

ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENT
2023-01-01 - 2023-12-31

for

Go North Group AB
559252-2188

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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT FOR GO NORTH GROUP AB

The Board of Directors and CEO of Go North Group AB hereby submit the Annual Report for the fiscal year 2023-01-01 - 2023-12-31.

MANAGEMENT REPORT

Information about the business

The Go North Group is an Amazon Operator with its headquarters in Gothenburg, Sweden. The business model as an Amazon Operator involves acquiring and operating brands with products sold on Amazon via FBA. FBA stands for Fulfillment By Amazon and means that Amazon handles all logistics and order/payment/customer service for the products from the warehouse to the end customers, and any returns.

Ownership structure

Go North Group AB is 100% owned by Go North Group Holding AB, which also holds all the votes for the company.

For the full year 2023, the Group received shareholder contributions of SEK 47,378,000 from Go North Group Holding AB.

Significant events during the financial period

During the first half of 2023, the Group's focus remained on growth through continued investments in people, systems and acquisitions. However, due to challenges in raising capital, the focus in the second half of the year shifted to promoting organic growth and improving profitability, including implementing cost saving measures.

Due to the negative equity in Go North Group AB, the Board has assessed whether a balance sheet for liquidation purposes needs to be prepared. Since it is estimated that there are significant surplus values in the brands, the Board's assessment is that it is not necessary to prepare a balance sheet for liquidation purposes for Go North Group AB, nor that there's a risk which would necessitate preparing a balance sheet for liquidation purposes in any of its subsidiaries. The board projects that it will take 2-3 years to restore the negative equity capital to positive.

At the end of the year, the Group's portfolio consisted of 32 brands, mainly in the categories children, pets, household, sports and health. At the end of the year, the Group had a global workforce of 85 people. During the full year of 2023, Go North has acquired a total of 5 brands.

Significant events after the end of the financial period

After the reporting period, on January 25, 2024, the Group announced a written process for existing bonds, capitalised the next interest payment on these and issued new senior bonds. The written process was approved on February 16, securing a more favourable debt and liquidity situation for the Group going forward. This included lower interest rates on existing bonds, more flexibility in payment terms and the removal of certain covenants along with the issuance of USD 10 million of new senior bonds. Thus, existing bonds were reclassified as long-term debt in Q1 2024. This agreement with the bondholders also meant that 20% of the shares in Go North Group AB will accrue to the bondholders through a set-off issue in the form of convertible bonds.

The amended interest rate terms for the bonds mean that Go North will pay SOFR (Secured Overnight Financing Rate, a US interest rate index) + 5.76161% interest on the new senior bond quarterly in cash and 15% PIK (Payment In Kind, i.e. it is added to the debt instead of being paid in cash) semi-annually on the remainder of the previous bond (now the junior bond) and on the added backstop fee note. The interest rate on the junior bond can also be 10% if paid in cash, but this is only allowed if a certain proportion of the current RCF (super senior bank loan) and senior bond is amortized. There is also the option for Go North to pay two optional future interest payments on the senior bond in the form of PIK, which provides further flexibility to secure liquidity.

In terms of covenants, the main change is that the net debt to adjusted EBITDA covenant has been removed and the liquidity covenant has been amended so that Go North must have SEK 30 million in cash and cash equivalents at the end of each month.

On 22 March 2024, Go North announced that then CEO Johan Hallenby would leave his position on April 1 and be succeeded by Ryan Looyzen. It was also announced that Johan Hallenby would continue to work within Go North as a working board member. However, the CEO change did not officially take place in April, but will instead take place in May.

A few brands have performed significantly worse than expected in Q1 and it cannot be ruled out that there is a need to write down the brands in Q1.

Expected future development and significant risks and uncertainties

As Go North exits 2023 and enters 2024, the Group has an established internal operational capability to drive brands on Amazon through brand building and streamlined logistics and e-commerce activities. Go North remains optimistic about the FBA business model and the e-commerce industry. However, many Amazon aggregators have faced significant challenges with both profitability and liquidity in 2023 and this is expected to continue in 2024. The Group's future development will therefore be highly dependent on how well it manages to grow its current brands and become more profitable. The strategy and objectives of the Board and management are therefore now focused on making the Group as independent as possible of further fundraising through higher sales and increased profitability with current brands. If this does not succeed sufficiently well, it would constitute a major risk for the company and thus there is a significant operational risk.

Other risks that exist are mainly related to liquidity and the ability to raise new capital. The Group has significant interest payments and short-term liabilities that are already overdue or will be due in 2024, while the cash situation is strained. The Group lacks sufficient liquidity to pay already overdue debts and thus needs to negotiate alternative payment plans with its creditors. At the same time, the investor climate remains unfavourable, with high market interest rates and risk-averse investors. Therefore, there is a significant liquidity and funding risk. In connection with this, there is also a legal risk when Go North violates the agreements entered into with creditors by not paying them on time, especially in the case of those from whom Go North has acquired brands.

The risks related to operations, liquidity, financing and contracts and legal proceedings together result in significant uncertainty regarding the Group's ability to continue to operate in 2024. The Group's future is particularly dependent on outstanding contingent considerations and the outcome of the negotiations on these.

	Multi-year overview 2020-2023 Group			
	2023	2022	2021	2020
Net sales	650 273	118 224	1 222	-
Profit/loss after financial items	-217 041	-39 885	-2 162	-62
Balance sheet total	740 402	712 379	8 092	214
Equity ratio (%)	2,3	26,5	48,0	6,2

	Multi-year overview 2020 - 2023 Parent Company			
	2023	2022	2021	2020
Net sales	97 561	71 792	1 222	-
Profit/loss after financial items	-291 623	-75 083	-2 162	-62
Balance sheet total	649 926	685 974	8 092	214
Equity ratio (%)	neg	23,9	48,0	6,2

Proposal for allocation of profit or loss (KSEK)

At the disposal of the Annual General Meeting are the following accumulated losses

Other contributed capital	272 581
Profit or loss carried forward	-77 257
Net profit	-277 893
	<u>-82 569</u>

The Board of Directors proposes that

be carried forward	<u>-82 569</u>
	<u>-82 569</u>

Regarding the Parent Company's and the Group's results and position in general, please refer to the following income statements and balance sheets, statements of changes in equity, cash flow statements and notes. All amounts are expressed in KSEK unless otherwise stated.

Go North Group AB

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CONSOLIDATED INCOME STATEMENT

Amount in KSEK	Note	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Operating income			
Net sales	5	650 273	118 224
Capitalized work on own account		10 811	5 885
Cost of goods sold	15	-177 641	-33 595
Gross profit		483 443	90 514
Sales expenses	7	-372 672	-78 973
Administrative expenses	6, 7, 8, 14	-235 088	-30 582
Other operating income		1 391	7 401
Other operating expenses		-714	-6 783
Operating profit		-123 640	-18 423
Financial income	9, 14	14 580	939
Financial expenses	9	-107 981	-22 401
Financial items - net		-93 401	-21 462
Profit/loss after financial items		-217 041	-39 885
Taxes on profit for the year	10	-	-9 502
Net profit		-217 041	-49 387
Attributable to:			
Shareholders of the parent company		-217 041	-49 387

Go North Group AB
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Amount in KSEK

ASSETS

Fixed assets

Goodwill	6, 13	-	714
Brands	4, 6, 13	562 639	437 030
Other intangible assets	6,13	15 579	5 885
Tangible fixed assets	6, 12	847	714
Right-of-use assets	14	2 492	4 362

Total fixed assets **581 557** **448 705**

Current assets

Inventories	4, 15	95 703	65 230
Accounts receivable		89	-
Other current receivables	16, 17	40 683	30 292
Prepaid expenses and accrued income	18	7 628	8 910
Cash and cash equivalents	16, 19	14 742	159 242

Total current assets **158 845** **263 674**

TOTAL ASSETS **740 402** **712 379**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Amount in KSEK

EQUITY AND LIABILITIES

Equity capital

20

Share capital		500	500
Other contributed capital		285 388	240 048
Reserves		-	-
Retained earnings		-51 611	-2 224
Net profit for the year		-217 041	-49 387

Total equity attributable to the Shareholders of the parent company **17 236** **188 937**

LIABILITIES

Long-term liabilities

Bonds and notes	16, 22, 29	-	269 457
Liabilities to credit institutions	16, 22, 29	45 354	1 313
Leasing liabilities	14, 29	574	2 778
Deferred tax liabilities	21	16 662	16 662
Other long-term liabilities	4, 16, 23	29 807	10 088
Other provisions	24	3 126	-

Total long-term liabilities **95 523** **300 298**

Current liabilities

Bonds and notes	16, 22, 29	523 269	-
Trade payables		7 769	12 678
Leasing liabilities	14	2 204	1 901
Liabilities to credit institutions	16, 22, 29	63	-
Other current liabilities	4, 25, 29	73 059	193 853
Accrued expenses and deferred income	26	21 279	14 712

Total current liabilities **627 643** **223 144**

TOTAL EQUITY AND LIABILITIES **740 402** **712 379**

Go North Group AB

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Shareholders of the parent company

KSEK	Share capital	Other contributed capital	Reserves	Retained earnings (including net profit)	Total
2022-01-01	46	6 061	-	-2 224	3 883
Net profit	-	-	-	-49 387	-49 387
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-49 387	-49 387
<i>Transactions with shareholders</i>					
New share issue	18	80 182	-	-	80 200
Bonus issue	436	-436	-	-	-
Emission costs	-	-759	-	-	-759
Shareholders' contributions	-	155 000	-	-	155 000
Total transactions with shareholders	454	233 987	-	-	234 441
2022-12-31	500	240 048	-	-51 611	188 937
<i>2023-01-01</i>					
2023-01-01	500	240 048	-	-51 611	188 937
Net profit	-	-	-	-217 041	-217 041
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-217 041	-217 041
<i>Transactions with shareholders</i>					
New share issue	-	-	-	-	-
Bonus issue	-	-	-	-	-
Emission costs	-	-2 038	-	-	-2 038
Shareholders' contributions	-	47 378	-	-	47 378
Total transactions with shareholders	-	45 340	-	-	45 340
2023-12-31	500	285 388	-	-268 652	17 236

