVID-19 affected comparative period
[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Rob Pitcher, Chief Executive Officer, said:

"We have faced well documented macroeconomic challenges which impacted profitability in the half year. The team have done everything they can to mitigate the cost headwinds and other factors outside of our control, and I am immensely proud of our people for delivering an amazing Christmas to our Corporate guests, delivering an all-time record of pre-booked sales for the Group. Walk-in custom was hampered by industrial action, reduced consumer confidence and the hot summer, and we look forward to increased guest confidence in the coming months as energy prices continue to fall from their previous peak and inflation abates.

We were delighted to announce the acquisition of Peach Pubs in October 2022 which has diversified our offering and guest base. We have continued to see pleasing performance, delivering excellent Christmas trading. We continue to develop synergies between the businesses, and identify new and exciting opportunities.

Management continues their focus on navigating the current macroeconomic situation, developing our business, and putting in place further building blocks for future growth. The Board remains confident that the business is on track to achieve market expectations for FY23, and we anticipate some sales recovery in 2024."

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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

After an exciting period of pent-up demand during FY22, FY23 is seeing a multitude of external factors impacting on consumer confidence and costs both within the hospitality industry and across the wider economy.

Despite this, I am very proud of the Christmas trade delivered by our amazing colleagues. Management had hoped that this would be the first winter period of normal trade in three years; however, industrial action had a significant impact on walk-in trade. We were very pleased to see our corporate guests joining us in our bars for their festive celebrations, with most venues exceeding party expectations. Pre-booked party revenue during the five weeks to 31 December 2022 was +10.3% compared to 2019, representing an all-time like-for-like[2] ("LFL") record for the Group.

On 18 October 2022 we were pleased to announce the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), the operator of a collection of 21 award-winning pubs. Peach offers an exciting addition to the Group portfolio and provides a more balanced and diversified business with scale and compelling growth potential across multiple trading segments of drinks, food and accommodation.

Two new bars were opened at the end of FY22, being Revolution bars in Preston and Exeter. Both have had excellent guest reception and are trading in line with expectations. Following the acquisition of Peach, the Group has reduced investment plans, and will now complete five refurbishments in FY23 with all of these having been completed to date.

Our business
At the end of the reporting period the Group operated 90 venues consisting of the following brands: Revolution (48 bars), focused on young adults; Revolución de Cuba (18 bars), which attracts a broader age range; Playhouse (two bars), a competitive socialising offering; Founders & Co. (one bar), an artisanal market-place experience; and the newly acquired Peach Pubs (21 pubs) offering high quality food and drink in the heart of England.

In FY22 and FY23, we were excited to return to our pre-COVID-19 strategy of expansion and refurbishment of the estate, and in the year to date spent £3.5 million of capital expenditure across five refurbishments, converting a second bar into a Playhouse, sustainability, IT and other key investments.

Our results
Sales for the 26-week period of £76.0 million (FY22 H1: £74.1 million) were 2.6% higher; the previous year experienced a combination of pent-up demand alongside a hampered Christmas due to Omicron, whereas the current year was significantly harmed by macroeconomic factors and factors outside of our control. Neither periods represent the true Christmas trading that the Group can deliver when not disrupted by external factors.

Our statutory loss before tax for the year of (£0.1) million (FY22 H1: profit before tax of £4.3 million) reflects the significant impact of high inflationary costs as a result of the cost-of-living impact. Adjusted[1] EBITDA, our preferred KPI, is significantly influenced 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 profit of £5.1 million (FY22 H1: profit of £10.2 million). The reduction in APM[3] adjusted[1] EBITDA is a direct result of heightened costs and low growth in sales due to external factors.

During FY23 H1, the Group refinanced its banking facilities resulting in full repayment of all existing Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans, and the previous Revolving Credit Facility ("RCF") being replaced with a new £30.0 million RCF. This was utilised for repayment of existing debts and to fund the acquisition of Peach Pubs. As at 6 March 2023, the Group had net debt of £23.1 million.

Our People
The Group is led by an experienced and committed Executive Management team with proven credentials who continue to navigate the challenging trading conditions the industry faces, supported by the Board. Our young, ambitious workforce create amazing experiences in all our pubs and bars, and I would like to extend my thanks to them for continuing to demonstrate remarkable resilience and enthusiasm, and delivering excellent service to our guests.

Current trading
Transport strikes have continued into 2023, albeit with less impact due to the normal lower trade seen in January and February. The Group saw LFL[2] sales in the second half of FY23 of (6.8)% to date, an improvement of +2.6%pts on the first half of the year.

The Group continues to navigate the macroeconomic factors impacting on the industry, particularly city centre and late-night trade.

We continue to see pleasing advancements in our brand offerings and guest journey, and the Board remains confident of achieving APM[3] adjusted[1] EBITDA in line with market expectations for FY23 and anticipates, assuming a more benign trading environment, some sales recovery in 2024.

Keith Edelman
Non-Executive Chairman
6 March 2023

[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 most recent non-COVID-19 affected comparative period
[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Chief Executive Officer's statement

Business review
We began FY23 on a very different note to that of FY22. The summer of 2021 saw guests holidaying in the UK due to tight travel restrictions for the second year in a row, which delivered a real benefit to our bars. In comparison, the summer of 2022 felt like the first real time people could travel abroad almost restriction-free, and we saw our guests really taking advantage of this, taking multiple trips abroad, meaning they were not able to visit our bars as frequently as in previous years.

Furthermore, with restrictions fully lifted, we saw the return of large festivals, events and gatherings such as Glastonbury and others, which had been cancelled for the prior two years. Our typically young guest base has flocked back to multiple large-scale events after not attending them since 2019 and this, coupled with a large number of international artists completing postponed stadium tours, has impacted the number of our guests in city centres during key weekend trading days over the summer.

The year also began with a record-breaking heatwave, including the hottest day in history for England. The Revolution and Revolución de Cuba brands trade with very little outside space and have historically underperformed in high temperatures.

The war in Ukraine has driven utility costs up and fuelled the cost-of-living crisis, which is very much in the consumer psyche. The rise in food and utilities inflation has seen a huge impact on consumer spending. Our guest base is not immune to this, albeit employment levels have remained high, and recent positive news of energy prices starting to fall is hoped to result in increased guest confidence. January also saw foodservice inflation fall for the first time since September 2021.

