

Registered Office

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



NZX Release

24 September 2020

Extension of facilities

Further to the announcements of 11 June 2020 and 29 June 2020, Good Spirits Hospitality Limited (NZX:GSH) is pleased to announce that it has today reached agreement with its lender, Pacific Dawn Limited ("**Pacific Dawn**"), to amend and extend the terms of its senior secured facilities with Pacific Dawn. Pacific Dawn (a subsidiary of the Nomura group) currently holds 19.90% of the ordinary shares of GSH.

Under the terms of the agreement reached with Pacific Dawn:

- the date for repayment of the facilities is extended to 31 July 2022;
- fixed quarterly repayments have been replaced with an excess cashflow sweep;
- the existing financial covenants have been removed, with new covenants to be agreed by 15 February 2021. Failure to agree new covenants by that date will constitute a review event;
- the early repayment fees have been reduced from an amount equal to one year's interest to 2% on the amount prepaid. This may provide a financial benefit to GSH of up to \$1.5m;
- a new mandatory repayment provision applies where GSH sells any of its bar venues;
- the restrictions on capital expenditure by GSH will be changed;
- the existing financial covenant look-forward test for distributions has been replaced with a requirement to obtain the approval of Pacific Dawn before making a distribution or dividend.

The interest rate applicable to the facilities has not changed, and no amendment or extension fee was payable by the Company in connection with the changes agreed. As consideration for the amendments mentioned above, GSH will issue to Pacific Dawn (or its nominee) further shares in GSH to take Pacific Dawn (and its nominee, if applicable) from a holding of 19.90% to a holding of 24.99% of the ordinary shares of GSH. Pacific Dawn will make no cash payment for the shares, and GSH obtained a waiver from NZX to enter into the amendment and extension agreement. The amendments are conditional on, and will become effective following, the issue of the further shares to Pacific Dawn (or its nominee).

Investor Enquiries

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Share Registry

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The extension of time to set covenants is pleasing and materially valuable to GSH as it enables appropriate covenants to be set once GSH emerges from the COVID-19 lockdown regime and trading returns to normal.

The Board is pleased with the outcome of these negotiations, which gives the Company the opportunity to stabilise earnings in the wake of the recent COVID-19 related lockdown restrictions.

For further information, contact: Anthony Laus
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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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