CONSOLIDATED STATEMENT OF CASH FLOWS Amount in KSEK	Note	Fiscal year	
		2023-01-01	2022-01-01
		2023-12-31	2022-12-31
Cash flow from operating activities			
Profit/loss after financial items		-217 041	-39 885
Adjustment for items not included in the cash flow	30	96 430	1 463
Income taxes paid		-9 662	-
Cash flow from operating activities before changes from working capital		-130 273	-38 422
Cash flow from changes in working capital			
Increase/decrease in inventories	15	-30 473	-63 607
Increase/decrease in trade receivables		-9 199	-38 765
Increase/decrease in trade payables		-19 144	56 329
Total change in working capital		-58 816	-46 043
Cash flow from operating activities		-189 089	-84 465
Cash flow from investing activities			
Acquisition of subsidiaries net of cash and cash equivalents	11	-	-2 068
Investments in intangible fixed assets	13	-297 884	-256 099
Investments in tangible fixed assets	12	-343	-4 583
Cash flow from investing activities		-298 227	-262 750
Cash flow from financing activities			
Raising of debt	29	297 276	269 457
New share issue/shareholder contribution	20	47 378	234 431
Change in overdraft facility	29	-	-800
Amortisation of lease liabilities		-1 838	-
Cash flow from financing activities		342 816	503 088
Reduction/increase of cash and cash equivalents		-144 500	155 873
Cash and cash equivalents at the beginning of the year		159 242	3 369
Exchange rate difference in cash and cash equivalents			
Cash and cash equivalents at the end of the year		14 742	159 242

Payments, new issues and share contributions are specified in the consolidated statement of changes in equity.

CONSOLIDATED NOTES

Note 1 General Information

These consolidated financial statements cover the parent company Go North Group AB, corporate identity number 559252-2188, and its subsidiaries. Go North Group is a parent company registered in Sweden with its registered office in Gothenburg with the address Norra Allégatan 5, 413 01, Gothenburg, Sweden.

The operations of the parent company and its subsidiaries included e-commerce via the Amazon platform. The Board of Directors approved these consolidated accounts for publication on April 30.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (KSEK). Information in brackets refers to the comparison period.

Note 2 Summary of significant accounting policies

This note contains a list of the significant accounting policies applied in the preparation of these consolidated financial statements. These policies have been applied consistently for all years presented. The consolidated financial statements include Go North Group AB and its subsidiaries.

Basis for the preparation of the reports

The consolidated accounts for the Go North Group have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

The consolidated financial statements have been prepared on historical cost basis, except: certain financial assets and liabilities (including derivative instruments) measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make certain judgements in the application of the Group's accounting policies. The areas involving a high degree of judgement, complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

New and amended standards not yet applied by the Group

A number of new standards and interpretations are effective for annual periods beginning on or after January 1 2024 and have not been applied in preparing these financial statements. Published standards yet to come into force have not affected the Group.

Segment reporting

The CEO has been identified as the chief executive decision maker, for the reason that the CEO is primarily responsible for allocating resources and evaluating performance. The assessment of the Group's operative segments should be based on the financial information reported to the CEO. The financial information reported to the CEO, as a basis for allocating resources and assessing the Group's performance, relates to the Group as a whole. Since the chief executive decision-maker makes decisions on the allocation of resources and assesses performance based on the Group as a whole, the Group as a whole is deemed to constitute a segment.

Consolidated financial statement

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its control of the entity. Subsidiaries are included in the consolidated financial statements from the date that control is transferred to the Group. They are excluded in the consolidated financial statements from the date that control is transferred to the Group.

The acquisition method is used to account for the Group's business combinations.

Intra-group transactions, balance sheet items and unrealised gains and losses on transactions between group companies are eliminated. Intra-group losses may be an indication of impairment that must be recognised in the consolidated financial statements. The accounting policies of subsidiaries have been amended, where appropriate, to ensure consistent application of the Group's policies.

All subsidiaries are 100% owned by Go North Group AB.

Foreign currency conversion

Functional and reporting currency

Items included in the financial statements of the various entities in the Group are measured using the currency of the primary economic environment in which each entity operates (functional currency). The consolidated financial statements use the Swedish Krona (SEK), which is the parent company's functional currency and the group's reporting currency.

Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction or at the date the items are revalued. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate on the balance sheet date are recognised in the consolidated income statement.

Foreign exchange gains and losses relating to loans and cash and cash equivalents are recognised in the consolidated income statement as financial income or expense. All other foreign exchange gains and losses are recognised in other operating income/expenses in the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign business are treated as assets and liabilities of that business and are translated at the exchange rate on the balance sheet date.

Revenue recognition

The Group's principles for recognising revenue from customer contracts are presented below.

All sales within the Group are made via Amazon. Go North delivers finished goods to Amazon's main warehouse, after which Amazon handles delivery, warehousing and shipping to the end consumer. Amazon charges a sales fee for sales via the platform for this, and an FBA fee, which are classified as selling expenses in the financial statements. The Group does not recognise revenue on delivery to Amazon, since Amazon is not a customer of the Group.

Revenue is recognised when control of the goods or services sold is transferred to the customer. The basic principle is that the Group recognises revenue in the manner that best reflects the transfer of control over the promised goods or services to the customer. The Group's reporting uses a five-step process that is applied to all customer contracts:

1: Identify contracts with customers

A contract is created when the customer places an order on Amazon. At this point, payment terms can be determined and it is likely that compensation will be received. The contract always has a commercial meaning.

2: Identify the separate performance obligations

Go North does not handle the goods once they have been delivered to Amazon's main warehouse but cannot account for the revenue until the goods have left Amazon's main warehouse; only then does the risk pass from Go North to the end customer and it no longer has any obligations. Delivering the goods from Amazon's main warehouse is the only performance obligation.

3: Determine the transaction price

The transaction price is stated in the order confirmation and on Amazon's website.

4: Assign the transaction price to each of the separate performance obligations.

As there is only one performance obligation, the entire transaction price is allocated to this performance obligation.

5: Revenue is recognised as each performance obligation is satisfied

All revenue is recognised when the goods leave Amazon's main warehouse.

Using the above five-step model, it has been determined that the Group's performance obligation is primarily the sale of goods. Revenue includes the fair value of the amount received or receivable for goods and services sold in the Group's operative activities. Revenue is recognised net of value added tax and discounts and after eliminating intra-group sales.

Interest income

Interest income is recognised using the effective interest method.

Current and deferred income tax

The tax expense for the period comprises current tax calculated on the taxable profit for the period at the applicable tax rates, adjusted for changes in deferred tax receivables and debts relating to temporary differences and unutilised tax losses.

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the parent and its subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns for situations where the applicable tax rules are subject to interpretation and assesses whether it is probable that a tax authority will recognise an uncertain tax treatment. The Group measures its recognised taxes based on the most likely amount or the expected value, depending on which method best predicts the outcome of the uncertainty.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not recognised if it arises from a transaction that is the initial recognition of an asset or liability that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit. Deferred income tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Go North does not recognise deferred tax on tax losses as it is still too early and uncertain to determine whether they will be able to be offset against future profits.

Current and deferred tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or equity.

Lease payments

Lease payments are apportioned between the amortisation of the liability and interest. Interest is recognised in the income statement over the lease term in a manner that results in a fixed rate of interest on the lease liability recognised in each period.

Right-of-use assets are measured at cost and include the following:

- the initial valuation of the lease liability;
- and payments made on or before the date on which the leased asset is made available to the lessee

The right-of-use asset is amortised linearly over the shorter of the useful life of the asset and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is amortised over the useful life of the underlying asset.

Lease payments under short-term leases and leases where the underlying asset has a low value are recognised as an expense on a straight-line basis over the lease term. Short-term leases are those with a lease term of 12 months or less.

Leases for which the underlying asset has a low value essentially relate to IT equipment.

Intangible assets

Goodwill

Goodwill arising on business combinations is included in intangible assets. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate a potentially depreciated value. Goodwill is recognised at cost less accumulated impairment losses. When an entity is sold, the carrying amount of goodwill is included in the resulting profit/loss.

In the 2023 impairment test, all goodwill was impaired. The goodwill was attributable to the acquisition of Go North Rocket 36 AB which became a dormant company in 2023.

Brands, licences and customer contracts

Brands and licences acquired separately are recognised at cost. Brands, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date.

The Group assesses that acquired brands have an indefinite useful life and are recognised at cost less impairment. In Q3 2023, the impairment test of the brands was performed, resulting in an impairment of SEK 92,180,000 in the Group and SEK 68,570,000 in the Parent Company. The impairment is different for the Group and the Parent Company as the Parent Company writes down brands on an ongoing basis. The value of the Group's brands has been tested for impairment by calculating the value in use of each brand. In cases where the value in use was determined to be lower than the carrying amount, the carrying amount of the brand has been impaired. The total carrying amount of the company's brands was SEK 562,639,000 in 2023 (SEK 437,030,000 in 2022). The Group had no goodwill recognised in 2023. The impairment test is described in more detail in Note 13.

Contingent consideration for brands that constitute a separate asset acquisition is included in the acquisition price of the brand at the time of acquisition based on Go North's best estimate of the future cost for settlement of the contingent consideration. Accordingly, the contingent consideration is recognised in Go North's balance sheet at accrued cost at the date of acquisition. Subsequent changes in the expected future cash flows of such a contingent consideration are adjusted against the acquired brand, which is Go North's choice of policy in relation to contingent consideration in asset acquisitions. For further information regarding the valuation and recognition of contingent consideration, see Notes 4 and 16.

Capitalised expenditure on development costs

Maintenance costs are expensed as incurred. Development costs that are directly attributable to development and controlled by the Group are recognised as intangible assets when the following criteria are met:

- The entity's intention is to complete the asset and to use or sell it;
- There are conditions to use or sell the asset;
- It can be shown how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be measured reliably.

Directly attributable expenditure capitalised as part of the asset includes expenditure on employees and a reasonable proportion of indirect costs.

Capitalised development costs are recognised as intangible assets and are amortised from the time the asset is ready for use. Go North Group AB monitors ongoing projects on a quarterly basis together with cost owners to evaluate whether the projects are completed and whether future costs actually relate to maintenance.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost includes expenditure directly attributable to the acquisition of the asset.

