



30 September 2022

GOOD SPIRITS HOSPITALITY – EXTENSION OF FACILITIES AND VARIATION TO FACILITY AGREEMENT

AUCKLAND 30 September 2022: Good Spirits Hospitality Limited (NZX: GSH) is pleased to announce that it has reached agreement with its lender, Pacific Dawn Limited ("Pacific Dawn"), to enter into a further variation and amendment to its term loan agreement ("Facility Agreement").

The Better Bar Company Limited (now Good Spirits Hospitality No.1 Limited) ("BBC"), a wholly owned subsidiary of GSH, and GSH entered into the Facility Agreement providing a financial facility for the amount of \$27.5 million with Pacific Dawn. BBC is the borrower under the Facility Agreement, and GSH guaranteed the liability of BBC under the Facility Agreement.

The following amendments are to be effected under the terms of the agreement reached with Pacific Dawn:

- The expiry date of the Facility Agreement is amended and extended from 31 December 2022 to 31 December 2023;
- BBC (as borrower) is required to permanently prepay the loans under the Facility Agreement in an amount equal to all unrestricted cash on the balance sheet of BBC (on a consolidated basis) as at a reporting date in excess of NZ\$1,000,000 (being the amount of cash permitted to be retained by BBC). This is a return to the level that was previously agreed;
- GSH (and BBC) must achieve certain milestones for a possible range of transactions within a prescribed timeframe. The possible transactions include the subscription for new shares of GSH or its subsidiaries for cash, a merger between GSH and another operator, a sale of the GSH's assets or its subsidiaries' assets (or a series of sales), or a sale of GSH's subsidiaries (Transaction(s)). A transaction advisor is to be appointed shortly to manage the Transaction(s) process. The milestones include GSH and the transaction advisor issuing an information memorandum in relation to the Transaction(s) by 30 November 2022 and non-binding indicative offers in

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respect of the Transaction(s) being received by 28 February 2023, with a view to GSH selecting a preferred purchaser/equity investor/operator by 30 April 2023;

- GSH (and BBC) must keep Pacific Dawn and any advisor appointed by Pacific Dawn (to be at the cost of GSH) up to date with the status and progress of the Transaction(s), procure the full commitment of its executive team to the process for the Transaction(s) and generally follow the direction of Pacific Dawn in relation to the transaction advisor's engagement;
- If GSH (or BBC) receives net proceeds from any transaction(s), BBC must promptly prepay the loans under the Facility (in whole or in part) in an aggregate principal amount equal to the amount of such net proceeds; and
- Any proceeds received by GSH from the Transaction(s) (in each case after deducting reasonable costs and taxes) are to be used by the BBC to prepay existing loans to Pacific Dawn.

GSH will (as appropriate) seek shareholder and other regulatory approvals while working through the Transaction(s) process.

NZ RegCo has granted GSH a waiver from the requirement to obtain shareholder approval under NZX Listing Rule 5.2.1 in respect of entry into the amendments to the Facility Agreement with Pacific Dawn. Details of the waiver are published in a separate announcement.

ENDS

For further information, contact:

Company Secretary
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About Good Spirits Hospitality Limited: Good Spirits Hospitality is a NZX Main Board-listed investment company focusing in the Hospitality sector (NZX: GSH). Good Spirits Hospitality Limited owns and operates hospitality venues in New Zealand's North Island, providing places to connect with others and world class standards to provide lasting and memorable experiences to our guests and customers.

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