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## Go North has agreed with certain bondholders and the super senior RCF lender on a proposal in principle regarding the group's future capital structure

**Go North Group AB (publ) ("Go North") presented its Q3 2023 financial report on 30 November 2023 and in connection therewith it was acknowledged that Go North had breached its financial covenants under its senior secured bonds with ISINs NO0012829847 (SEK Tranche) and NO0012829854 (USD Tranche) (the "Existing Bonds") resulting in an outstanding event of default under the terms and conditions of the Existing Bonds.**

In response to this, Go North has worked together with certain larger holders of the Existing Bonds as well as the super senior RCF lender (the "**RCF Lender**") to find a long-term viable solution. The parties have agreed on a proposal in principle regarding the future capital structure of Go North and its subsidiaries and Go North expects to launch a formal written procedure for the Existing Bonds at the end of January 2024 to implement the proposal in principle. Holders of Existing Bonds (the "**Bondholders**") representing approximately 41% of the Existing Bonds, the RCF Lender and Go North's major shareholders are all willing to support and work to finalise a solution in accordance with the proposal in principle.

The proposal in principle will include the following key commercial items. The full details of the proposal will be included in the written procedure.

- a. amendments to the terms and conditions of the Existing Bonds whereby the maturity is extended to 9 February 2027, the interest is capitalised until full repayment of the super senior RCF and certain repayments of the New Senior Secured Bonds has been made and a removal of the maintenance covenant;
- b. amendments to the existing super senior RCF agreement whereby the existing loans are converted into a term loan with no clean-down obligation, an aligned maturity with the New Senior Secured Bonds (as defined below) to 9 February 2026 and a covenant reset;
- c. a new issue of USD 26,180,000 new senior secured bonds (the "**New Senior Secured Bonds**") with maturity on 9 February 2026, which will rank senior to the Existing Bonds, whereof USD 10,000,000 is a cash issue offered to all Bondholders and USD 16,180,000 is a set-off issue in which Bondholders participating in the cash issue mandatorily convert Existing Bonds at a price of 85 per cent. to New Senior Secured Bonds;
- d. the USD 10,000,000 cash tranche of the New Senior Secured Bonds will be guaranteed of full subscription, for which the guarantor will receive a SEK 30,000,000 backstop fee note which will be subordinated to the Existing Bonds; and
- e. amendments to the existing intercreditor agreement with respect to the waterfall provision reflecting the above new instruments and their ranking.

Provided that the proposal is approved by the Bondholders and subject to the successful issuance and settlement of the New Senior Secured Bonds, the remaining Bondholders, not participating in the New Senior Secured Bond issue, will be paid a consent fee in the form of newly issued convertible bonds in the Issuer, ultimately resulting in such Bondholders receiving a 20 per cent. shareholding in the Issuer (allocated *pro rata* among remaining Bondholders).

**For more information, please contact:**

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*This information is information that Go North Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-12-23 16:00 CET.*

**About Go North:**

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

**Attachments**

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**Johan Hallenby**

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