Depreciation is provided on a linear basis to allocate the cost of the asset, less its estimated residual value, over its estimated utilisation period. Utilisation periods are as follows:

- IT equipment 5 years
- Equipment, tools and fixtures 5 years
- Right-of-use assets 3 years

The residual values and useful period of assets are reviewed at the end of each reporting period and adjusted if necessary.

The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. Gains and losses on disposal are determined by comparing the sales proceeds with the carrying amount and are recognised in other operating income/expenses in the income statement.

Impairment of non-financial assets

Goodwill and intangible assets with an indefinite useful period or intangible assets that are not ready for use are not amortised but are tested for impairment annually or whenever there is an indication of impairment. Assets that are subject to amortisation are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). For assets (other than goodwill) that have been previously impaired, an assessment is made at each balance sheet date as to whether a reversal should be made. For further information on impairment testing and variables, see Note 13.

Financial instruments

The Group's financial assets and liabilities are summarised in note 16.

a) First reporting date

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets and liabilities are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

Financial instruments are initially recognised at fair value plus, for an asset or financial liability not carried at fair value through profit and loss, transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs for financial assets and liabilities at fair value are recognised in the income statement.

b) Financial assets - Classification and measurement

The Group classifies and measures its financial assets in the amortised cost and fair value through profit or loss categories. The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the cash flows of the assets.

Financial assets measured at amortised cost

Assets held for the purpose of collecting contractual cash flows, where those cash flows are solely payments of principal and interest, are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses recognised. The Group's financial assets measured at amortised cost comprise other current receivables, accrued income and cash and cash equivalents.

c) Financial liabilities - Classification and measurement

The Group classifies and measures its financial liabilities in the amortised cost and fair value through profit and loss categories. Financial liabilities at fair value through profit and loss are classified as current liabilities if they are due within 12 months of the balance sheet date. If these mature later than 12 months from the balance sheet date, they are classified as non-current liabilities.

Financial liabilities measured at amortised cost

Subsequent to initial recognition, the Group's financial liabilities are measured at amortised cost using the effective interest method, with any difference between the proceeds (net of transaction costs) and the redemption value being recognised in the income statement over the period of the borrowings. Fees paid for borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facility will be drawn down. In such cases, the fee is recognised when the facility is drawn down. When there is no evidence that it is probable that part or all of the credit facility will be drawn down, the fee is recognised as a prepayment for financial services and is amortised over the life of the related loan commitment.

Financial liabilities measured at fair value consist of bond loans, liabilities to credit institutions, bank overdrafts, other non-current liabilities, trade payables and other current liabilities.

Financial liabilities measured at fair value through profit and loss

Conditional considerations arising from business combinations is recognised in the balance sheet on the trade date and measured at fair value, both initially and on subsequent remeasurement.

d) Derecognition of financial assets and financial liabilities

Financial assets are derecognised from the statement of financial position when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When the terms of a financial liability are renegotiated, and not derecognised, a gain or loss is recognised in the income statement. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The change in value/cancellation of the contingent considerations is recognised against brands. For further information on this, see Notes 4 and 16.

e) Impairment of financial assets

Assets carried at accrued cost

The Group assesses the future expected credit losses associated with assets carried at accrued cost. The Group does not recognise an allowance for credit losses as the receivables are from Amazon. During Go North's active years, no credit loss has ever occurred.

Inventories

Inventories are recognised at the lower of cost and net realisable value. The cost of merchandise is determined after deducting discounts. The cost of goods for resale is determined after deducting discounts. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

All subsidiaries in the group have a booked obsolescence reserve that varies between 2% and 3% depending on the type of product sold by the subsidiary. The majority of subsidiaries sell products that do not have an expiry date. These companies' obsolescence reserves are at the lower end of the range. Subsidiaries with products that have an expiry date are at the higher end of the range. The outgoing obsolescence reserve amounts to KSEK 1,896.

Cash and cash equivalents

Cash and cash equivalents include, in both the balance sheet and the cash flow statement, bank balances. Bank overdrafts are recognised in the balance sheet as loans payable in current liabilities.

Share capital

Transaction costs directly attributable to the issue of new shares or options are recognised, net of tax, in equity as a deduction from the proceeds.

Trade payables

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. The amounts are unsecured and are usually paid within 60 days. Trade and other payables are classified as current liabilities if they are due within one year or less (or within the normal operating cycle if longer). If not, they are recognised as non-current liabilities. Liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid for borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facility will be drawn down. In such cases, the fee is recognised when the facility is drawn down. When there is no evidence that it is probable that part or all of the credit facility will be drawn down, the fee is recognised as a prepayment for financial services and is amortised over the life of the related loan commitment.

Borrowings are derecognised when the obligations are settled, cancelled or otherwise extinguished. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Employee benefits*Short-term employee benefits*

Liabilities for salaries and benefits, including non-monetary benefits and compensated absences, that are expected to be settled within 12 months after the end of the financial year are recognised as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The cost is recognised in the statement of comprehensive income as the services are rendered by the employees. The liability is recognised as an employee benefit obligation in the consolidated balance sheet.

Pension obligations

The Group has defined contribution pension plans.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension schemes on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the fees are paid.

The fees are recognised as personnel costs when they fall due. Prepaid contributions are recognised as an asset to the extent that cash refunds or reductions in future payments are available to the Group.

Cash flow analysis

The cash flow analysis is prepared using the indirect method. The reported cash flow only includes transactions that have resulted in receipts or payments.

Note 3 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks such as: various market risks, credit risk, liquidity risk and refinancing risk. The Group seeks to minimise potential adverse effects on its financial performance. The objective of the Group's financial activities is to:

- ensure that the Group can fulfil its payment obligations;
- manage financial risks;
- ensure access to the necessary financing; and
- optimise the Group's net financial income

The Group's risk management is carried out by a centralised treasury department that identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors is involved in risk management in general and regularly reviews operational risk management and policies in specific areas such as foreign exchange risk, interest rate risk, credit risk, liquidity risk, refinancing risk and the use of derivative and non-derivative financial instruments and the investment of excess liquidity.

Market risk

Currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, mainly in respect of liabilities, in euros (EUR) and US dollars (USD). The Group is exposed to significant currency risk due to the fact that the majority of liabilities are in SEK while approximately 95% of revenues are generated in USD and EUR. This means that exchange rate fluctuations can affect the Group's ability to pay interest and amortise debt and have a significant impact on the income statement and balance sheet. In the Group, currency risk also arises from purchases and sales in a currency that does not correspond to the functional currency of the company (transaction exposure). Transaction exposure is small as the majority of both revenues and expenses are in USD. The company currently has no foreign subsidiaries.

Exposure (KSEK)	2023-12-31		2022-12-31	
	EUR	USD	EUR	USD
Receivables Amazon	1 812	32 253	6 154	20 140
Liabilities to credit institutions	-	45 417	-	-
Bonds and Notes	-	179 805	-	-
Brand acquisition liabilities	6 421	85 830	1 624	15 499

Sensitivity analysis - currency risk

If the Swedish Krona had a 10% lower/higher exchange rate in relation to EUR and USD, with all other variables constant, the impact on the Group's result would be equivalent to +/- SEK 29,152,000 (2022: +/- SEK 580,000), mainly caused by exchange rate effects on the Group's receivables and liabilities. This is based on the assumption that 95% of revenues and 70% of expenses are in EUR and USD, which is roughly in line with actual figures for 2023.

Interest rate risk

Liabilities to credit institutions consist of loans denominated in USD that bear interest at floating rates and expose the Group to cash flow interest rate risk. The Group does not hedge its interest rate risk on future cash flows.

Sensitivity analysis - interest rate risk

If interest rates on borrowings at 31 December 2023 had been +/- 1% higher/lower with all other variables held constant, the estimated profit after tax for the financial year would have been SEK 5,687,000 (31 December 2022: SEK 2,708,000) lower/higher, mainly as an effect of higher/lower interest expenses for borrowings with variable interest rates. The calculation is based on the assumption that the Group had held the interest-bearing liabilities throughout the year.

Credit risk

Credit risk arises from balances with banks and credit institutions and customer credit exposures including outstanding receivables. Credit risk is managed at Group level. Only banks and credit institutions with a minimum credit rating of 'A' by an independent rating agency are accepted. All customers pay Amazon in advance, which means that the Group only has a maximum of 14 days for settlement with Amazon. Settlement with Amazon is considered to be of low risk.

No credit limits were exceeded during the reporting period and management does not expect any losses due to non-payment by counter parties. The Group's estimate of expected credit losses on trade receivables amounts to immaterial amounts and therefore no adjustment has been made in the financial statements.

Liquidity risk

The Group endeavors to manage its liquidity carefully to ensure sufficient funds for ongoing operating expenses. Management continuously monitors forecasts of the Group's liquidity reserve (including unutilised credit facilities) and cash assets based on expected cash flows. At the end of the period, the Group was in a very tight liquidity situation, with several short-term liabilities maturing that the Group did not have sufficient cash to repay. These included contingent considerations related to acquired brands and the bond liabilities. Additional short-term debt also matures in 2024, increasing the company's liquidity risk. The Group's strategy includes negotiations with creditors to renegotiate terms and write down debt, if possible. The Group's future liquidity situation will thus depend on the progress of ongoing negotiations with creditors and the possibility of securing new financing, both of which are subject to considerable uncertainty. To summarise, the group's liquidity risk was very high at the end of 2023 and is expected to remain so in 2024.

Refinancing risk

Refinancing risk is defined as the risk that difficulties arise in refinancing the Group, that financing cannot be obtained, or that it can only be obtained at increased costs. The risk is mitigated by the Group continuously evaluating different financing solutions.

The table below analyses the Group's financial liabilities broken down by the time remaining at the balance sheet date until the contractual maturity date. The amounts shown in the table are the contractual undiscounted cash flows. Future cash flows denominated in foreign currencies have been calculated using the exchange rate prevailing at the balance sheet date. For lease liabilities, expected interest payments have also been included based on the latest interest rate before the balance sheet date. Trade payables and other current and non-current liabilities are generally interest-free. For bond loans, interest has not been included as the loan is considered to have already matured. Interest has also not been included for liabilities to credit institutions.

