

Registered Office

Ground Floor, Building B,
Ascot Business Park
95 Ascot Avenue
GREENLANE 1051



01 March 2021

HALF YEAR RESULTS TO 31 DEC 2020

Good Spirits Hospitality Limited (NZX: GSH) reports its financial performance for the six month period ended 31 December 2020.

Overall, GSH is pleased to have weathered so far, the disruption caused by the COVID-19 pandemic which has heavily impacted the hospitality industry. Although GSH expects some further disruption as seen by the February 2021 lockdown we believe we are well placed to capitalise on GSH's compelling market offering together with acquisition opportunities that will present themselves.

As GSH's Chairman, Duncan Makeig, stated at GSH's recent AGM, GSH intends to pursue profitable growth through both same venue growth and accretive acquisitions. The latter being evidenced by GSH's conditional acquisition of three well regarded venues in Wellington's CBD (see NZX announcement dated 17 February 2021).

Key points include:

- Covid-19 disruptions during the six month period have impacted revenue and profitability.
- Operating profit before significant items and IFRS 16 impacts of \$1.14m down from 2019 (\$1.99m).
- Net cash from operations of \$1.6m down from 2019 (\$2.6m).
- The Group reported an unaudited net loss after tax of \$121k (2019: \$292k profit) for the six month period. The significant factors contributing to the reported net loss include:
 - COVID-19 disruptions forcing the closure of venues for approximately xx weeks during the reporting period and restricted trading throughout the period
 - Labour cost pressures from a rise in New Zealand's minimum wage
 - non-cash IFRS 16 - Depreciation of right-of-use assets of \$677k
 - non-cash IFRS 16 - Interest on leases of \$596k
- No interim dividend is declared

Investor Enquiries

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Share Registry

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ACQUISITION ACTIVITY

In line with our stated growth strategy, GSH has entered into a conditional offer for 3 venues in Wellington's CBD. The three venues are in a highly desirable precinct and represents a complementary acquisition for GSH on a number of levels, through which we can drive synergies from our existing hospitality outlets, procurement base and supplier relationships. This is an exciting opportunity for GSH and demonstrates that the underlying operations of the Group are well established and provide a good base to allow the Group to take advantage of these opportunities when they arise.

The GSH directors would like to acknowledge the efforts of all staff in the GSH Group especially their efforts in regard to managing the disruption caused to the group by the COVID-19 pandemic and associated shutdown of venues.

Finally, the GSH directors appreciate the support of all shareholders as your Board works tirelessly to return value to GSH.

For further information, contact:

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About Good Spirits Hospitality Limited

Good Spirits Hospitality is an NZX Main Board-listed investment company focusing in the Hospitality sector. The shell company was formed in December 2011 and acquired The Better Bar Company group business in November 2014.

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