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## Go North Group AB provides an updated financial outlook and initiates a restructuring program

As announced on 29 September 2023 by Go North Group Holding AB (publ), Go North Group AB (publ) (“Go North”, the “Issuer” or the “Company”) provided a financial update for the full year 2023 and 2024 in connection with a potential convertible bond issue. Following a deeper understanding of the financial situation of the Company, Go North sees the necessity to provide revised financial guidance.

Following an ambitious growth strategy, the Company has added an extensive number of new employees, leading to excessive onboarding of overhead costs, which ultimately will have an impact on the Company's profitability for the full year 2023 and 2024.

As of LTM Q3 2023, the Company expects pro forma net sales of SEK 763m and pro forma adj. EBITDA of SEK 78m. For the full year 2023, the Company expects SEK 710–745m in pro forma net sales and SEK 34–44m in pro forma adj. EBITDA. For the full year 2024, pro forma net sales is expected at SEK 810–920m and pro forma adj. EBITDA at SEK 90–130m.

As the revised guidance is significantly lower than first anticipated, Go North has initiated a restructuring program, which is expected to reduce total overheads from SEK 103m for the full year 2023, to SEK 60–65m for the full year 2024. In order to reach profitability as soon as possible, Go North considers organizational changes, including the following:

- Streamline current workforce
- Temporary hire freeze
- Optimize other overhead costs
- Restructure the executive leadership team

The monthly overhead cost in the Company was SEK 11.6m in June 2023 and is expected to be reduced to approximately SEK 8m in December 2023.

Given the revised financial outlook, the Company is expecting to be in breach with certain financial covenants under the terms and conditions of its existing senior secured floating rate bond of SEK 550m equivalent (ISIN NO0012829847 and ISIN NO0012829854). The Company has mandated Pareto Securities AB as Advisor to initiate discussions with bondholders to find a long-term solution.

*“Go North has experienced rapid growth since inception but we are currently facing a challenging period, and it's therefore imperative that we swiftly restructure our organization and return to a profitable position with healthy cash flow. While this is difficult for both me and all those affected, we remain confident that we will emerge from this turnaround in a much stronger and leaner position, characterized by improved profitability and enhanced operational cash flow.” Johan Hallenby, CEO/Founder Go North Group AB.*

*This information is information that Go North Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-11-02 11:00 CET.*

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### About Go North:

Go North Group AB has in under two years built a portfolio of 34 Amazon FBA brands, covering a broad range of categories including children, pets, sports, and kitchen supplies. As part of this growth Go North now consists of an experienced Amazon FBA team of around 90 FTEs\* spread across Europe, the US, and Asia. With a strong focus on technology and data, Go North remains committed to its processes and making informed, data-driven decisions to drive sustainable and scalable profit growth across its business, with the vision of becoming the world's leading Amazon FBA operator.

\*According to the last published Interim Report Q2 - 2023



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