As a large proportion of the Group's debt was short-term at the end of 2023 and there was considerable uncertainty regarding the possibility of renegotiating or refinancing it, the Group is considered to have very high refinancing risk. Continued difficult investor climate together with high debt burden and liquidity risk means that this risk is expected to remain very high in 2024.

As of 2023-12-31	0-6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Reported value
Financial liabilities							
Bonds and notes	523 269					523 269	523 269
Liabilities to credit institutions	63			45 354		45 417	45 417
Leasing liabilities	1 160	1 160	580			2 900	2 204
Trade liabilities	7 769					7 769	7 769
Other long-term liabilities			29 807			29 807	29 807
Other short-term liabilities	70 048	3 011				73 059	73 059
Total	602 309	4 171	30 387	45 354	-	682 221	681 525

Calculation and disclosure of fair value

The table below shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

(a) Level 1 financial instruments

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 financial instruments

Observable data for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).

(c) Level 3 financial instruments

Where one or more significant inputs are not based on observable market data.

The following table shows the Group's financial liabilities and assets at fair value as of December 31 2023:

KSEK	Level 1	Level 2	Level 3	Total
Financial liabilities				
Contingent considerations			92 251	92 251
Total financial liabilities	-	-	92 251	92 251

Specific valuation techniques used to value financial instruments include:

- Contingent consideration - expected cash flows are estimated based on the terms of the purchase agreement and the entity's knowledge of the business and how the current economic environment is likely to affect it.

There have been no transfers between levels during the year.

Level 3 fair value measurement inputs and valuation process

Contingent consideration: The fair value of the contingent consideration arrangement is based on management's judgement of what is likely to be paid given the terms of the share purchase agreement. The management has made the judgement that 100% of the stated amount will be paid.

Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the group may change the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group assesses its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as interest-bearing liabilities (comprising the items Long-term bonds, Long-term liabilities to credit institutions, Short-term bonds and Short-term liabilities to credit institutions) less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheet plus net debt.

The gearing ratio at each balance sheet date was as follows:

	2023-12-31	2022-12-31
Interest-bearing liabilities	568 686	270 770
Less: cash and cash equivalents	14 742	159 242
Net debt	553 944	111 528
Total equity capital	17 236	188 937
Total capital	571 180	300 465
Debt ratio	97%	37%

The increase in the gearing ratio during December 31 2022 - December 31 2023 was mainly caused by bond issues combined with lower equity.

Note 4 Significant estimates and judgements for accounting purposes

This note contains a list of the significant accounting policies applied in the preparation of these consolidated financial statements. These principles have been applied consistently for all years presented. The consolidated financial statements include Go North Group AB and its subsidiaries.

Valuation of inventory

The Group recognises inventories of SEK 95,703,000 (65,230,000). All subsidiaries in the group have a booked obsolescence reserve that varies between 2% and 3% depending on the type of product sold by the subsidiary. The majority of subsidiaries sell products that do not have an expiry date; these companies' obsolescence reserves are at the lower end of the range. Subsidiaries with products that have an expiry date are at the higher end of the range.

Brands

The Group considers that all identified brands have an indefinite useful life and are therefore not amortised but instead tested annually for impairment. Intangible assets with indefinite useful lives are tested for impairment annually by the Group in accordance with the accounting policy described in Notes 2 and 13. The recoverable amount of cash-generating units (CGUs) has been determined by measuring value in use. The impairment test includes a number of assumptions that, according to various judgements, may have a significant impact on the calculation of recoverable amounts such as: operating margin/profit, discount rate, growth/inflation. Significant assumptions used in impairment testing and a description of the effect of reasonable possible changes in those assumptions on which the calculations are based are disclosed in the notes to the financial statements.

Contingent considerations

The Group holds financial instruments at fair value related to contingent considerations in connection with the acquisition of brands. The fair value measurement includes estimates and judgements that can have a significant impact on the Group's balance sheet and financial position. In connection with the acquisition, the company estimates the amount of the contingent consideration and recognises this value against the brand. A change in judgement/estimation is booked against brand & liability and thus never affects the Group's income statement.

Note 5 Segment information and disclosure of net sales

The Group's chief executive decision maker is the CEO, who uses the Group as a whole to assess the performance of the operating segments.

Go North Group AB has obtained the information on sales by geographical marketplace from Amazon.

Revenue from external customers broken down by country, based on the geographical marketplace from which the sale is made:	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
USA	588 887	85 019
United Kingdom	23 475	4 791
Germany	17 557	4 221
Canada	3 902	1 626
Rest of the world	16 452	22 567
Total	650 273	118 224

Non-current assets, other than financial instruments, and deferred tax assets are located entirely in Sweden.

Note 6 Amortisation and depreciation

<u>Amortisation</u>	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Brands		
Other intangible assets	2 750	148
Tangible fixed assets	209	67
Total	2 959	215

<u>Impairment</u>	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Brands	92 180	-
Goodwill	714	-
Total	92 894	-

Note 7 Employees and personnel costs

Average number of employees	2023-01-01-2023-12-31			2022-01-01-2022-12-31		
	Average number of employees	Women	Men	Average number of employees	Women	Men
<i>Average number of employees with geographical breakdown by country</i>						
Sweden	34	16	18	17	8	9
Group total	34	16	18	17	8	9

	2023-01-01-2023-12-31	2022-01-01-2022-12-31
Percentage of men		
Board of Directors	100%	100%
Senior executives	100%	100%

Cost of employee benefits (SEK)	2023	2022
Group		
Salaries and allowances etc.	32 411 177	9 721 536
Pension costs, defined contribution plans	3 056 372	766 655
Social security contributions	10 805 428	3 086 535
Group total	46 272 977	13 574 726
Cost for remuneration of Senior executives' benefits (SEK)	2023	2022
Group		
Salaries and allowances etc.	4 877 576	1 601 440
Pension costs, defined contribution plans	446 939	84 256
Social security contributions	1 640 961	523 612
Group total	6 965 476	2 209 308

All employees of the Group are employed by the Parent company. The salary cost is the same at Group level as in the parent company.

No remuneration is paid to members of the Board of Directors or the Chairman.

No share-based payments, post-employment benefits or termination benefits were paid during the year or the comparison year.

Note 8 Remuneration of auditors

Remuneration of auditors	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Audit firm; PWC 2023 och Fineasity 2022.		
The audit assignment	740	510
Fees for audit-related services	291	45
Tax counseling	304	-
Other services	794	268
Total	2 129	823

Note 9 Financial income and financial expenses

	2023-01-01	2022-01-01
<i>Financial income</i>	2023-12-31	2022-12-31
Differences in exchange rates	11 927	-
Other financial income	2 653	939
Total financial income	14 580	939
	2023-01-01	2022-01-01
<i>Financial expenses</i>	2023-12-31	2022-12-31
Differences in exchange rates	-	1 723
Interest expense and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss	84 865	19 406
Bond related costs	21 207	-
Other financial costs	1 909	1 272
Total financial costs	107 981	22 401
Financial items - net	93 401	21 462

Note 10 Income taxes

	2023-01-01	2022-01-01
<i>Current tax</i>	2023-12-31	2022-12-31
Spanish income tax	-	9 502
Adjustments relating to previous years	-	-
Total current tax	-	9 502

Reconciliation between theoretical tax expense and recognised tax

Tax at Swedish tax rate of 20.6% (2022: 20.6%)

	2023-01-01	2022-01-01
<i>Income tax</i>	2023-12-31	2022-12-31
Profit/loss before tax	-217 041	-49 387
Income tax calculated at swedish tax rate of 20,6%	44 710	10 174
Tax effect of:		
Non-deductible expenses	-165	-82
Unutilised losses	44 875	10 256
Spanish corporate tax	-	9 502
Income tax	-	9 502

Unutilised tax losses for which no deferred tax asset has been recognised amount to SEK 79,708,000 for 2022. The deficit for 2023 has not yet been calculated but has no effect on the accounts as the Group does not capitalise the losses.

Note 11 Investments in subsidiaries

The Group had the following subsidiaries on December 31, 2023:

<i>Name</i>	registration and operation	Activity	Directly owned by the parent company (%)	Owned by the Group (%)
Go North Rocket 1 AB	Sweden	e-commerce	100%	100%
Go North Rocket 2 AB	Sweden	e-commerce	100%	100%
Go North Rocket 3 AB	Sweden	e-commerce	100%	100%
Go North Rocket 4 AB	Sweden	e-commerce	100%	100%
Go North Rocket 5 AB	Sweden	e-commerce	100%	100%
Go North Rocket 6 AB	Sweden	e-commerce	100%	100%
Go North Rocket 7 AB	Sweden	e-commerce	100%	100%
Go North Rocket 8 AB	Sweden	e-commerce	100%	100%
Go North Rocket 9 AB	Sweden	e-commerce	100%	100%
Go North Rocket 10 AB	Sweden	e-commerce	100%	100%
Go North Rocket 11 AB	Sweden	e-commerce	100%	100%
Go North Rocket 12 AB	Sweden	e-commerce	100%	100%
Go North Rocket 13 AB	Sweden	e-commerce	100%	100%
Go North Rocket 14 AB	Sweden	e-commerce	100%	100%
Go North Rocket 15 AB	Sweden	e-commerce	100%	100%
Go North Rocket 16 AB	Sweden	e-commerce	100%	100%
Go North Rocket 17 AB	Sweden	e-commerce	100%	100%
Go North Rocket 18 AB	Sweden	e-commerce	100%	100%
Go North Rocket 19 AB	Sweden	e-commerce	100%	100%
Go North Rocket 20 AB	Sweden	e-commerce	100%	100%
Go North Rocket 21 AB	Sweden	e-commerce	100%	100%
Go North Rocket 22 AB	Sweden	e-commerce	100%	100%
Go North Rocket 23 AB	Sweden	e-commerce	100%	100%
Go North Rocket 24 AB	Sweden	e-commerce	100%	100%
Go North Rocket 25 AB	Sweden	e-commerce	100%	100%
Go North Rocket 26 AB	Sweden	e-commerce	100%	100%
Go North Rocket 27 AB	Sweden	e-commerce	100%	100%
Go North Rocket 28 AB	Sweden	e-commerce	100%	100%
Go North Rocket 29 AB	Sweden	e-commerce	100%	100%
Go North Rocket 30 AB	Sweden	e-commerce	100%	100%
Go North Rocket 31 AB	Sweden	e-commerce	100%	100%
Go North Rocket 32 AB	Sweden	e-commerce	100%	100%
Go North Rocket 33 AB	Sweden	e-commerce	100%	100%
Go North Rocket 34 AB	Sweden	e-commerce	100%	100%
Go North Rocket 35 AB	Sweden	e-commerce	100%	100%
Go North Rocket 36 AB	Sweden	Legal services	100%	100%
Johan & John AB	Sweden	e-commerce	100%	100%
Jodgo	Sweden	e-commerce	100%	100%

