



4 January 2024

Market Update – Loan Facility

Good Spirits Hospitality Limited (GSH) provides the following supplementary information in respect of the announcement on 3 January 2024.

GSH advises that the borrowing entity in technical default of the terms of the Facility Agreement (Loan) is its wholly owned subsidiary, Good Spirits Hospitality No. 1 Limited (GSH No.1). GSH no longer guarantees the obligations of GSH No. 1 under the Facility Agreement.

GSH reiterates the information provided in the 10 October 2023 Notice of Meeting that following the completion of the Asset Sale (which occurred on 1 November 2023), GSH no longer owns any material business assets and therefore intends to delist from the NZX Main Board (subject to usual NZX conditions) once it has made payment of the Proposed Dividend (subject to the Board obtaining a binding ruling from Inland Revenue as to GSH's tax position and GSH satisfying the solvency test in the Companies Act 1993).

The Company is pursuing these matters under the guidance of the Board of Directors subsequent to the sale of the business assets, which included the transfer of a majority of existing personnel, including the CEO, to continue to operate the venues.

Due to the potential delay in obtaining the Binding Ruling from Inland Revenue which GSH is still working through, it is currently expected that payment of the Proposed Dividend will occur during Q1 of 2024.

After payment of the Dividend, delisting and subject to no objections being received from either secured creditors or Inland Revenue, it is intended that GSH will eventually be liquidated or deregistered from the New Zealand Companies Register under Part 17 of the Companies Act 1993. Doing so will necessitate the deregistration or liquidation of all of GSH's wholly owned subsidiaries (including GSH No.1 and GSH No.3).

PDL, in its capacity as lender, has consented to GSH delisting and GSH and GSH No. 1 deregistering following completion of the Asset Sale and has agreed not to file any objection in either of those processes. PDL has received \$15.7m as part repayment of the Loan and has released GSH from its guarantee of GSH No.1's obligations, but not the

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obligations of GSH No. 1 pursuant to the Facility Agreement. While it is open for PDL to take enforcement action against GSH No.1, GSH No. 1 has not received any further correspondence from PDL in respect of the Facility Agreement expiring. GSH does not consider that the expiry of the Facility Agreement impacts on PDL's consent to pay the Proposed Dividend, delist and deregister.

The Company will keep the market updated as to progress, including the Binding Ruling being sought, any payment of the Proposed Dividend, and planned eventual delisting providing at least 5 business days' advance notice of the exact delisting date.

END

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