Industrial action has been damaging trade since June 2022, with train strikes particularly impactful due to our locations being predominantly in city centres. The strikes affect the days either side of the planned strike date, with people not wanting to get stranded. Unions planned these strikes to achieve maximum disruption, with our busiest trading week of the year, in mid-December, targeted with multiple strike days. Strikes were also targeted at the end of the month focussing on the weekends when most people are being paid, being the busiest weekends for retail and hospitality sales. This has had a material impact on our ability to trade to our full potential.

On a more positive note, we were very excited to see the return of our Corporate guests at Christmas functions, setting a new record for pre-booked party revenue of +10.3% versus our previous record year in 2019. The strikes continued to impact here too unfortunately, with guest confidence in the reliability of train services affecting their decision to attend Christmas parties, but even more so on walk-in trade which was significantly reduced. Without this, we would have experienced a much more buoyant festive trading period.

Our exciting new concepts did well over the festive trading period, instilling our confidence in their continued roll-out. Founders & Co. delivered three record sales weeks, hosting an array of immersive events to entice guests, and is now enjoying a more established position in the city. The second Playhouse site was opened in November 2022 and has traded well since opening, and the Playhouse brand is seeing a positive new avenue for growth through corporate bookings whilst gaining traction with family celebrations. Peach has seen pleasing performance since acquisition, performing very well over the festive period.

Acquisition of Peach
We were delighted to announce in October 2022 the completion of the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), a collection of 21 award-winning gastro pubs. Working closely with Peach in advance of the acquisition, we identified that Peach has a strong focus on its colleagues and guests and has great synergies both operationally and from a people perspective. The Group and Peach are focused on our people and the planet, and both are award-winning in these areas.

Our existing Executive Management team already holds strong food-led pub experience, and we were pleased to add Chris Stagg, the existing Operations Director of Peach, to the Group Management team. The Peach brand offers an exciting new avenue for growth, with good levels of new pub availability in affluent market towns located in aspirational counties.

The Peach Pubs brand trades well throughout the week and is mainly focussed on daytime and early-evening trade which offers a great diversification for the Group, allowing it to become less reliant on weekend and late-night trading. The affluent guest base and locations also offer mitigation against recent macroeconomic factors. Some of the pubs offer high-margin accommodation for guests with over 80 letting bedrooms, providing a new revenue stream for the Group.

Following some of the hottest summers on record, the previously existing brands of the Group have been negatively affected by hot weather due to a lack of outdoor space and the impact on late-night trading. The Peach estate offers extensive, attractive outdoor spaces with a proven track record of increased sales during good weather.

Furthermore, the post-pandemic impact of working from home has seen an impact on city centre trading on Fridays as commuters choose to stay home; Peach has benefitted from this change as guests now stay local on a Friday and visit their pubs for either lunch meetings or a post-work drink.

Peach Pub have delivered +9.9% like-for-like sales in FY23 H1 since acquisition, compared to 2019, clearly demonstrating the additional resilience and diversity that the acquisition has brought to the Group.

Group strategic objectives
Our focus is and has been on getting back to our value-creating workstreams to further develop the business under our ***strategic priorities***. In the year we have taken the opportunity to refine our focus and strategy, identifying synergies between our previous strategic objectives and our new pillars for growth:

- *Maximising Revenue & Profit*:
    - Acquisition of 21 premium gastro pubs through Peach Pubs, predominantly located in affluent towns and villages in Warwickshire, Oxfordshire, Bedfordshire, Hertfordshire and Surrey, offering a differentiation in guest offering;
    - Five refurbishments completed in FY23 H1, with the venues performing in line with expectations and ahead of the main estate. The refurbishment programme has been paused until the macroeconomic trading environment improves;
    - New Customer Relationship Management ("CRM") platform is being implemented, allowing us to optimise the 3.7 million guest database by gaining a complete view of the way our guests interact with and across our brands. This will allow real-time communication with them, integrating social media content and audience management features;
    - Established monthly competitor price reviews to ensure we are optimally priced in the current ever-changing environment;
    - Spirits tender has been completed, with a new range being implemented in April, delivering cost savings in an inflationary environment as well as a fresh, fantastic range for our guests; and
    - New draught product range fully rolled out across the Group, delivering +0.8%pt margin improvement in this category and driving 0.9%pt mix into this category.

- *Brand Awareness and ESG including Sustainability and EVP*:
    - We were thrilled to win or be nominated for a variety of awards in the last year, including winning On-trade Company of the Year at the Footprint Drinks Sustainability Awards, and being a finalist for the EDIE Net Zero Strategy of the Year award;
    - Installed cellar energy reduction equipment across 80% of the estate. This equipment has undergone extensive trials and produces an eight-month return on investment;
    - Continued partnership with So Let's Talk, holding general wellbeing and health sessions for all colleagues. Supporting 21 of our colleagues through exciting apprenticeship journeys;
    - Excellent success of our people: our first General Manager to complete the WiHTL Ethnic Future Leaders Programme was subsequently selected to join the WiHTL advisory board; and two internal promotions of our high-performance General Managers to Area Manager and General Manager of one of our flagship bars;
    - Instigated a trial of energy-efficient kitchen extract controls in our bar in Wigan, with a view to roll-out following a successful trial; and
    - Retained our B score in our FY23 CDP submission, which is in the Management band, demonstrating that we are taking coordinated action on climate issues.

- *Guest Experience*:
    - Brand proposition review now completed in Revolución de Cuba, looking at all aspects of our guest experience, and enabling us to further refine our guest offering to drive increased awareness and usage of the brand;
    - Head Bartender role created in all bars to drive product quality, average spend and speed of service; and
    - Entertainment and atmosphere creation remain core to the product offering, and we are continually innovating to ensure that it remains fresh and exciting to our young guests.