Note 12 Tangible fixed assets

Fiscal year 2022	Equipment, tools and installations
Opening book value	8
Acquisition for the year	773
Disposals and scrapping	-
Depreciation and amortisation for the year	-67
Closing net book value	714

As of 2022-12-31	Equipment, tools and installations
Cost of acquisition	786
Accumulated depreciation and amortisation	-72
Recognised value	714

Fiscal year 2023	Equipment, tools and installations
Opening book value	714
Acquisition for the year	342
Depreciation and amortisation for the year	-209
Opening book value	847

As of 2023-12-31	Equipment, tools and installations
Cost of acquisition	1 128
Accumulated depreciation and amortisation	-281
Recognised value	847

Not 13 Intangible assets

Impairment testing

The value of the Group's brands has been tested for impairment by calculating the value in use of each brand. In cases where the value in use was determined to be lower than the carrying amount, the carrying amount of the brand has been impaired. The total carrying amount of the company's brands was SEK 562,639,000 in 2023 (SEK 437,030,000 in 2022). The Group had no goodwill recognised in 2023.

The value in use for each brand has been calculated using a discounted cash flow valuation (after tax). This has been based on the expected cash flow effects of the brand if it was operated within the group until the end of 2027 together with a end value of the brand at the end of 2027 based on Gordon's perpetual growth model. Key assumptions for these calculations are the discount rate (which should correspond to the market WACC for e-retailers with main sales in the US), the expected sales and gross profit (i.e. the brand's contribution margin after variable costs) of the brand until the end of 2027, the expected overheads that the brand will help to cover, the expected investments made that affect cash flow that the brand will help to cover and the perpetual growth rate assumed after 2027.

The discount rate used in the calculations is 12.94% and the perpetual growth rate after 2027 assumed is 2%. Management considers these assumptions to be realistic and in line with industry standards. Revenue and expenditure forecasts for the brand and the group are based on forecasts adopted by management for each brand in the context of setting the budget. These forecasts are based on management's experience, historical data and future plans for the brands. Management believes that these brand-specific forecasts have a high degree of uncertainty and are the main potential source of error in the valuations. However, a sensitivity analysis where the discount rate is increased by 3% and the value of the brands is subsequently reduced by a further 30% still results in a higher total valuation for the Group's brands than the reported values. Management therefore concludes that no reasonable changes in the key assumptions would lead to a significant decrease in the estimated value in use at an aggregate level.

Fiscal year	Goodwill	Brands	Capitalised expenditure on development work	Total
2022				
Opening book value	-	-	-	-
Acquisitions for the year	714	437 030	6 033	443 777
Amortisation for the year	-	-	-148	-148
Closing book value	714	437 030	5 885	443 629
As of 2022-12-31				Total
Acquisition value	714	437 030	6 033	443 777
Recognised value	714	437 030	5 885	443 629
Fiscal year				Total
2023				
Opening book value	714	437 030	5 885	443 629
Acquisition for the year		288 740	10 575	299 315
Revaluation of additional contingent considerations		-87 087	-	-87 087
Other capitalisations adjustments		16 136		
Impairment losses for the year	-714	-92 180	-	-92 894
Amortisation for the year	-	-	-881	-881
Closing book value	-	562 639	15 579	562 082
As of 2023-12-31				Total
Acquisition value	714	638 683	16 608	656 005
Accumulated depreciation	-714	-92 180	-	-92 894
Accumulated amortisation	-	-	-1 029	-1 029
Recognised value	-	546 503	15 579	562 082

Note 14 Leases

The following amounts related to leases are recognised in the balance sheet:

<i>Right-of-use asset</i>	2023-12-31	2022-12-31
Offices	2 361	4 134
Vehicles	131	228
Total	2 492	4 362

<i>Leasing liabilities</i>	2023-12-31	2022-12-31
Long term	574	2 778
Short term	2 204	1 901
Total	2 778	4 679

Additional right-of-use assets in 2023 amount to SEK 0 (SEK 4,362,000).

The following amounts related to leases are recognised in the balance sheet:

<i>Amortisation of right-of-use assets</i>	2023-01-01 2023-12-31	2022-12-31 2022-12-31
Offices	1 869	1 181
Vehicles	98	65
Total	1 967	1 246

<i>Other</i>	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Interest expense (included in financial expenses)	250	221
Total	250	221

Note 15 Inventories

The value of the Group's inventory at December 31, 2023 is SEK 95,703,000 (65,230,000).

Cost of goods sold is included in the item Cost of goods sold in the income statement and amounts to SEK -177,641,000 (35,595,000).

Inventories consists of finished goods.

Valuation of inventories

The Group recognises inventories of SEK 95,703,000 (65,230,000). All subsidiaries in the Group have booked obsolescence reserve that varies between 2% and 3% depending on the type of product sold by the subsidiary. The majority of subsidiaries sell products that do not have an expiry date, these companies' obsolescence reserve are at the lower end of the range. Subsidiaries with products that have an expiry date are at the higher end of the range. The outgoing obsolescence reserve amounts to SEK 1,896,000.

Not 16 Financial instruments by category

2022-01-01	Financial assets measured at fair value through profit and loss	Financial assets measured at acquisition value	Total
<i>Financial assets in the balance sheet</i>			
Cash and cash equivalents	-	3 369	3 369
Total	-	3 369	3 369

2022-01-01	Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at acquisition value	Total
<i>Financial liabilities in the balance sheet</i>			
Liabilities to credit institutions (long- and short-term)	-	1 389	1 389
Other long-term liabilities	-	800	800
Trade payables	-	882	882
Other current liabilities	-	1 136	1 136
Total	-	4 207	4 207

2022-12-31	Financial assets measured at fair value through profit and loss	Financial assets measured at acquisition value	Total
<i>Financial assets in the balance sheet</i>			
Other current receivables	-	27 972	27 972
Cash and cash equivalents	-	159 242	159 242
Total	-	187 214	187 214

2022-12-31	Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at acquisition value	Total
<i>Financial liabilities in the balance sheet</i>			
Bonds and notes	-	269 457	269 457
Liabilities to credit institutions (long- and short-term)	-	1 313	1 313
Other long-term liabilities	10 088	2 778	12 866
Contingent considerations	-	-	-
Trade payables	-	12 678	12 678
Other current liabilities	89 069	96 987	186 056
Total	99 157	383 213	482 370

2023-12-31	Financial assets measured at fair value through profit and loss	Financial assets measured at acquisition value	Total
<i>Financial assets in the balance sheet</i>			
Other current receivables	-	24 044	24 044
Cash and cash equivalents	-	14 742	14 742
Total	-	38 786	38 786

2023-12-31	Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at acquisition value	Total
<i>Financial liabilities in the balance sheet</i>			
Bonds and notes	-	523 269	523 269
Liabilities to credit institutions (long- and short-term)	-	45 417	45 417
Other long-term liabilities	29 807	-	29 807
Trade payables	-	7 769	7 769
Other current liabilities	62 444	-	62 444
Total	92 251	576 455	668 706

Financial liabilities at fair value through profit or loss

Level 3 includes liabilities relating to contingent considerations, for which fair value has been calculated in cases where the timing of the outcome can be determined with certainty and the effect is significant for the Group. The calculation is made by valuing the contingent consideration at the time of acquisition at the historical probability that a contingent consideration will be paid. In all cases, the contingent consideration is based on future sales or profits.

Go North Group AB monitors the performance of the brand on a quarterly basis and adjusts the contingent consideration based on the valuation model established by management. Some form of over/underperformance is required for the contingent consideration to be adjusted.

Contingent considerations (level 3)

Opening value	99 157
Additional/adjusted contingent considerations	71 346
Differences in cancelled/adjusted contingent considerations	-78 252
Closing value	92 251

Note 17 Other current receivables

<i>Other current receivables</i>	2023-12-31	2022-12-31
Amazon	24 044	27 972
Deposit with Amazon	12 285	-
Other receivables	4 354	2 320
Total	40 683	30 292

Settlement with Amazon takes place in 14-day intervals. The dates vary depending on the subsidiary's specific agreement with Amazon.

Note 18 Prepaid expenses and accrued income

<i>Prepaid expenses and accrued income</i>	2023-12-31	2022-12-31
Prepaid rents	398	1 089
Prepaid goods	5 588	7 720
Other	1 642	101
Total	7 628	8 910

Note 19 Cash and cash equivalents

<i>Cash and cash equivalents</i>	2023-12-31	2022-12-31
Bank balances	14 609	136 573
Cash and cash equivalents	133	-
Blocked funds	-	22 669
Total	14 742	159 242

Blocked funds refer to unutilised funds in approved bonds. The capital could only be utilised for the acquisition of brands.

Note 20 Share capital and other contributed capital

	Number of shares	Share capital	Other contributed capital
As of 2022-01-01	1 278 779	46	5 778
New share issue	496 266	18	
Shareholders' contribution			234 270
Bonus issue		436	
As of 2022-12-31	1 775 045	500	240 048
New issue			
Issuing costs			-2 038
Shareholders' contribution			47 378
Bonus issue			
As of 2023-12-31	1 775 045	500	285 388

As of December 31 2023, the share capital consists of 1,775,045 ordinary shares with a quota value of SEK 0,28. The ordinary shares have 1 vote per share.

The number of shares shall not be less than 693,000 and a maximum of 2,772,000 shares. The share capital may not be less than SEK 500,000 and not more than SEK 2,000,000. All shares issued by the parent company are fully paid.

