



# Interim report

2017-01-01 – 2017-09-30

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**GWS Production AB (publ)**

556776-4674

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## Summary of interim report

“Mother company” or “GWS”, comprises of GWS Production AB with company number 556776-4674, without subsidiaries. “The Group” comprises the Mother company, including subsidiaries. At September 30, 2017, the Mother company owned 51% of the shares in Travelogix Ltd, 100% of the shares in GWS Production (Singapore) Pte Ltd, 99,99% of the shares in GWS do Brasil Soluções e Sistemas Tecnológicos em Segurança Ltda and 35% of the shares in Carefindy AB (minority interest).

## THE GROUP

### First nine months (2017-01-01 to 2017-09-30)

- Net turnover amounted to 10 026 (7 088) TSEK.
- Result after financials and minority share amounted to -8 830 (-13 066) TSEK.
- Result per share\* amounted to -0,61 (-0,91) SEK.

### Third quarter (2017-07-01 to 2017-09-30)

- Net turnover amounted to 3 518 (2 664) TSEK.
- Result after financials and minority share amounted to -2 713 (-4 530) TSEK.
- Result per share\* amounted to -0,19 (-0,32) SEK.
- The solidity\*\* amounted to 74,7 (86,6) % at September 30, 2017.

## THE MOTHER COMPANY

### First nine months (2017-01-01 to 2017-09-30)

- Net turnover amounted to 6 278 (5 233) TSEK.
- Result after financials amounted to -8 189 (-12 304) TSEK.
- Result per share\* amounted to -0,57 (-0,86) SEK.

### Third quarter (2017-07-01 to 2017-09-30)

- Net turnover amounted to 2 209 (1 893) TSEK.
- Result after financials amounted to -2 570 (-4 196) TSEK.
- Result per share\* amounted to -0,18 (-0,29) SEK.
- The solidity\*\* amounted to 79,7 (88,4) %.

Amounts within brackets regard corresponding period last year.

\*Results per share: results are divided by average number of shares. Average number of shares for the first nine months 2017: 14 365 407 (14 354 539) shares. Average number of shares for the third quarter 2017: 14 365 407 (14 365 407) shares. Total number of shares in GWS as at September 30, 2017: 14 365 407 (14 365 407) shares. The Company has issued 650 000 share options (2015/2019), of which, 427 885 have been signed for that can be converted to the same number of shares in the Company during March, 2019. The Company has also issued 40 000 share options (2015/2019), all signed for, which can be converted into the same number of shares from July 8<sup>th</sup>, 2019 to July 24<sup>th</sup>, 2019.

The Company has also issued 670 000 share options (2016/2020), of which 670 000 have been signed for, which can be converted into the same number of shares in the Company during April, 2020.

\*\*Solidity: Equity divided by total assets.

### **Significant events during first quarter, 2017.**

- GWS transfers 65% of Carefindy shares to Rethinking Care Sweden AB.
- GWS receives government research grant from Vinnova for the project “Artificial intelligence for detecting global security risks. The grant will be around 2 million SEK and will be matched by an equal sum from GWS.

### **Significant events during second quarter, 2017.**

- GWS signs partnership agreement with Lingmerths Resebyrå AB, a major agency located in southern Sweden.
- GWS adds insurance technology as focus area.
- Annual general meeting in GWS 29 May, 2017.
- GWS announces that all future regulatory press releases will be in in English.
- Extra general meeting in GWS 27 June, 2017.

### **Significant events during the third quarter, 2017.**

- GWS and ERV sign a new agreement and extend their corporation.
- Charlotta Tönsgård joins GWS as a board member
- GWS publishes report for the period January 1st – June 30<sup>th</sup>, 2017.
- Global Insurance giant Chubb signs agreement with GWS.
- GWS signs a global contract with EOS Risk Group (EOS Risk) in London.

### **Significant events after the third quarter, 2017.**

None



## COMMENTS BY OUR CEO, ANDREAS RODMAN

During the third quarter, we were pleased to see one of the first results of our long-term sales efforts.

The global agreement with the insurance giant Chubb opens exciting opportunities for us. Chubb is the world's largest listed property and non-life insurance companies with operations in 54 countries and just over 30 000 employees.

The contract includes the development and launch of Chubb's next-generation travel safety system for their corporate travel insurance customers. The initial committed contract value is about 5,3 million SEK, however the size and global reach of Chubb provides a great opportunity for increasing the revenue over time.

The agreement with EOS Risk, a well-known UK security company, was also signed during the third quarter. EOS Risk is a leading global professional security services company, providing a comprehensive range of risk services and solutions in analysis, audit, strategy, operations, travel and assistance, founded in 2004. The contract with us entails a partnership where EOS Risk will offer GWS travel safety Safeture Pro under private label to its customers worldwide.

