



17 May 2023

## **GOOD SPIRITS HOSPITALITY – LENDER WAIVER OF INTEREST AND TRANSACTION MILESTONES**

AUCKLAND 17 May 2023: Good Spirits Hospitality Limited (NZX: GSH) advises that it has agreed with its lender Pacific Dawn Limited ("Pacific Dawn") a waiver in respect of the interest due to Pacific Dawn in respect of the March 2023 quarter and part of the interest due in respect of the June 2023 quarter.

On 10 May 2023 GSH advised that Pacific Dawn agreed to defer the interest payment due in respect of the March 2023 quarter to 16 May 2023 in order to assist in the funding of the transaction costs for its current sales process (see previous announcements). Pacific Dawn has agreed for all the interest due and payable for the March 2023 quarter and the interest in excess of \$250,000 that will be due and payable in respect of the June 2023 quarter to be capitalised to the outstanding loan.

As announced on 30 September 2022, GSH agreed with Pacific Dawn to enter into a further variation and amendment to its term loan agreement ("Facility Agreement"). Pursuant to the Facility Agreement GSH is required to achieve certain milestones for a possible range of transactions within a prescribed timeframe. The milestones included, among other things, that by 30 April 2023 GSH select a preferred purchaser/equity investor/operator from non-binding indicative offers received.

GSH advised on 21 December 2022 that, following a strategic review conducted by transaction advisor Tonnant Partners, the Board of GSH decided to pursue a sale of the assets of GSH and its subsidiaries which comprises nine operating venues (noting DB Newmarket is excluded from the process as it remains closed).

GSH advises that it has agreed an extension to the milestone date in respect of selecting a preferred purchaser/equity investor/operator by 30 April 2023 to a date 30 business days after Stage 2 due diligence commences. There has been good interest from bidders and GSH will invite selected parties to commence Stage 2 due diligence in the coming days. Further milestones have been agreed with Pacific Dawn including, Pacific Dawn being

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satisfied with the terms of any sale and purchase agreement and the amount to be ultimately received by it. An additional reporting requirement has been agreed with Pacific Dawn involving provision of a weekly cash flow forecast for the 13 weeks ahead and a requirement for that weekly forecast to show a cash positive position in each week forecast. Non adherence to this requirement will constitute an event of default under the Facility Agreement.

GSH will (as appropriate) seek 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 or will obtain shareholder approval to such amendments.

ENDS

For further information, contact:  
Company Secretary  
Good Spirits Hospitality Limited  
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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.

**Good People \* Good Times \* Good Spirits**

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