Note 21 Deferred tax liabilities

Deferred tax liabilities are distributed as follows:

Deferred tax liabilities	Total
As of 2022-12-31	16 662
Change	-
As of 2023-12-31	16 662

Go North does not recognise deferred tax assets on tax losses. For further information on the size of tax losses, see Note 10.

Note 22 Interest-bearing liabilities

Long-term loans	2023-12-31	2022-12-31
Bonds and notes	-	280 000
Set-up costs	-	-10 543
Revolving facility	45 354	-
Liabilities to Credit institutions	-	1 313
Total	45 354	270 770
Short-term loans		
Bonds and notes	542 304	-
Set-up costs	-19 035	-
Liabilities to Credit institutions	63	-
Total	523 332	-
Total amount of loans	568 686	270 770
Maturity structure of loans		
Within 1 year	568 686	-
1-2 years	-	270 770
2-3 years	-	-
Total	568 686	270 770

The Group has issued a bond consisting of a SEK tranche with a nominal value of SEK 362,500,000 and a USD tranche with a nominal value of USD 17,850,000, the bond is listed on the Frankfurt Stock Exchange. The bond matures in 2026, the SEK tranche has an interest rate of STIBOR 3 months +11% per annum, the USD tranche has an interest rate of SOFR 3 months +11% per annum. According to the terms and conditions of the bond, certain financial covenants must be met such as net debt/EBITDA adjusted and must not exceed 5.5. In addition, a liquidity requirement also applies.

During the year, the Group failed to fulfil the financial covenants and as a result of IAS 1 paragraph 69, the bond has been reclassified as a current liability. During the year, the Group also raised a Revolving Credit Facility with a nominal value of SEK 50,000,000 for an amount of USD 4,535,000 with an interest rate of SOFR 3 months +6.26% per annum, the Group has fully utilised the facility during the year.

The Group, having failed to meet the financial covenants, has initiated a dialogue with the bondholders and applied for a waiver to address the covenant breach. All liabilities mature within 1-3 years.

Note 23 Other long-term liabilities

Other long-term liabilities	2023-12-31	2022-12-31
Contingent considerations	29 807	10 088
Total	29 807	10 088

Note 24 Other provisions

Other provisions	2023-12-31	2022-12-31
Guarantee commitments	3 126	-
Total	3 126	-

Note 25 Other current liabilities

Other current liabilities	2023-12-31	2022-12-31
Brand purchases	-	96 987
Contingent considerations	62 444	89 069
Other	10 615	7 797
Total	73 059	193 853

Note 26 Accrued expenses and deferred income

<i>Accrued expenses and deferred income</i>	2023-12-31	2022-12-31
Accrued interest expense	12 345	8 028
Accrued payroll related costs	3 515	1 112
Brand related costs	-	3 901
Other	5 419	1 671
Total	21 279	14 712

Note 27 Pledged assets and contingent liabilities

<i>Pledged assets</i>	2023-12-31	2022-12-31
Commercial mortgages	1 500	3 300
Bonds and notes		
Pledged Shared in Go North Rocket 1 AB	464	
Pledged Shared in Go North Rocket 2 AB	73	
Pledged Shared in Go North Rocket 3 AB	269	
Pledged Shared in Go North Rocket 4 AB	4 424	
Pledged Shared in Go North Rocket 5 AB	625	
Pledged Shared in Go North Rocket 6 AB	1 625	
Pledged Shared in Go North Rocket 7 AB	56	
Pledged Shared in Go North Rocket 8 AB	3 425	
Pledged Shared in Go North Rocket 9 AB	47	
Pledged Shared in Go North Rocket 10 AB	3 217	
Pledged Shared in Go North Rocket 11 AB	4 025	
Pledged Shared in Go North Rocket 12 AB	625	
Pledged Shared in Go North Rocket 13 AB	146	
Pledged Shared in Go North Rocket 14 AB	39	
Pledged Shared in Go North Rocket 15 AB	3 025	
Pledged Shared in Go North Rocket 16 AB	3 425	
Pledged Shared in Go North Rocket 17 AB	1 375	
Pledged Shared in Go North Rocket 18 AB	725	
Pledged Shared in Go North Rocket 19 AB	25	
Pledged Shared in Go North Rocket 20 AB	145	
Pledged Shared in Go North Rocket 21 AB	2 725	
Pledged Shared in Go North Rocket 22 AB	2 325	
Pledged Shared in Go North Rocket 23 AB	590	
Pledged Shared in Go North Rocket 24 AB	56	
Pledged Shared in Go North Rocket 25 AB	51	
Pledged Shared in Go North Rocket 26 AB	38	
Pledged Shared in Go North Rocket 27 AB	25	
Pledged Shared in Go North Rocket 28 AB	25	
Pledged Shared in Go North Rocket 29 AB	25	
Pledged Shared in Go North Rocket 30 AB	25	
Pledged Shared in Go North Rocket 31 AB	25	
Pledged Shared in Go North Rocket 32 AB	25	
Pledged Shared in Go North Rocket 33 AB	25	
Pledged Shared in Go North Rocket 34 AB	25	
Pledged Shared in Go North Rocket 35 AB	25	
Pledged Shared in Go North Rocket 36 AB	80	
Pledged Shared in Jodgo AB	260	
Total	35 630	3 300

Note 28 Transactions with related parties

Go North Group Holding AB owns 100% of the parent company's shares and has a controlling influence over the Group. Related parties are all subsidiaries within the Group and senior executives of the Group and their related parties. Transactions are conducted on an arm's length basis.

Note 29 Changes in liabilities related to financing activities

	2022-01-01	Cash inflow	Cash outflow	Non-cash items affecting cash flow	2022-12-31
Leasing debt	-	-	-	4 679	4 679
Bonds and notes	-	269 457	-	-	269 457
Liabilities to credit institutions	1 389	813	-890	-	1 312
Overdraft facility	800	-	-800	-	-
Total	2 189	270 270	-1 690	4 679	275 448

	2023-01-01	Cash inflow	Cash outflow	Non-cash items affecting cash flow	2023-12-31
Leasing debt	4 679	-	-	-1 901	2 778
Bonds and notes	269 457	269 800	-	-15 988	523 269
Liabilities to credit institutions	1 313	-	-1 250	-	63
Revolving facility	-	47 760	-	-2 406	45 354
Total	275 449	317 560	-1 250	-20 295	571 464

Cash inflow and outflow together with acquisition costs for the bond of SEK 19,034,000 totalled SEK 297,276,000

Note 30 Adjustment for items not included in the cash flow

	2023-12-31	2022-12-31
Impairment losses and depreciation	95 139	1 463
Other	1 291	-
Total	96 430	1 463

Note 31 Events after the end of the reporting period

After the reporting period, on January 25, 2024, the Group announced a written process for existing bonds, capitalised the next interest payment on these and issued new senior bonds. The written process was approved on February 16, securing a more favourable debt and liquidity situation for the Group going forward. This included lower interest rates on existing bonds, more flexibility in payment terms and the removal of certain covenants along with the issuance of USD 10 million of new senior bonds. Thus, existing bonds were reclassified as long-term debt in Q1 2024. This agreement with the bondholders also meant that 20% of the shares in Go North Group AB will accrue to the bondholders through a set-off issue in the form of convertible bonds.

The amended interest rate terms for the bonds mean that Go North will pay SOFR (Secured Overnight Financing Rate, a US interest rate index) + 5.76161% interest on the new senior bond quarterly in cash and 15% PIK (Payment In Kind, i.e. it is added to the debt instead of being paid in cash) semi-annually on the remainder of the previous bond (now the junior bond) and on the added backstop fee note. The interest rate on the junior bond can also be 10% if paid in cash, but this is only allowed if a certain proportion of the current RCF (super senior bank loan) and senior bond is amortized. There is also the option for Go North to pay two optional future interest payments on the senior bond in the form of PIK, which provides further flexibility to secure liquidity.

In terms of covenants, the main change is that the net debt to adjusted EBITDA covenant has been removed and the liquidity covenant has been amended so that Go North must have SEK 30 million in cash and cash equivalents at the end of each month.

On 22 March 2024, Go North announced that then CEO Johan Hallenby would leave his position on April 1 and be succeeded by Ryan Looyen. It was also announced that Johan Hallenby would continue to work within Go North as a working board member. However, the CEO change did not officially take place in April, but will instead take place in May.

A few brands have performed significantly worse than expected in Q1 and it cannot be ruled out that there is a need to write down the brands in Q1.

Go North Group AB

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PARENT COMPANY INCOME STATEMENT

Amount in KSEK	Note	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Operating income			
Net sales	33, 49	97 561	71 792
Capitalized work on own account		10 811	5 885
Cost of goods sold		-	-65 326
Gross profit		108 372	12 351
Administrative expenses	34, 36	-305 422	-59 367
Other operating income	37	2 741	7 401
Other operating expenses	38	-	-6 796
Operating profit		-194 309	-46 411
Result from participations in subsidiaries		2 542	-7 430
Financial income	39	13 473	939
Financial expenses	39	-113 329	-22 181
Financial items - net		-97 314	-28 672
Profit/loss after financial items		-291 623	-75 083
Appropriations (group contributions)		9 843	-
Profit/loss before tax		-281 780	-
Deferred tax		3 888	-
Taxes on profit for the year	40	-	-
Net profit for the year		-277 892	-75 083

In the parent company, there are no items recognised as other comprehensive income, which is why total comprehensive income corresponds to net profit for the year.