- *Cost Control*:
    - Utilities remain an area of real focus for the Group, with our fixed prices expiring at the end of March 2023, with Peach remaining fixed until at least October 2023. We continue to drive down consumption with a decrease versus our 2017 baseline of 34.6%, which is a further 2.6% improvement from the start of FY23, partially achieved through the new cellar cooling technology;
    - A new broker has been instructed to assist with our energy purchasing strategy. We are pleased to note wholesale energy costs reducing recently;
    - Integration of the newly acquired Peach Pubs is on track, and cost synergies are starting to be realised. It is expected that the larger Group will attract bigger buying power and secure further cost savings;
    - Synergies from the acquisition with Peach Pubs will be at least £1.5 million when fully delivered in FY25, taking proforma EBITDA to approximately £3.0 million'

- A full review of our non-consumable spend has been conducted, with new contracts being signed at reduced rates across many areas of spend despite the current inflationary environment; and
- Water consumption monitoring equipment is now on trial in seven bars, with good opportunities to reduce usage being highlighted. The trial continues, and if successful will be fully rolled out.

- *Diversification of Sales*:
    - New revenue streams in the business through introduction of accommodation sales with Peach Pubs; and
    - Our two Playhouse bars are seeing up to 28% of their revenue coming from game machine sales, something that we have not previously had in the Group, and we are now looking to trial some of the most popular machines in our Revolution brand.

Our People
I am immensely proud of our teams who continue to provide excellent guest service, reflected in our industry-leading guest Net Promoter Score. The whole nation has experienced very difficult times of late, and our guests choose to come to us to forget about their daily concerns – our teams do a brilliant job of creating fun and long-lasting memorable experiences for them.

Train strikes impacted on our team's ability to earn their all-important tips and gain extra hours during the busy festive period, but they remained positive and guest-focused to ensure our Christmas party guests had a great experience. The brilliant guest feedback is a true reflection of the hard work and determination seen at all levels across the business, and I would like to extend my thanks to all our colleagues for their positive attitudes and hard work during the continuing challenges.

Market outlook
Inflation continues to drive the cost-of-living crisis which has a dual-pronged impact of heightening costs for the Group whilst affecting guest confidence. Energy prices are trending in the right direction which is helpful for the business, but also hopefully for our guests in order to ease the inflationary pressures that currently exist.

The newly acquired Peach Pubs continues to trade strongly, experiencing a very strong Christmas trading period. We are pleased with the acquisition's performance so far and confident in its ability for growth as well as expansion to further sites in the future.

Our new, more affluent, guest base at Peach Pubs are somewhat shielded from the impacts of the macroeconomic environment, whilst our young guest base has been more severely impacted with the industry seeing less regular visits from these guests. Young people still want to come out and have a good time, and bars and pubs are a key part of their socialising repertoire.

Early indications show that the trading environment for the entire Group should improve as we head towards spring. Energy prices are headed in the right direction allowing for greater consumer spending to return, whilst the Group should start to see the impact of the easing of input cost increases alongside the positive impact of Peach Pubs.

Industrial action continues to severely impact our ability to trade to full capability, especially during train strikes which continue to impact us at the start of 2023 with more planned during the Cheltenham Festival and March pay weekend, having already severely impacted our festive trade.

Current Trading and Outlook
The first half of the year was hampered with macroeconomic factors including strikes and the cost-of-living crisis, all of which affect consumer confidence, and all of which have continued in to the second half of the year. We are pleased to have navigated January through active cost management to start the second half of the year.

We also remain hopeful of continued positive news including improving energy prices and a stronger economy, which are expected to improve guest confidence in the coming months. As we enter spring with improved weather, the Group is excited to see the benefits of the outstanding outdoors spaces at Peach Pubs to capitalise on trade typically missed with our original brands.

Peach Pubs continues to demonstrate strong, resilient trade under these difficult conditions and Management are very pleased with the acquisition. Both new brands, Founders & Co. and Playhouse are performing well and continue to develop.

We continue to see pleasing advancements in our brand offerings and guest journey, supported by the new CRM platform, as well as further progress in D&I and sustainability.

The Board expects, assuming industrial action subsides, and energy prices hold at current levels, that the Group will deliver adjusted EBITDA (on an IAS 17 basis) in line with current market expectations.

Rob Pitcher
Chief Executive Officer
6 March 2023

Financial Review

Introduction

- The "H1 FY23" accounting period represents trading for the 26 weeks to 31 December 2022 ("the period"). The comparative period "H1 FY22" represents trading for the 26 weeks to 1 January 2022 ("the prior period");
- The Group continues to offer comparative Alternative Performance Measures[3] ("APM") of the numbers converted to IAS 17 following the implementation of IFRS 16 in FY20. APM[3] for the current period are given equal prominence in this review because, in the opinion of the Directors, these provide a better guide to the underlying performance of the business;
- The results information therefore gives FY23 H1 IFRS 16 statutory numbers, followed by APM[3] under IAS 17. A reconciliation between statutory and APM[3] figures is provided in note 19.

	H1 FY23 ***(IFRS 16)*** ***£m***	**H1 FY22** ***(IFRS 16)*** ***£m***	**H1 FY23** ***(IAS 17)*** ***£m***	**H1 FY22** ***(IAS 17)*** ***£m***
Total Sales	76.0	74.1	76.0	74.1
Operating Profit	3.1	6.7	0.9	4.1
Adjusted[1] EBITDA	9.8	12.2	5.1	7.6
(Loss)/Profit Before Tax	(0.1)	4.3	0.0	3.7
Non-cash Exceptionals	0.0	0.0	-	0.1
Cash Exceptionals	1.5	0.0	1.5	0.0
Net Cash/(Net Bank Debt)	(18.5)	4.2	(18.5)	4.2

Results

With both the current and prior periods facing significant external factors, sales ended broadly similar to the prior period. However, FY23 H1 was particularly impacted by macroeconomic factors including the cost-of-living crisis, strikes and hot weather which have impacted on the adjusted[1] EBITDA position on both a statutory and APM[3] EBITDA perspective, whilst Management has focused on effective cost mitigations and reductions wherever possible. FY23 H1 benefitted from the addition of two new Revolution bars and the acquisition of Peach Pubs in October 2022.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA, was £2.5 million lower than the equivalent prior year period, at a profit of £5.1 million (FY22 H1: profit of £7.6) 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 half year amounted to £58.6m (FY22 H1: £57.8 million) which amounted to a gross margin of 77.1% comparable to 78.0% in the equivalent prior period. The Group experienced strong margins since the pandemic due to product mix, and improved discounting and trade agreements. However, this has slightly reduced in the last year due to higher input prices and a reduction in late-night trading due to changing consumer spend.

