

Registered Office

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GOOD SPIRITS
Hospitality



**Good People Good Times
Good Spirits**

Good Spirits Hospitality agrees to acquire Nourish Group owners of iconic New Zealand hospitality venues

- **GSH's subsidiary Good Spirits Hospitality No.2 Limited enters into conditional agreement to acquire the Nourish Group, creating one of New Zealand's largest hospitality operators**
- **The 10 venues to be acquired includes the iconic Soul Bar & Bistro and will bring GSH's total venues to 20 (including its soon to be opened new Viaduct venue)**
- **Renowned industry veteran Richard Sigley will join the GSH Board and executive team, bringing his award-winning talent and experience to the enlarged group**
- **The acquisition will more than double the size and earnings of GSH and allow significant financial and operational synergies to be achieved across the combined group along with an important platform for growth.**

AUCKLAND 15 November 2021: Good Spirits Hospitality Limited (NZX: GSH) – leader in the Auckland pub market and owners of well-known venues including Danny Doolans and The Cav is seeking to expand its New Zealand hospitality operations with the acquisition of The Nourish Group.

GSH's wholly owned subsidiary Good Spirits Hospitality No.2 Limited has entered into a conditional agreement to acquire all of the shares in Nourish Group Limited which owns 10 popular hospitality venues throughout New Zealand including Soul Bar & Bistro, Talulah, The Chamberlain, The Brit, Andiamo, Shed 5, The Crab Shack (Wellington), Pravda Café and Grill, Jervois Steak House (Auckland and Queenstown) and also provides advisory services to Bistro Lago. It will also take the ownership rights to the brand The Crab Shack.

The acquisition will see the two successful hospitality operators join forces with an unmatched portfolio of talent, scale and mix of hospitality experiences right throughout New Zealand. The combined group is well-placed for further growth with several proven repeatable concepts and brands which can be rolled out further around New Zealand and abroad which is exciting for both employees and shareholders. Once complete, GSH will employ more than 450 people.

"This is a transformational growth opportunity for GSH," says Good Spirits Hospitality's Chair Duncan Makeig. "We are excited about the opportunity to leverage Nourish Group's industry-leading expertise in the restaurant and social dining segments. The combined group will provide a platform for further growth and innovation. This is just the start of an exciting journey together."

Investor Enquiries

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“We look forward to welcoming Nourish Group’s founder Richard Sigley, who will join the GSH Board and executive to lead our creative and growth agenda, along with his executive team and all the Nourish staff and patrons to the GSH group,” says Duncan.

“GSH’s CEO Geoff Tuttle and Richard Sigley have a long, successful history of working together growing and operating some of New Zealand’s best performing and iconic establishments – we are excited by the prospect of them working together again and what the future will bring,” added Duncan.

Throughout the past two decades, the Nourish Group has cemented its position as the benchmark for hospitality businesses in New Zealand winning several Lewisham Awards with its institutional, long-standing establishments. It has a successful history of growth in the sector and of providing leading, innovative hospitality experiences.

“GSH is delighted for the staff in both companies and is committed to being the employer of choice in the on-premise hospitality sector,” said Geoff Tuttle, CEO of GSH.

“Both GSH and Nourish have dedicated, strong teams of talented hospitality professionals. A united team with a shared purpose and values will see us continue to deliver excellent service and memorable experiences to our local communities. We also each hold a number of long-standing, trusted partnerships with suppliers and industry players that we look forward to jointly leveraging with our new scale and geographic reach.”

The acquisition further delivers on the prospect of integrated learnings, growth and progression opportunities, while strengthening GSH’s commitment to train and develop future generations of hospitality leaders with the goal of creating an extraordinary group of New Zealand’s best hospitality professionals.

The owners of Nourish Group will retain The Crab Shack (Auckland).

Transaction Terms

The base purchase price is ~\$21.3million cash (on a debt free/cash free basis) with up to an additional ~\$5.9 million payable 12 to 24 months after settlement through an agreed earnout formula based on venue outperformance.

The transaction is subject to the usual completion adjustments for debt and working capital.

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The full purchase price will be funded through a combination of cash, new debt and the balance through equity placement and the overall transaction will lower GSH's current debt gearing ratio.

Completion of the acquisition is subject to several conditions including:

1. GSH's shareholder approvals, which will be sought at a special shareholder's meeting anticipated to be held in the first quarter of 2022;
2. GSH's financier consenting to the overall transaction and GSH entering new financing arrangements;
3. GSH obtaining satisfactory financing (debt and equity) to fund the payment of the purchase price and landlord, key supplier and other stakeholder consents being obtained to ensure the continuation of the day-to-day operation of the business.

Subject to satisfaction of all conditions, GSH expects completion of the transaction to occur in the first quarter of 2022.

ENDS

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