Go North Group AB
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PARENT COMPANY BALANCE SHEET
Amount in KSEK

	Note	2023-12-31	2022-12-31
Assets			
Fixed assets			
<i>Intangible assets</i>			
Brands	36, 41	438 526	416 795
Other intangible assets	36, 41	15 579	5 885
Total intangible assets		454 105	422 680
<i>Tangible assets</i>	36	847	713
Total fixed assets		454 952	423 393
<i>Financial fixed assets</i>			
Shares in group companies	11, 27	34 130	5 560
Total financial fixed assets		34 130	5 560
Total fixed assets		489 082	428 953
Current assets			
<i>Inventories</i>	15	-	705
<i>Short-term receivables</i>			
Receivables from group companies		155 014	92 590
Accounts receivables		89	-
Other receivables	42	848	16 926
Prepaid expenses and accrued income	43	1 960	9 024
Total current receivables		157 911	118 540
<i>Cash and cash equivalents</i>	44	2 933	137 776
Total current assets		160 844	257 021
TOTAL ASSETS		649 926	685 974

PARENT COMPANY BALANCE SHEET
Amount in KSEK

	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity capital			
	20		
<i>Restricted equity capital</i>			
Share capital		500	500
Fund for development expenditures		15 555	5 885
Total restricted equity capital		16 055	6 385
<i>Non-restricted equity capital</i>			
Other contributed capital		272 581	234 873
Profit or loss carried forward		-77 257	-2 174
Net profit for the year		-277 893	-75 083
Total non-restricted equity capital		-82 569	157 616
Total equity capital		-66 514	164 001
Long-term liabilities			
Bonds and notes		-	269 457
Liabilities to credit institutions	45	45 354	1 313
Deferred tax liabilities		12 775	16 662
Other liabilities	4, 46	29 807	10 088
Total long-term liabilities		87 936	297 520
Current liabilities			
Bonds and notes	45	523 269	-
Trade payables		3 805	12 545
Liabilities to group companies		800	-
Liabilities to credit institutions	45	63	-
Other liabilities	47	83 700	197 996
Accrued expenses and deferred income	48	16 867	13 912
Total current liabilities		628 504	224 453
TOTAL EQUITY AND LIABILITIES		649 926	685 974

Go North Group AB

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PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

KSEK	Restricted equity			Unrestricted equity			Total
	Share capital	Fund for development expenditures	Share premium account	Other	Profit or loss carried forward	Net profit for the year	
2022-01-01	47	-	5 778	233	-12	-2 162	3 884
Net profit for the year and comprehensive income	-	-	-	-	-	-75 083	-75 083
Carryover profit or loss from previous year	-	-	-	-	-2 162	2 162	-
Total comprehensive income	-	-	-	-	-2 174	-75 083	-77 257
<i>Transactions with shareholders</i>							
New share issue	17	-	80 183	-	-	-	80 200
Issuance costs	-	-	-	-	-	-	-
Allocation for fund for development expenditures	-	5 885	-5 885	-	-	-	-
Bonus issue	436	-	-176	-260	-	-	-
Shareholders' contributions	-	-	-	155 000	-	-	155 000
Dividends	-	-	-	-	-	-	-
Total transactions with shareholders	453	5 885	74 122	154 740	-	-	235 200
2022-12-31	500	5 885	79 900	154 973	-2 174	-75 083	164 001
2023-01-01	500	5 885	79 900	154 973	-2 174	-75 083	164 001
Net profit for the year and comprehensive income	-	-	-	-	-	-277 893	-277 893
Carryover profit or loss from previous year	-	-	-	-	-75 083	75 083	-
Total comprehensive income	-	-	-	-	-77 257	-277 893	-355 150
<i>Transactions with shareholders</i>							
New share issue	-	-	-	-	-	-	-
Allocation for fund for development expenditures	-	9 670	-9 670	-	-	-	-
Bonus issue	-	-	-	-	-	-	-
Shareholders' contributions	-	-	-	47 378	-	-	47 378
Dividends	-	-	-	-	-	-	-
Total transactions with shareholders	-	9 670	-9 670	47 378	-	-	47 378
2023-12-31	500	15 555	70 230	202 351	-77 257	-277 893	-66 514

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PARENT COMPANY CONSOLIDATED STATEMENT OF CASH FLOWS Amount in KSEK	Fiscal year	
	2023-01-01 Note 2023-12-31	2022-01-01 2022-12-31
<i>Cash flow from operating activities</i>		
Profit/loss after financial items	-291 623	-75 083
Adjustment for items not included in the cash flow	197 827	7 077
Cash flow from operating activities before changes from working capital	-93 796	-68 006
<i>Cash flow from changes in working capital</i>		
Increase/decrease in inventories	655	918
Change in current trade receivables	-60 929	-118 103
Change in current trade liabilities	-27 199	79 260
Total change in working capital	-87 473	-37 925
Cash flow from operating activities	-181 269	-105 931
<i>Cash flow from investing activities</i>		
Acquisition of subsidiaries net of cash and cash equivalents	-	-2 068
Investments in intangible fixed assets	-297 885	-256 099
Investments in tangible fixed assets	-343	-4 583
Cash flow from investing activities	-298 228	-262 750
<i>Cash flow from financing activities</i>		
Raising of debt	297 276	269 457
New share issue/shareholder contribution	47 378	234 431
Change in overdraft facilities	-	-800
Cash flow from financing activities	344 654	503 088
Reduction/increase of cash and cash equivalents	-134 843	134 407
Cash and cash equivalents at the beginning of the year	137 776	3 369
Cash and cash equivalents at the end of the year	2 933	137 776

PARENT COMPANY NOTES

Note 32 Parent company accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These principles have been applied consistently for all years presented, unless otherwise stated.

The annual accounts for the parent company have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. In cases where the Parent Company applies accounting principles other than the Group's accounting principles, which are described in Note 2 to the consolidated accounts, these are stated below.

The annual accounts have been prepared on the historical cost basis.

The preparation of financial statements in conformity with RFR 2 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the parent's accounting policies. The areas involving a higher degree of judgement, complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5 to the consolidated financial statements.

The Parent Company is exposed to a variety of financial risks through its activities: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Parent Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. For more information on financial risks, see note 3 to the consolidated financial statements.

The Parent Company applies different accounting policies from the Group in the cases set out below:

Forms of presentation

The income statement and balance sheet follow the format of the Annual Accounts Act. The statement of changes in equity follows the Group's format but must contain the columns specified in the Annual Accounts Act. Furthermore, there are differences in labelling, compared to the consolidated financial statements, mainly regarding financial income and expenses and equity.

Shareholders' contributions and group contributions

Group contributions paid by the Parent Company to subsidiaries and group contributions received by the Parent Company from subsidiaries are recognised as year-end appropriations. Shareholders' contributions paid are recognised in the Parent Company as an increase in the carrying amount of the investment and in the recipient company as an increase in equity.

Financial instruments

IFRS 9 is not applied in the Parent Company. The Parent Company instead applies the points stated in RFR 2 (IFRS 9 Financial Instruments, p. 3-10)

Financial instruments are measured on a historical cost basis. In subsequent periods, financial assets acquired with the intention of being held for the short term will be recognised in accordance with the lowest value principle at the lower of cost and market value. Derivative instruments with a negative fair value are recognised at this value.

When calculating the net realisable value of receivables recognised as current assets, the impairment testing and loss allowance principles in IFRS 9 shall be applied. For a receivable recognised at amortised cost at group level, this means that the loss risk allowance recognised in the group in accordance with IFRS 9 shall also be recognised in the parent entity.

Leased assets

The Parent Company has chosen not to apply IFRS 16 Leases, but has instead chosen to apply RFR 2 IFRS 16 Leases p. 2-12. This choice means that no right-of-use asset and lease liability are recognised in the balance sheet, but the lease payments are recognised as an expense on a straight-line basis over the lease term.

Brands

Brands are amortised over five years and tested for impairment at least annually.

Note 33 Net sales

The Parent Company has recognised the following amounts in the income statement relating to revenue:

Income	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Other internal income	97 351	71 685
Other income	210	107
Total income	97 561	71 792

Net sales by geographical market	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Sweden	97 561	71 792
USA	-	-
Total	97 561	71 792

The Parent Company's income relates to management fees paid to the subsidiaries. The transaction is carried out on an arm's length basis and follows the Group's transfer pricing policy.

Note 34 Remuneration of auditors

Remuneration of auditors	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Audit firm; PWC 2023 och Fineasity 2022.		
The audit assignment	200	150
Fees for audit-related services	291	45
Tax counseling	304	-
Other services	794	268
Total	1 589	463

Note 35 Average number of employees

All employees in the Group are employed by Go North Group AB, see note 7 for the summary.

Note 36 Amortisation and depreciation

Amortisation	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Brands	127 500	
Other intangible assets	2 750	148
Tangible fixed assets	209	67
Total	130 459	215

Impairment	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Brands	68 570	-
Goodwill	-	-
Total	68 570	-

Note 37 Other operating income

	2023-01-01	2022-01-01
Other operating income	2023-12-31	2022-12-31
Differences in exchange rates	2 597	7 401
Other	144	-
Total	2 741	7 401

Note 38 Other operating costs

	2023-01-01	2022-01-01
Other operating expenses	2023-12-31	2022-12-31
Differences in exchange rates	-	6 796
Total	-	6 796

Note 39 Interest income and similar income statement items and interest expense and similar income

	2023-01-01	2022-01-01
<i>Interest income and similar income statement items</i>	2023-12-31	2022-12-31
Interest income	2 489	939
Exchange rate revaluations	10 984	-
Total interest income and similar income statement items	13 473	939

	2023-01-01	2022-01-01
<i>Interest expense and similar income statement items</i>	2023-12-31	2022-12-31
Interest income, external	84 641	19 185
Exchange rate revaluations	-	1 736
Bond related costs	21 207	-
Other financial costs	7 481	1 260
Total interest expense and similar income statement items	113 329	22 181
Total financial items - net	-99 856	-21 242

Note 40 Taxes on profit/loss for the year

	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Current tax		
Current taxes on profit/loss for the year	-	-
Adjustments relating to previous years	-	-
Total current tax	-	-

The income tax on the Group's profit before tax differs from the theoretical amount that would have resulted from applying the Swedish tax rate to the results of the consolidated companies as follows:

	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Recognised tax		
Profit/loss before tax	-281 780	-75 083
Income tax calculated according to tax rate in Sweden 20.6%	58 047	15 467
Tax effect of:		
Non-taxable income	-	-
Non-deductible expense	-81	-3 947
Unrecognised temporary differences, loss carry-forwards	58 128	19 414
Total recognised tax	-	-

Unutilised tax losses for which no deferred tax assets has been recognised amount to SEK 58,020,000 for 2022. The deficit for 2023 has not yet been calculated but has no effect on the accounts as the Go North Group does not capitalise the losses. The interest deduction calculation has not yet been performed for 2023, where non-deductible costs are significantly lower compared to 2022.