Underlying profitability

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

	26 weeks ended 31 December 2022 IFRS 16 £m	26 weeks ended 1 January 2022 IFRS 16 £m	52 weeks ended 2 July 2022 IFRS 16 £m	26 weeks ended 31 December 2022 APM[3] IAS 17 £m	26 weeks ended 1 January 2022 APM[3] IAS 17 £m	52 weeks ended 2 July 2022 APM[3] IAS 17 £m
Pre-tax (loss)/profit	**(0.1)**	**4.3**	**2.1**	**0.0**	**3.7**	**3.9**
Add back Exceptional items	1.5	(0.0)	0.6	1.5	0.1	0.2
Add back (credit)/charge arising from LTIPs	(0.2)	(0.0)	0.1	(0.2)	(0.0)	0.1
Add back Bar opening costs	-	-	0.3	-	-	0.3
Adjusted[1] pre-tax profit	**1.2**	**4.3**	**3.1**	**1.4**	**3.8**	**4.5**
Add back Depreciation	5.4	5.6	11.1	2.8	3.4	4.9
Add back Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Add back Finance costs	3.2	2.3	5.3	0.8	0.4	0.9
Adjusted[1] EBITDA	**9.8**	**12.2**	**19.4**	**5.1**	**7.6**	**10.2**

Exceptional items and accounting for long-term incentive plans

Exceptional items, by virtue of their size, incidence or nature, are disclosed separately in order to allow a better understanding of the underlying trading performance of the Group. Exceptional expenses for the half-year were £1.5 million (FY22 H1: £0.0 million), and predominantly relate to a charge of £1.5 million made up of the expenses incurred during the acquisition of Peach.

Credit/charge relating to long-term incentive schemes

A credit of £0.2 million (FY22 H1: £0.0 million) on long-term incentive schemes arose predominantly due to the forfeiture on previous schemes, netted with a small charge as a result of the impact of share price.

Finance costs

Finance costs of £3.2 million (FY22 H1: £2.3 million) are made up of £0.8 million of bank interest paid on borrowings (FY22 H1: £0.4 million) and £2.4 million of lease interest (FY22 H1: £1.9 million).

Liquidity

On 10 October 2022, the previous facility which consisted a Revolving Credit Facility “RCF” and Coronavirus Large Business Interruption Loan Scheme (“CLBILS”) terms was refinanced. As part of this a new RCF was committed at a total facility level of £30.0 million, expiring October 2025. All outstanding CLBILS loans were repaid on 13 October 2022. Interest is charged on the utilised RCF at a margin determined by leveraging plus SONIA, with unutilised RCF values having interest charged at 40% of margin.

The RCF will amortise by £1.0 million on 30 June 2023, £2.0 million on 30 June 2024, and £2.0 million 30 June 2025. In accordance with these arrangements and subject to compliance with financial covenants, which have been reset to reflect current trading and market conditions, the Group will therefore have committed funding facilities available during the going concern assessment period as follows:

	RCF £m
31 December 2022	30.0
30 June 2023	29.0
31 December 2023	29.0
30 June 2024	27.0

Taxation

There is no tax payable in respect of the current period due to previous losses made. Peach now benefits from Group relief and accordingly the deferred tax liability is no longer relevant; a tax credit for the Group of £0.3 million therefore arises (FY22 H1: £nil).

Earnings/(loss) per share
Basic earnings per share for the period was 0.1 pence (FY22 H1: earnings of 1.9 pence). Adjusting for exceptional items, non-recurring opening costs and credits arising from long-term incentive plans resulted in an adjusted[1] basic earnings per share for the period of 0.7 pence (FY22 H1: earnings of 1.9 pence).

Operating cash flow and net bank debt
The Group generated net cash flow from operating activities in the period of £3.3 million (FY22 H1: generated 14.5 million), whilst capital expenditure payments of £4.6 million, bank loan interest £0.8 million, loan repayments of £27.7 million (offset by a drawdown of £30.0 million), acquisition of subsidiary costs of £13.9 million offset by cash acquired of £4.7 million, and £5.9 million of repayment of subsidiary borrowings contributed to a net cash outflow in the period of £14.3 million decreasing net bank cash of £4.1 million as at 2 July 2022 to a net debt closing position of £(18.5) million as at 31 December 2022.

Historically, the Group's working capital performance in the first half of the financial year shows a cash inflow reflecting the build in trade and other creditor balances associated with peak Christmas trade. More unusually this year, following a quieter Christmas period than last year, as well as the pause in the capital expenditure programme, the shape of working capital movements in FY23 H1 has been very different, creating a working capital outflow of £5.6 million.

Capital expenditure
The Group made capital investments of £3.5 million (FY22 H1: £2.4 million) during the period; this was incurred entirely on existing bars, 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. A condition of taking on the CLBILS facility was that the Company was unable to pay a dividend whilst the CLBILS remains outstanding; the CLBILS loans were repaid during the half-year, and therefore is no longer a condition. As a result of the CVA, the Company's subsidiary entity, Revolution Bars Limited, was unable to pay a dividend until cessation of the CVA period, which occurred in December 2022, so is therefore also no longer a condition. 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 2022, the constantly changing economic environment, including the cost-of-living crisis, increasing costs, and impacts on guest confidence, as well as ongoing risk of COVID-19, 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. Although the Group is hopeful of the continued normality in trading, it is not clear what level of trade may be possible should the UK Government impose restrictions again.

It is not currently expected that COVID-19 would result in further significant impacts on trading, but it remains a key area of review.

Management monitor price inflation carefully and mitigate the impact of rising costs wherever possible through planning, reviewing, and signing new beneficial contracts, and where required by adjusting sales prices.

Energy prices have seen a reduction recently, which is hoped to improve consumer confidence, however the levels of uncertainty in the economic environment 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 2022 and reflected in these interim financial statements, the Group refinanced its facility in October 2022 to support the business going forwards and support the acquisition of Peach Pubs. This saw all remaining Coronavirus Large Business Interruption Loan Scheme loans repaid, and the previous Revolving Credit Facility ("RCF") replaced with a new £30.0 million RCF. As at 31 December 2022, committed total facilities were £30.0 million, with net debt of (£18.5) million which is a reduction from net cash of £4.1 million as at 2 July 2022 following the acquisition of Peach Pubs.

