



Go North[®]

Financial Monthly Report

September 2022



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Update from CEO/Founder

Go North is delighted that in September, we proved that we could execute against our previously communicated strategy, by delivering the first reported profitable month, contributing a positive EBITDA of kSEK 451.

As previously announced, Go North completed a new equity round among existing investors of approximately. mSEK 75, with an open and ongoing new share issue for co-investors of mSEK 150 in aggregate is a great step forward and will put Go North in a stronger financial position. Go North knows how to source and acquire great Amazon brands, at good prices, and has the right team in place to take care of continued organic profit growth post-acquisition.

Despite increasing inflation and cost of living, the timing for Go North from a macroeconomic outlook comes with big potential. The company's continued successful fundraising, trending decrease in acquisition multiples, and less competition among acquirers in the Amazon space, present a great opportunity for positioning Go North ahead of the competition.

In Go North's strive towards operational excellence, over the last month, we've grown and strengthened the team to approximately 30 people, with a significant increase in Amazon seller and ex-aggregator experience. Through a team offsite, we've also aligned all functions of the organization to the group OKRs, gone live with our ERP system, standardized the M&A process through work management tools, and continued to improve the employee NPS.

In summary, whilst Go North remains a learning organization, we're very pleased with the progress of the month. The group continues to demonstrate our ability to raise, deploy and prove. However, the team is also driven and excited by the potential opportunities in Q4 and beyond, and we believe Go North is on the right pathway to best capitalize on the opportunities presented.

Best regards,

Johan Hallenby

CEO/Founder

#Go People
#Go Fair
#Go Green
#Go Secure
#Go Data

PROFIT & LOSS

P&L 2022									
(in SEK '000)	Jan	Feb	Mars	April	May	June	July	Aug	Sept
Revenue	505	1,094	2,476	2,322	2,517	4,586	6,376	12,367	14,882
Production and shipping	(99)	(253)	(430)	(412)	(406)	(881)	(1,180)	(2,522)	(3,050)
Gross profit 1	406	841	2,046	1,910	2,112	3,704	5,196	9,845	(11,832)
Gross margin 1 %	80%	77%	83%	82%	84%	81%	82%	80%	80%
FBA and selling fees	(230)	(347)	(1,039)	(926)	(1,103)	(2,003)	(2,800)	(5,260)	(5,329)
Gross profit 2	175	493	1,007	984	1,009	1,702	2,396	4,585	6,502
Gross margin 2 %	35%	46%	41%	42%	40%	37%	38%	37%	44%
Ads and branding	(96)	(393)	(398)	(551)	(618)	(1,408)	(1,792)	(1,924)	(2,238)
Gross profit 3	79	100	609	433	391	294	603	2,661	4,264
Gross margin 3 %	16%	9%	25%	19%	16%	6%	9%	22%	29%
Personnel costs	(128)	(285)	(458)	(497)	(971)	(1,260)	(1,280)	(1,277)	(1,647)
Consultants	(142)	(111)	(331)	(350)	(558)	(680)	(476)	(738)	(1,023)
Office expenses	(12)	(12)	(14)	(38)	(240)	(182)	(150)	(177)	(225)
Software etc	(89)	(21)	(55)	(163)	(182)	(134)	(145)	(228)	(335)
Other external costs	(119)	(135)	(112)	(571)	(616)	(421)	(524)	(588)	(475)
Acquisition costs	(61)	(144)	(157)	(79)	(142)	(70)	(207)	(214)	(107)
Total opex	(550)	(708)	(1,127)	(1,699)	(2,708)	(2,747)	(2,781)	(3,222)	(3,813)
Opex/revenue %	109%	65%	46%	73%	108%	60%	44%	26%	26%
EBITDA	(470)	(608)	(518)	(1,265)	(2,316)	(2,453)	(2,178)	(561)	451
EBITDA %	(93%)	(56%)	(21%)	(54%)	(92%)	(53%)	(34%)	(5%)	3%
Non-recurring costs	61	144	157	79	142	70	207	214	107
Adjusted EBITDA	(410)	(464)	(361)	(1,186)	(2,175)	(2,383)	(1,971)	(347)	558
Adjusted EBITDA %	(81%)	(42%)	(15%)	(51%)	(86%)	(52%)	(31%)	(3%)	4%
Depreciation	(45)	(144)	(204)	(369)	(369)	(634)	(1,023)	(1,029)	(2,550)
Financial costs	(23)	(31)	(51)	(19)	(33)	(140)	(1,156)	(2,599)	(2,644)
One-off financial costs	0	0	0	0	0	0	(131)	(275)	(278)
Earnings	(539)	(783)	(772)	(1,654)	(2,719)	(3,227)	(4,488)	(4,464)	(5,021)
Earnings %	(107%)	(72%)	(31%)	(71%)	(108%)	(70%)	(70%)	(36%)	(34%)



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BALANCE SHEET

Balance sheet			
(in SEK '000)	30/09/2022	30/09/2021	31/12/2021
Non-current assets			
Intangible assets	161,685	0	2,655
Tangible assets	578	9	8
Total non-current assets	162,263	9	2,664
Current assets			
Inventories	32,152	678	1,623
Stock in transit	1,603		
Accounts receivable	8,643	0	166
Other current assets	2,605	16	151
Prepaid expenses and accrued income	60,713	19	120
Escrow account	98,264	0	0
Cash and cash equivalents	10,468	1,002	3,369
Total current assets	214,448	1,715	5,429
Total assets	376,711	1,724	8,092
Equity			
Share capital	45	25	45
Other contributed capital	136,077	1,783	6,063
Retained earnings including earnings for the period	(25,592)	(1,183)	(2,224)
Total equity	110,530	625	3,884
Long-term liabilities			
Bond loan	215,485	0	0
Bank loan	1,938	700	2,189
Total long-term liabilities	217,423	700	2,189
Current liabilities			
Accounts payable	3,782	490	882
Current tax liabilities	0	0	0
Stability payment	31,457	0	1,134
Other current liabilities	5,855	(75)	2
Accrued expenses and deferred income	7,664	(16)	0
Total current liabilities	48,758	399	2,019
Total equity and liabilities	376,711	1,724	8,092



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CASH FLOW

Cash Flow					
(in SEK '000)	Sept/2022	Jan-Sep 2022	H1 2022	H1 2021	2021
Operating activities					
EBITDA	451	(9,920)	(7,631)	(502)	(2,101)
Financial posts	(2,922)	(7,381)	(298)	(12)	(57)
Tax	0	0	0	0	0
Operating cash flow before changes in working capital	(2,471)	(17,301)	(7,929)	(514)	(2,159)
Net cash flow from changes in working capital					
Increase (-)/Decrease (+) of inventory	132	(32,132)	(6,745)	(195)	(1,604)
Increase (-)/Decrease (+) of prepaid inventory	(6,873)	(9,580)	0	0	0
Increase (-)/Decrease (+) of receivables	(52,879)	(61,643)	(3,369)	6	(334)
Increase (+)/Decrease (-) of liabilities	(27,219)	46,739	9,543	(143)	1,818
Cash flow from changes in working capital	(86,840)	(56,617)	(571)	(332)	(120)
Cash flow from operating activities	(89,311)	(73,918)	(8,499)	(846)	(2,278)
Investing activities					
Acquisition of brands	0	(150,365)	(51,126)	0	(2,655)
Acquisition of bonds	0	(15,000)	0	0	0
Acquisition of fixed assets	(78)	(601)	(384)	(3)	(3)
Cash flow from investing activities	(78)	(165,966)	(51,510)	(3)	(2,658)
Financing activities					
New issue of shares	49,959	130,013	80,054	109	6,033
New bond loans	38	215,485			
New loans	0	1,500	1,500	657	2,200
Loan repayment	(113)	(1,751)	(1,411)	0	(11)
New stability payments	0	0	0	0	0
Cash flow from financing activities	49,884	295,363	80,142	766	8,223
Cash flow for the period					
Cash of the beginning of the period	148,236	3,369	3,369	83	83
Net change in escrow account	(37,855)	98,264	0	0	0
Net change in cash and cash equivalents	(1,649)	7,099	20,133	(83)	3,286
Escrow at the end of the period	98,264	98,264	0	0	0
Cash at the end of the period	10,468	10,468	23,502	(0)	3,369



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ORGANIC GROWTH GROUP EBITDA

	Breakdown of change in Group pro forma				
	Group pro forma (LTM)	Group pro forma (LTM)	Change in Group pro forma (LTM)	Acquired brands pro forma (LTM)	Organic growth pro forma (LTM)
(in SEK '000)	Apr-22	Sept-22	Apr-22 vs. Sept-22	Sept-22	Apr-22 Sept-22
Revenue	40,112	167,346	127,234	93,818	33,416
Other income	17	147	130	0	130
Total income	40,129	167,493	127,364	93,818	33,546
Cost of goods sold	(7,612)	(37,401)	(29,789)	(23,582)	(6,207)
Gross profit	32,517	130,092	97,576	70,236	27,339
Gross margin %	81%	78%	77%	75%	81%
Selling expenses	(21,175)	(88,660)	(67,485)	(44,815)	(22,670)
Other external operating expenses	(3,909)	(12,308)	(8,399)	0	(8,399)
Personnel	(1,420)	(7,839)	(6,419)	0	(6,419)
EBITDA	6,013	21,285	15,273	25,421	(10,149)
EBITDA %	15%	13%	12%	27%	(30%)
Adjustments	590	1,239	649	0	649
Adj. EBITDA	6,603	22,524	15,922	25,421	(9,500)
Adj. EBITDA %	16%	13%	13%	27%	(28%)

TABLE BLOCKED ACCOUNT

Blocked Proceeds

(in SEK '000)	Date
Opening balance	201,563* 15/07/2022
Initial release proceeds	(19,806) 15/07/2022
Organic growth release proceeds	
Acquisitions release proceeds	(45,638) 03/08/2022
Acquisitions release proceeds	(9,544) 07/09/2022
Acquisitions release proceeds	(28,310) 07/09/2022
Closing balance	98,264 30/09/2022

* Less bonds held by the company and transaction costs



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