Note 41 Intangible assets

Fiscal year 2022	Goodwill	Brands	Other intangible assets	Total
Opening book value	-	2 655	-	2 655
Acquisitions for the year	-	434 363	6 033	440 396
Amortisation for the year	-	-20 223	-148	-20 371
Closing book value	-	416 795	5 885	422 680

As of 2022-12-31	Total			
Acquisition value	-	437 018	6 033	443 051
Accumulated impairments	-	-20 223	-148	-20 371
Recognised value	-	416 795	5 885	422 680

Fiscal year 2023	Total			
Opening book value	-	416 795	5 885	422 680
Acquisition for the year	-	288 740	10 575	299 315
Revaluation of additional contingent considerations	-	-87 087	-	-87 087
Other capitalisations & adjustments	-	16 148	-	-
Impairment losses for the year	-	-68 570	-	-68 570
Amortisation for the year	-	-127 500	-881	-128 381
Closing book value	-	438 526	15 579	437 957

As of 2023-12-31	Total			
Acquisition value	-	638 671	16 608	655 279
Accumulated impairment losses	-	-68 570	-	-68 570
Accumulated depreciation and amortisation	-	-147 723	-1 029	-148 752
Recognised value	-	422 378	15 579	437 957

Note 42 Other receivables

<i>Other receivables</i>	2023-12-31	2022-12-31
Amazon clearing	-	13 290
VAT receivables	-	1 947
Claims of former brand owners	-	1 280
Other	848	409
Total	848	16 926

Note 43 Prepaid expenses and accrued income

<i>Prepaid expenses and accrued income</i>	2023-12-31	2022-12-31
Prepaid stock	-	7 918
Prepaid rents	398	999
Other	1 562	107
Total	1 960	9 024

Note 44 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include the following:

Cash and cash equivalents	2023-12-31	2022-12-31
Bank balances	2 800	115 107
Cash and cash equivalents	133	-
Blocked funds	-	22 669
Total	2 933	137 776

Blocked funds refer to unutilised funds in approved bonds. The capital could only be utilised for the acquisition of brands.

Note 45 Interest-bearing liabilities

Long-term	2023-12-31	2022-12-31
Bonds and notes	-	269 457
Overdraft facility	-	-
Liabilities to credit institutions	45 534	1 313
Total long-term	45 534	270 770
Short-term	2023-12-31	2022-12-31
Bonds and notes	523 269	-
Liabilities to credit institutions	63	-
Total short-term	523 332	-
Total borrowings	568 866	270 770

For liabilities to credit institutions, collateral has been provided in the form of floating charges. The Group met all covenants in 2022 and 2021 and in Q1 and Q2 2023 but in Q3 and Q4 2023 the Group did not meet the covenants on net debt/adjusted EBITDA and liquidity.

The parent company has issued a bond, with a nominal value of SEK 550,000,000 on the Frankfurt Stock Exchange, divided into a part in SEK and a part in USD. The bond matures in 2026 and bears interest at STIBOR 3 months +11% per annum for the part issued in SEK and Compounded Daily SOFR +11% per annum for the part issued in USD. Under the terms of the bond, certain financial covenants must be met such as net debt/adjusted EBITDA and liquidity, which may not exceed or fall below certain agreed levels during the term of the loan. The parent company has not fulfilled all bond conditions during the current year, after which the parties concerned have been informed and negotiations have been initiated. The bond conditions that have not been met relate to net debt/adjusted EBITDA and liquidity.

The carrying amount of the pledged financial and non-financial assets is disclosed in note 27. All long-term liabilities mature within 1-2 years.

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The carrying amount of the pledged financial and non-financial assets is disclosed in note 27. All long-term liabilities mature within 1-2 years.

Note 46 Other long-term liabilities

<i>Other long-term liabilities</i>	2023-12-31	2022-12-31
Contingent considerations	29 806	10 088
Total	29 806	10 088

Note 47 Other current liabilities

<i>Other current liabilities</i>	2023-12-31	2022-12-31
Brand purchases	-	96 987
Contingent considerations	62 444	90 094
VAT liability	19 329	-
Other	1 927	10 915
Total	83 700	197 996

Note 48 Accrued expenses and deferred income

<i>Accrued expenses and deferred income</i>	2023-12-31	2022-12-31
Accrued interest expense	12 345	8 028
Accrued payroll related costs	841	1 111
Accrued brand costs	-	4 773
Other	3 681	-
Total	16 867	13 912

Note 49 Pledged assets and contingent liabilities

<i>Pledged assets</i>	2023-12-31	2022-12-31
Commercial mortgages	1 500	3 300
Bonds and notes		
Pledged Shared in Go North Rocket 1 AB	464	
Pledged Shared in Go North Rocket 2 AB	73	
Pledged Shared in Go North Rocket 3 AB	269	
Pledged Shared in Go North Rocket 4 AB	4 424	
Pledged Shared in Go North Rocket 5 AB	625	
Pledged Shared in Go North Rocket 6 AB	1 625	
Pledged Shared in Go North Rocket 7 AB	56	
Pledged Shared in Go North Rocket 8 AB	3 425	
Pledged Shared in Go North Rocket 9 AB	47	
Pledged Shared in Go North Rocket 10 AB	3 217	
Pledged Shared in Go North Rocket 11 AB	4 025	
Pledged Shared in Go North Rocket 12 AB	625	
Pledged Shared in Go North Rocket 13 AB	146	
Pledged Shared in Go North Rocket 14 AB	39	
Pledged Shared in Go North Rocket 15 AB	3 025	
Pledged Shared in Go North Rocket 16 AB	3 425	
Pledged Shared in Go North Rocket 17 AB	1 375	
Pledged Shared in Go North Rocket 18 AB	725	
Pledged Shared in Go North Rocket 19 AB	25	
Pledged Shared in Go North Rocket 20 AB	145	
Pledged Shared in Go North Rocket 21 AB	2 725	
Pledged Shared in Go North Rocket 22 AB	2 325	
Pledged Shared in Go North Rocket 23 AB	590	
Pledged Shared in Go North Rocket 24 AB	56	
Pledged Shared in Go North Rocket 25 AB	51	
Pledged Shared in Go North Rocket 26 AB	38	
Pledged Shared in Go North Rocket 27 AB	25	
Pledged Shared in Go North Rocket 28 AB	25	
Pledged Shared in Go North Rocket 29 AB	25	
Pledged Shared in Go North Rocket 30 AB	25	
Pledged Shared in Go North Rocket 31 AB	25	
Pledged Shared in Go North Rocket 32 AB	25	
Pledged Shared in Go North Rocket 33 AB	25	
Pledged Shared in Go North Rocket 34 AB	25	
Pledged Shared in Go North Rocket 35 AB	25	
Pledged Shared in Go North Rocket 36 AB	80	
Pledged Shared in Jodgo AB	260	
Total	35 630	3 300

Note 50 Transactions with related parties

Go North Group AB owns 100% of the parent company's shares and has a controlling influence over the Group. Related parties are all subsidiaries within the Group and senior executives of the Group and their related parties. Transactions are conducted at arm's length where applicable.

The following transactions have taken place with related parties:

(a) Sales of goods and services	2023-12-31	2022-12-31
Transfer of stock from parent company to subsidiary	-	71 685
Management fees	97 351	-
Total	97 351	71 685

(b) Purchases of goods and services	2023-12-31	2022-12-31
License fees	2 925	2 400
Total	2 925	2 400

Receivables and payables at year-end arising from sales and purchases of goods and services

	2023-12-31	2022-12-31
<i>Claims on related parties:</i>		
Management fees	97 351	-
Internal transfers	56 863	91 359
Total	154 214	91 359

The Group does not have any provisions for doubtful debts attributable to related parties. The Group has also not recognised any expenses relating to doubtful receivables from related parties during the period. No collateral is pledged for the receivables.

Receivables from related parties mainly arise from sales transactions and are due 2 months after the date of sale.

Note 51 Events after the end of the reporting period

Significant events after the end of the financial period

After the reporting period, on January 25, 2024, the Group announced a written process for existing bonds, capitalised the next interest payment on these and issued new senior bonds. The written process was approved on February 16, securing a more favourable debt and liquidity situation for the Group going forward. This included lower interest rates on existing bonds, more flexibility in payment terms and the removal of certain covenants along with the issuance of USD 10 million of new senior bonds. Thus, existing bonds were reclassified as long-term debt in Q1 2024. This agreement with the bondholders also meant that 20% of the shares in Go North Group AB will accrue to the bondholders through a set-off issue in the form of convertible bonds.

The amended interest rate terms for the bonds mean that Go North will pay SOFR (Secured Overnight Financing Rate, a US interest rate index) + 5.76161% interest on the new senior bond quarterly in cash and 15% PIK (Payment In Kind, i.e. it is added to the debt instead of being paid in cash) semi-annually on the remainder of the previous bond (now the junior bond) and on the added backstop fee note. The interest rate on the junior bond can also be 10% if paid in cash, but this is only allowed if a certain proportion of the current RCF (super senior bank loan) and senior bond is amortized. There is also the option for Go North to pay two optional future interest payments on the senior bond in the form of PIK, which provides further flexibility to secure liquidity.

In terms of covenants, the main change is that the net debt to adjusted EBITDA covenant has been removed and the liquidity covenant has been amended so that Go North must have SEK 30 million in cash and cash equivalents at the end of each month.

On 22 March 2024, Go North announced that then CEO Johan Hallenby would leave his position on April 1 and be succeeded by Ryan Looyen. It was also announced that Johan Hallenby would continue to work within Go North as a working board member. However, the CEO change did not officially take place in April, but will instead take place in May.

A few brands have performed significantly worse than expected in Q1 and it cannot be ruled out that there is a need to write down the brands in Q1.

The consolidated income statement and balance sheet will be submitted to the Annual General Meeting for adoption.

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results. The annual accounts have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the financial position and performance of the parent company.

The management report for the Group and the Parent company gives a true and fair view of development of the Group's and the Parent Company's business, financial position and results of operations and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Chairman

Member of the board

Alexander Hars

Magnus Wiberg

CEO

Johan Hallenby

Our audit report was submitted

Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant