

GOOD SPIRITS
Hospitality



Annual Shareholders Meeting

November 22nd 2022



Meeting Agenda

- 1. Chairman address**
- 2. CEO address**
- 3. Resolutions**
- 4. Other Business**



Chairman
Matt Adams



FY22 Result Summary

- COVID related lockdowns and restrictions had a material negative impact on Group earnings
- Venues were closed, or subject to restricted trading, for eight months
- Reported a net loss before tax of \$6.6m - including one-off unusual items related to the Nourish Group acquisition which did not proceed
- Despite the significant headwinds and unprecedented challenges created by COVID, the Group delivered a respectable operating result reporting Operating Revenue of \$17.7m
- When venues were operating the underlying venue EBITDA was strong
- Strong operating performance in the final quarter was driven by the gradual easing of COVID restrictions and a progressive return to pre-COVID trading, highlighting the resilience and popularity of our venues



Balance Sheet & Strategic Review

- On 30 Sept 2022 the Group successfully negotiated an extension of its banking facilities with Pacific Dawn from 31 Dec 2022 to 31 Dec 2023
- Pacific Dawn has been supportive of GSH over the past couple of years during an unprecedented global pandemic but is now looking for a concrete plan to address the current financial position of the Company
- One of the conditions of the banking facility extension is that GSH must achieve certain milestones for a possible range of transactions within a prescribed timeframe
- On 27 October 2022, the Board appointed Tonnant Partners as its Transaction Advisor to advise on potential transactions
- This strategic options review is now underway, and we will update the market with any material developments as they progress



CEO
Geoff Tuttle



Year to date¹ trading has been strong

- Operating Revenue \$10.37m
- Venue EBITDA \$2.47m
- Key operational metrics, F&B cost of sales and wages, are performing better than expected despite the cost pressures the industry is experiencing
- Operating cash flows remain strong for the Group

1. Four month period from 1 July 2022 to 31 October 2022



But COVID related challenges remain...

Headwinds:

- Operating Environment
- Labour Shortages
- Wage Inflation
- COGS Inflation

Response:

- Reduced trading hours because of labour shortages
- Food price increase (effective from July 2022)
- Beverage price increase (effective from September 2022)



Viaduct Precinct – Strategic Focus

- Central to GSH success
- Premier NZ Hospitality precinct
- Closure of O’Hagans venue
- Strategic investments to partially mitigate closure of O’Hagans



Venue Snapshot

Danny Doolans

- Long standing, iconic Viaduct venue
- Material capex in FY22 to solidify market position
- Revenue and EBITDA exceeding expectations



The Cellar Bar

- Premium function venue located below Danny Doolans
- Available for exclusive hire
- Opened 3rd November 2022



Venue Snapshot: The Fox

- Reinvention of an iconic brand
- Located in the Viaduct Harbour precinct
- Opened 3 December 2021
- Revenue and EBITDA exceeding expectations
- Operational synergies with other Viaduct venues
- Transfer of O'Hagans customer base



Remaining Venues

- All remaining operating venues trading profitably financial year to date
- Exceeding Revenue & EBITDA expectations at a Group level
- FY22 capex investment to refresh proposition:
 - The Cav
 - Union Post



FY23 Outlook

- Emerging from COVID with strong momentum across our venues
- Strong revenue and EBITDA achieved across all operating venues in the first four months of FY23 - exceeding expectations
- Inflationary cost pressures, delays in Government immigration policy and a tight labour market remain issues
- Majority of venues expected to be operating at sub-optimal levels until labour shortages are resolved
- Significantly improved financial result expected in FY23 - but still constrained by COVID related headwinds

Questions

Resolutions

Resolution 1: Re-election of Matt Adams

Resolution 2: Auditor Remuneration

Resolution 1

That Matt Adams, who retires by rotation and is eligible for re-election, be re-elected as a director of the company

Resolution 2

That the Board be authorised to fix the fees and expenses of BDO Auckland as the
Company's auditor

Thank you!

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