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
6 March 2023

[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 31 December 2022

	Note	**Unaudited 26 weeks ended 31 December 2022**	Unaudited 26 weeks ended 1 January 2022	Audited 52 weeks ended 2 July 2022
		£'000	£'000	£'000
Revenue	4	**75,951**	74,134	140,821
Cost of sales		**(17,378)**	(16,289)	(30,695)
Gross profit		**58,573**	57,845	110,126
Operating expenses:				
– operating expenses, excluding exceptional items		**(53,988)**	(51,246)	(102,721)
– exceptional items	5	**(1,501)**	20	(561)
– grant income		**-**	51	568
Total operating expenses		**(55,489)**	(51,175)	(102,714)
Operating profit		**3,084**	6,670	7,412
Finance expense	6	**(3,175)**	(2,324)	(5,280)
(Loss)/profit before taxation		**(91)**	4,346	2,132
Income tax	7	**257**	-	-
Profit and total comprehensive income for the period		**166**	4,346	2,132
Earnings per share:				
– basic (pence)	9	**0.1**	1.9	0.9
– diluted (pence)	9	**0.1**	1.9	0.9
Dividend declared per share (pence)		-	-	-

Revolution Bars Group plc
Condensed Consolidated Statement of Financial Position
at 31 December 2022

	Note	**Unaudited 26 weeks ended 31 December 2022**	Unaudited 26 weeks ended 1 January 2022	Audited 52 weeks ended 2 July 2022
		£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment	11	**46,028**	33,455	36,375
Right-of-use assets	11	**82,017**	61,952	62,744
Intangible assets		**28**	28	28
Goodwill	10	**12,111**	-	-
		140,184	95,435	99,147
Current assets				
Inventories		**4,043**	3,616	3,487
Trade and other receivables	12	**7,575**	6,794	8,777
Cash and cash equivalents		**4,508**	19,446	18,815
		16,126	29,856	31,079
Total assets		**156,310**	125,291	130,226
Liabilities				
Current liabilities				
Trade and other payables	13	**(28,957)**	(25,296)	(30,618)
Lease liabilities	14	**(6,615)**	(5,666)	(5,437)
Provisions	15	**(924)**	(1,101)	(1,314)
		(36,496)	(32,063)	(37,369)
Net current liabilities		**(20,370)**	(2,207)	(6,290)
Non-current liabilities				
Lease liabilities	14	**(117,829)**	(97,425)	(99,545)
Interest-bearing loans and borrowings	16	**(23,000)**	(15,251)	(14,751)
Provisions	15	**(2,003)**	(1,444)	(1,582)
		(142,832)	(114,120)	(115,878)
Total liabilities		**(179,328)**	(146,183)	(153,247)
Net liabilities		**(23,018)**	(20,892)	(23,021)
Equity attributable to equity holders of the parent				
Share capital		**230**	230	230
Share premium		**33,794**	33,794	33,794
Merger reserve		**11,645**	11,645	11,645
Accumulated losses		**(68,687)**	(66,561)	(68,690)
Total equity		**(23,018)**	(20,892)	(23,021)

Revolution Bars Group plc
Condensed Consolidated Statement of Changes in Equity
for the 26 weeks ended 31 December 2022

	Share capital £'000	Share premium £'000	Reserves: Merger reserve £'000	Reserves: (Accumulated losses) / retained earnings £'000	Total equity £'000
At 3 July 2021	**230**	**33,794**	**11,645**	**(70,899)**	**(25,230)**
Profit and total comprehensive income for the period	-	-	-	2,132	**2,132**
Charge arising from long-term incentive plans	-	-	-	77	**77**
At 2 July 2022	**230**	**33,794**	**11,645**	**(68,690)**	**(23,021)**
Profit and total comprehensive income for the period	-	-	-	166	**166**
Credit arising from long-term incentive plans	-	-	-	(163)	**(163)**
At 31 December 2022	**230**	**33,794**	**11,645**	**(68,687)**	**(23,018)**

Revolution Bars Group plc
Condensed Consolidated Statement of Cash Flow
at 31 December 2022

	Note	**Unaudited 26 weeks ended 31 December 2022 £'000**	Unaudited 26 weeks ended 1 January 2021 £'000	Audited 52 weeks ended 2 July 2022 £'000
Cash flow from operating activities				
Profit before tax from operations		**166**	4,346	2,132
Adjustments for:				
Net finance expense	6	**3,175**	2,324	5,280
Depreciation of property, plant and equipment	11	**2,992**	2,843	5,630
Depreciation of right-of-use assets	11	**2,411**	2,716	5,437
Impairment of property, plant and equipment	11	**-**	56	261
Impairment of right-of-use assets	11	**-**	-	376
Lease modification	14	**(30)**	(76)	(76)
Amortisation of intangibles		**3**	1	3
(Credits)/charges arising from long-term incentive plans	8	**(163)**	(8)	77
Operating cash flows before movement in working capital		**8,554**	12,202	19,120
(Increase)/decrease in inventories		**(208)**	(661)	(532)
Decrease/(increase) in trade and other receivables		**3,378**	(1,576)	(3,559)
(Decrease)/increase in trade and other payables		**(8,066)**	4,220	10,170
(Decrease)/increase in provisions		**(390)**	299	650
Net cash flow generated from operating activities		**3,268**	14,484	25,849
Cash flow from investing activities				
Acquisition of subsidiaries, net of cash acquired	10	**(9,190)**	-	-
Purchase of intangible assets		**(3)**	(5)	(7)
Purchase of property, plant and equipment	11	**(4,617)**	(2,409)	(8,321)
Net cash flow used in investing activities		**(13,810)**	(2,414)	(8,328)
Cash flow from financing activities				
Interest paid	6	**(754)**	(411)	(917)
Principal element of lease payments	14	**(2,236)**	(1,918)	(4,544)
Interest element of lease payments	14	**(3,098)**	(1,913)	(4,363)
Repayment of subsidiary borrowings		**(5,926)**	-	-
Repayment of borrowings	16	**(21,751)**	(500)	(1,000)
Drawdown of borrowings	16	**30,000**	-	-
Net cash flow used in financing activities		**(3,765)**	(4,742)	(10,824)
Net (decrease)/increase in cash and cash equivalents		**(14,307)**	7,328	6,697
Opening cash and cash equivalents		**18,815**	12,118	12,118
Closing cash and cash equivalents		**4,508**	19,446	18,815

Reconciliation of net bank debt			
Net (decrease)/increase in cash and cash equivalents	**(14,307)**	7,328	6,697
Cash inflow from increase in borrowings	**(30,000)**	-	-
Cash outflow from repayment of borrowings	**21,751**	500	1,000
Opening net bank cash/(net bank debt)	**4,064**	(3,633)	(3,633)
Closing (net bank debt)/net cash	**(18,492)**	4,195	4,064

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 31 December 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 31 December 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 52 weeks ended 2 July 2022.

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 2 July 2022.

The comparative figures for the 52 weeks ended 2 July 2022 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 2022, the constantly changing economic environment, including the cost-of-living crisis, increasing costs, and impacts on guest confidence, 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.

It is not currently expected that COVID-19 would result in further significant impacts on trading, but it remains a key area of review.

Management monitor price inflation carefully and mitigate the impact of rising costs wherever possible through planning, reviewing, and signing new beneficial contracts, and where required by adjusting sales prices.

Energy prices have seen a reduction recently, which is hoped to improve consumer confidence, however the levels of uncertainty in the economic environment 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 2022 and reflected in these interim financial statements, the Group refinanced its facility in October 2022 to support the business going forwards and support the acquisition of Peach Pubs. This saw all remaining Coronavirus Large Business Interruption Loan Scheme loans repaid, and the previous Revolving Credit Facility ("RCF") replaced with a new £30.0 million RCF. As at 31 December 2022, committed total facilities were £30.0 million, with net debt of (£18.5) million which is a reduction from net cash of £4.1 million as at 2 July 2022 following the acquisition of Peach Pubs.

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 52 weeks ended 2 July 2022. These accounting policies are all expected to be applied for the 52 weeks to 1 July 2023.

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.

Items impacting Alternative Performance Measures

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

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

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

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

- COVID-19
- Climate change and Sustainability
- Supply chain and supplier concentration
- Refurbishment and acquisition of bars
- Consumer demand and PR
- Health and safety
- National minimum/living wage
- Funding

4. Segmental reporting

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

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

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

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Revenue	**75,951**	**74,134**	140,821
Cost of sales	**(17,378)**	**(16,289)**	(30,695)
Gross profit	**58,573**	**57,845**	110,126
Operating expenses:			
– operating expenses excluding exceptional items	**(53,988)**	**(51,246)**	(102,721)
– exceptional items	**(1,501)**	**20**	(561)
– grant income	**-**	**51**	568
Total operating expenses	**(55,489)**	**(51,175)**	(102,714)
Operating profit	**3,084**	**6,670**	7,412

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

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Bar & Pub Revenue	**74,798**	**73,589**	139,581
Other Revenue	**1,153**	**545**	1,240
Revenue	**75,951**	**74,134**	140,821

5. Exceptional items

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

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Administrative expenses:			
– impairment of right-of-use assets	**-**	**-**	376
– impairment of property, plant and equipment	**-**	**56**	261
– lease modification	**(30)**	**(76)**	(76)
– acquisition costs	**1,498**	**-**	-
– property restructure	**33**	**-**	-
Total exceptional items	**1,501**	**(20)**	561

Exceptional items predominantly relate to the legal and professional costs incurred during the acquisition of Peach.

Property Restructure relates to the final costs involved in closing out the Company Voluntary Arrangement ("CVA") period which ended in December 2022.

An exceptional lease modification was recognised where right-of-use assets were already at nil value, and the credit was thus taken to the income statement.

No impairment review was conducted at the half-year, but a full impairment review will be conducted across the entire asset base at year-end.

6. Finance expense

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Interest payable on bank loans and overdrafts	**754**	**411**	917
Interest on lease liabilities	**2,421**	**1,913**	4,363
Interest payable	**3,175**	**2,324**	5,280

7. Income Tax

The taxation charge for the 26 weeks ended 31 December 2022 has been calculated by applying an estimated effective tax rate for the 52 weeks ending 1 July 2023. Due to brought-forwards tax losses, no tax was due for the half-year period, and a tax credit of £0.3 million arose due to the reversal of a deferred tax liability in Peach due to it now taking advantage of Group relief. Due to the continued uncertainty in the economy, there was no deferred tax assets created.

8. Share-based payments

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Charge/(credit) in the period	**1**	**(8)**	171
Credit relating to forfeitures in period	**(164)**	**-**	(94)
Total (credit)/charge arising from long-term incentive plans	**(163)**	**(8)**	77

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

The Group issued 1,311,528 options under a Restricted Share Award ("RSA") scheme on 24 December 2020, 4,155,290 options under a RSA scheme on 23 November 2021, and a further 5,628,887 options under a RSA scheme on 25 October 2022. These are monitored for leavers and forfeitures.

9. Earnings per share

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

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Profit for the period (£'000)	**166**	**4,346**	2,132
Weighted average number of shares – basic ('000)	**230,049**	**230,049**	230,049
Basic earnings per Ordinary share (pence)	**0.1**	**1.9**	0.9

Weighted average number of shares – diluted ('000)	**240,534**	**230,049**	235,139
Diluted earnings per Ordinary share (pence)	**0.1**	**1.9**	0.9

Diluted shares are calculated making an assumption of outstanding options expected to be awarded. Profit/(loss) for the period was impacted by one-off exceptional costs and bar opening costs. A calculation of adjusted earnings per ordinary share is set out below:

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
(Loss)/profit on ordinary activities before taxation	**(91)**	**4,346**	2,132
Exceptional items, share-based payments and bar opening costs	**1,338**	**(28)**	944
Adjusted profit on ordinary activities before taxation	**1,247**	**4,318**	3,076
Taxation on ordinary activities	**257**	**-**	-
Taxation on exceptional items and bar opening costs	**-**	**4**	(150)
Adjusted profit of ordinary activities after taxation	**1,504**	**4,322**	2,926
Basic number of shares ('000)	**230,049**	**230,049**	230,049
Adjusted basic earnings per share (pence)	**0.7**	**1.9**	1.3
Diluted number of shares ('000)	**240,534**	**230,049**	235,139
Adjusted diluted earnings per share (pence)	**0.6**	**1.9**	1.2

10. Business combinations

In the 26-week period ended 31 December 2022, the Group has acquired 100% of the share capital of 12 companies, between them holding 21 pubs, which form The Peach Pub Company (Holdings) Limited group ("Peach"). Acquisition of these shares has led to the control and consolidation of these companies as of the date of acquisition, being 18 October 2022, leading to control from the date of acquisition.

As the acquisition occurred mid-accounting period, the Group has taken advantage of the IFRS 3 "Convenience Date", noting that no material changes in amounts were recognised between the date of acquisition and date of consolidation, being 30 October 2022 (the first date of the next period after acquisition).

Since acquisition to FY23 H1-end, Peach has generated revenue of £6.3 million and profit before tax of £0.4 million. It is not practical to provide a proforma as if the acquisition had taken place at the start of the year due to the following:

- Peach has previously operated a 52-week period on the calendar year, where Revolution Bars Group plc operates a 52-week period from the end of June. There would be additional complexity in analysing the information from these variety of dates as well as the acquisition date;
- The acquisition occurred approximately three months into FY23, and is therefore not a significant proportion of the full-year trade. It is not expected that providing analysis as if acquired at the start of the year would provide a quantitively or qualitatively material impact for the readers;
- Peach was previously accounted for under FRS 102 UK GAAP, and Management has complete the IFRS conversion as at acquisition. The additional work to convert the balance sheet as at the start of the year is not expected to provide significantly different information to that as at acquisition;
- Due to the differing accounting frameworks, as well as differing management of the business pre-acquisition, there have also been a large number of accounting policy amendments to bring Peach in line with the Group. Rolling this to the start of the year is also not expected to provide meaningful information; and
- It is not believed the level of analysis from Management to produce the above analysis would provide truly meaningful information for the readers of the financial statements.

Subsidiaries acquired in the 26-week period ended 31 December 2022

	Principal activity	**Date of acquisition**	**Total share capital acquired**
The Peach Pub Company (Holdings) Limited	Management Company	18 October 2022	100%
The Peach Pub Company Limited	Pub Trading Company	18 October 2022	100%
The Peach Pub Properties Limited	Pub Trading Company	18 October 2022	100%
Pretty as Peach Limited	Pub Trading Company	18 October 2022	100%
Pure Peach Limited	Pub Trading Company	18 October 2022	100%
100% Peach Limited	Pub Trading Company	18 October 2022	100%
Peach Almanack Limited	Pub Trading Company	18 October 2022	100%

Giant Peach Pubs Limited	Pub Trading Company	18 October 2022	100%
Peach Paddy Club Limited	Pub Trading Company	18 October 2022	100%
Peach County Limited	Pub Trading Company	18 October 2022	100%
Peach Melba Limited	Pub Trading Company	18 October 2022	100%
Peach on the Water Limited	Pub Trading Company	18 October 2022	100%

Assets acquired and liabilities recognised at the date of acquisition
The amounts recognised in respect of identifiable assets and liabilities relating to the acquisition are as follows, as at the consolidation date of 30 October 2022. The acquisition disclosures have been combined as each acquisition is considered to be individually immaterial to the Group. Assets and liabilities have been valued at fair value on acquisition.

	Book value of assets and liabilities acquired £'000	Fair Value Adjustments on acquisition £'000	IFRS Conversion Adjustments £'000	**Fair value of assets and liabilities acquired** £'000
Non-current assets				
Property, plant and equipment	9,145	51	-	9,196
Right-of-use assets	-	-	20,645	20,645
Goodwill	96	(96)	-	-
Current assets				
Inventories	367	(20)	-	347
Trade and other receivables	2,265	(82)	(4)	2,179
Cash and cash equivalents	4,738	-	-	4,738
Non-current Liabilities				
Lease liabilities	-	-	(20,606)	(20,606)
Dilapidations provision	-	(332)	-	(332)
Current Liabilities				
Trade and other payables	(6,693)	(664)	-	(7,357)
Loans	(5,755)	-	-	(5,755)
Lease liabilities	-	-	(957)	(957)
Tax payable	(280)	-	-	(280)
Net assets	**3,883**	**(1,143)**	**(922)**	**1,818**

The Group has 12 months from acquisition to review the acquired balance sheet for appropriate fair value adjustments, such as those required to align accounting policies and standards. The above represents Management's current expectations of the acquired balance sheet and resulting Goodwill.

Goodwill arising on acquisition
The Enterprise Value of £16.5 million was adjusted by a number of balance sheet adjustments resulting in an equity value at completion of £13.4 million plus £0.5 million of contingent consideration based on performance that is expected to be fully achieved, but this has not yet been paid out. This gives rise to the investment value below of £13.9 million.

The cashflow shows the £13.4 million payment, plus £0.5 million paid out in relation to another contingent consideration that is not expected to be realised and thus does not attribute to the investment figure, less cash received on acquisition of £4.7 million.

	Goodwill £'000
Consideration	13,929
Less: Fair value of assets acquired	(1,818)
Goodwill arising on acquisition	**12,111**

The consideration shown within the table above relates to £13.4 million cash consideration for the purchase of the 100% share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries, and £0.5 million of contingent consideration due dependent on the future performance of Peach, which is expected to be achieved fully.

In line with IFRS 3, the right-of-use assets have been brought on at a value equal to lease liability, adjusted for any known market conditions. These leases relate to the standalone pub leases.

11. 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 2 July 2022	1,426	86,675	61,834	9,742	159,677
Additions	280	3,836	7,379	1,150	12,645
At 31 December 2022	**1,706**	**90,511**	**69,213**	**10,892**	**172,322**
Accumulated depreciation and impairment					
At 2 July 2022	(1,216)	(59,380)	(53,703)	(9,003)	(123,302)
Depreciation charges	-	(1,169)	(1,477)	(346)	(2,992)
At 31 December 2022	**(1,216)**	**(60,549)**	**(55,180)**	**(9,349)**	**(126,294)**
Net book value					
At 31 December 2022	**490**	**29,962**	**14,033**	**1,543**	**46,028**
At 2 July 2022	210	27,295	8,131	739	36,375

Additions above include £9.1 million relating to the acquisition of the fair value of Property, Plant and Equipment of Peach Pubs.

Right-of-use assets - Group	Short leasehold premises	Vehicles	Total
	£'000	£'000	£'000
Cost			
At 2 July 2022	109,782	418	110,200
Additions	20,645	-	20,645
Reassessment/modification of assets previously recognised	1,039	-	1,039
At 31 December 2022	**131,466**	**418**	**131,884**
Accumulated depreciation and impairment			
At 2 July 2022	(47,042)	(414)	(47,456)
Depreciation charges	(2,407)	(4)	(2,411)
Impairment charges	-	-	-
At 31 December 2022	**(49,449)**	**(418)**	**(49,867)**
Net book value			
At 31 December 2022	**82,017**	**-**	**82,017**
At 2 July 2022	62,740	4	62,744

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

Right-of-use additions above relate entirely to the acquisition of Peach Pubs and the newly formed IFRS 16 assets following conversion to IFRS 16.

12. Trade and other receivables

	Unaudited 26 weeks ended 31 December 2022	**Unaudited 26 weeks ended 1 January 2022**	Audited 52 weeks ended 2 July

	£'000	£'000	2022 £'000
Amounts falling due within one year			
Trade and other receivables	**3,877**	2,956	3,707
Accrued rebate income	**487**	824	501
Prepayments	**3,211**	3,014	4,427
Other debtors	**-**	-	142
	7,575	6,794	8,777

13. Trade and other payables

	Unaudited 26 weeks ended 31 December 2022 £'000	**Unaudited 26 weeks ended 1 January 2022 £'000**	Audited 52 weeks ended 2 July 2022 £'000
Amounts falling due within one year			
Trade payables	**13,057**	8,183	11,801
Other payables	**1,272**	254	142
Accruals and deferred income	**10,272**	13,074	15,434
Other taxes and social security costs	**4,356**	3,785	3,241
	28,957	25,296	30,618

14. Lease liabilities

	Short leasehold properties £'000	Vehicles £'000	Total £'000
At 2 July 2022	104,976	6	104,982
Additions	21,563	-	21,563
Reassessment/modification of liabilities previously recognised	848	-	848
Modifications taken as a credit to administrative expenses (note 5)	(30)	-	(30)
Lease liability payments	(5,334)	(6)	(5,340)
Finance costs	2,421	-	2,421
At 31 December 2022	124,444	-	**124,444**

Additions relate to new leases acquired as part of the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries. The reassessment/modification of leases relates to re-gears on existing leases, where the terms of the lease have been changed such as an extension or change to rental amount.

The lease liability cash payments in the year comprise interest of £3.1 million and principal of £2.2 million. £6.6 million of the net present value of lease liabilities are current, and £117.8 million are non-current.

15. Provisions

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

	Other provisions £,000	Dilapidations provision £'000	**Total provisions £'000**
At 2 July 2022	1,314	1,582	**2,896**
Movement on provision	(390)	538	148
Utilisation of provision	-	(117)	(117)
At 31 December 2022	**924**	**2,003**	**2,927**

	Unaudited 26 weeks ended 31 December 2022 £'000	Unaudited 26 weeks ended 1 January 2022 £'000	Audited 52 weeks ended 2 July 2022 £'000
Current	**924**	1,101	1,314
Non-current	**2,003**	1,444	1,582

	2,927	2,545	2,896

16. Interest-bearing loans and borrowings

	Unaudited 26 weeks ended 31 December 2022 £'000	Unaudited 26 weeks ended 1 January 2022 £'000	Audited 52 weeks ended 2 July 2022 £'000
Revolving credit facility	**23,000**	-	-
Coronavirus Large Business Interruption Loan Scheme	**-**	15,251	14,751
	23,000	15,251	14,751

As at the date of the consolidated financial position, the Group had a total revolving credit facility (the "Facility") of £30.0 million expiring in October 2025, of which £23.0 was drawn down. All outstanding Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans were repaid as part of a refinancing in October 2022, which also saw the Facility increased from £16.3 million to £30.0 million.

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

17. Dividends
No dividend in respect of the interim reporting period is being declared. No interim or final dividend was declared in respect of the 52 weeks ended 2 July 2022.

18. Capital Commitments
There were £nil capital commitments as at 31 December 2022 (at 2 July 2022: £nil).

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

	26 weeks ended 31 December 2022 £'000	26 weeks ended 1 January 2022 £'000	52 weeks ended 2 July 2022 £'000
Non-GAAP measures			
Revenue	**75,951**	74,134	140,821
Operating profit	**3,084**	6,670	7,412
Exceptional items	**1,501**	(20)	561
Charge/(credit) arising from long-term incentive plans	**(163)**	(8)	77
Bar opening costs	**-**	-	306
Adjusted operating profit	**4,422**	6,642	8,356
Finance expense	**(3,175)**	(2,324)	(5,280)
Adjusted profit before tax	**1,247**	4,318	3,076
Depreciation	**5,403**	5,559	11,067
Amortisation	**3**	1	3
Finance expense	**3,175**	2,324	5,280
Adjusted EBITDA	**9,828**	12,202	19,426

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 31 December 2022	**Reduction in depreciation**	**Reduction in interest**	**Onerous lease provision interest**	**Rent charge**	**26 weeks ended 31 December 2022**
	IFRS 16					**IAS 17**

	£'000	£'000	£'000	£'000	£'000	£'000
Adjusted profit before tax	**1,247**	**2,599**	**2,421**	**(92)**	**(4,777)**	**1,398**
Depreciation	**5,403**	(2,599)	**-**	**-**	**-**	**2,804**
Amortisation	**3**	**-**	**-**	**-**	**-**	**3**
Finance expense	**3,175**	**-**	(2,421)	**92**	**-**	**846**
Adjusted EBITDA	**9,828**	**-**	**-**	**-**	**(4,777)**	**5,051**

	52 weeks ended 2 July 2022	Reduction in depreciation	Reduction in interest	Onerous lease provision interest	Rent charge	52 weeks ended 2 July 2022
	IFRS 16					**IAS 17**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adjusted profit before tax	**3,076**	6,218	4,393	(30)	(9,189)	**4,468**
Depreciation	**11,067**	(6,218)	-	-	-	**4,849**
Amortisation	**3**	**-**	-	-	-	**3**
Finance expense	**5,280**	**-**	(4,393)	30	-	**917**
Adjusted EBITDA	**19,426**	**-**	**-**	**-**	**(9,189)**	**10,237**

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 profit/loss is impacted by the inclusion of rent expenditure from the income statement and inclusion of the onerous lease provision. Exceptionals are significantly impacted by the change in impairment, and the classification of certain cash closure exceptionals.