We continue to focus on cash flow. However, during Q3, the negative cash flow increased short term, but it is only a temporary effect primarily related to one-time development costs for the delivery of the Chubb agreement. In the long term, we continue to improve cash flow with a combination of increased sales, strict cost management and demand for more payments or financial commitments when entering new agreements. Our subsidiary Travelogix in the UK continue a positive sales trend ahead of plans and is now at breakeven and is estimated to start generating a positive cash flow to the group next year.

From a cash flow perspective, we could cut more costs and quickly improve our cash flow, but we choose to continue our expansive sales to close long-term highly-invested sales processes and continue investing in our leading technology. Therefore, we are actively working with several financial options to continue our expansion and follow up the great opportunities we have worked on for a long time.

The sales processes are going well, however, due to their complicated nature, they take a lot more time than anticipated. The agreements signed during the third quarter have given us confidence, and we look forward to the ongoing sales processes.

Our new SDK solution is finding its traction in the market and verifies our investment in that technology. SDK is a set of development tools that enable software developers to integrate GWS services into their apps and services. The SDK has also been extended to a new level of functionality that we are now planning to roll out to both old and new customers next year such as our extensive content library is now available off line in the phone with background updates and automatic integration with travel bookings for travel management.

Finally, a few words about our exciting AI project (artificial intelligence). It has now been confirmed as we expected that our extensive database of detailed historical events and publishing will be a unique key to teaching the AI. The AI project gives us another edge to competitors who lack such historical databases and prevents them from trying to implement similar AI technology solutions.

*Lund, 2017-11-24*

**Andreas Rodman**  
CEO, GWS Production AB

## About GWS Production AB

Global Warning System (GWS) offers mobile-based personal security services to companies and consumers to protect employees, family members and individuals when they travel abroad – Global Warning System (“GWS”).

The Company was founded in 2009, triggered by the founder’s personal experience of the global SARS epidemic, the Indian Ocean tsunami and the Mumbai terror attacks. He concluded that lives would have been saved with early warning system and accurate information. GWS vision is to prevent damages by providing correct information in real-time.

### Strategy

- To grow responsibly to establish a leading position globally.
- To establish our products, Safeture PRO – Business Solution, as the first choice for all corporate customers.
- To establish GWS as a key player within insurance technology.
- To create long-term value for the shareholders of GWS through generating profit to pay dividends, and to secure the development and growth of the company.

### Vision & Mission

Our mission is to save lives and to prevent harm by making security information available to people no matter where they are. We achieve this by being the best to distribute reliable and fast security related information to individuals and organisations.

### Research and development

Research and development are prioritized areas within GWS. The company invests continuously in research and development to maintain its technological lead. Thanks to a close cooperation with our customers we develop and adapt our products continuously. The knowledge bank that we create is used in our technical development in order to benefit our customers and keep our advantage in relation to our competitors.

### Risks and uncertainties

A number of risk may have an influence on the company’s business. No major changes in risk can be seen during 2017. A more detailed review of these can be found in the Financial Statements for 2016, available on the Company’s web page.

### Organisation/personal

The average number of employees in the Mother company for the first nine months 2017 amounted to 16 (18). The corresponding figure for the Group amounted to 23 (21). The increase for the Group refers mainly to that we have increased marketing and sales, development and intelligence analysis.

## Development in figures during third quarter, 2017.

*Amount within brackets corresponds to the same period last year.*

### Turnover

Net turnover for the Group during Q3, 2017 amounted to 3 518 (2 664) TSEK, while the net turnover for the Mother company amounted to 2 209 (1 893) TSEK.

### Result

The result for Q3, 2017 for the Group amounted to -2 713 (-4 530) TSEK after minority share of the result. The result for the Mother company amounted to -2 570 (-4 196) TSEK.

### Liquidity

Cash in bank for the Group, as at September 30, 2017 amounted to 8 363 (22 078) TSEK, while cash in bank for the Mother company as at September 30, 2017 amounted to 7 382 (21 131) TSEK. Q3 cash-flow for the Group and the Mother company amounted to -4 130 (-5 436) TSEK respective -4 511 (-5 930) TSEK.

### Investments

Q3 investments in intangible and tangible assets amounted to 1 278 (714) TSEK for the Group, and were activated development costs. Corresponding investments in the Mother company amounted to 1 278 (711) TSEK, and were also activated development costs.

### Solidity

The solidity of the Group as at September 30, 2017 amounted to 74,7 (86,6) %, while the solidity for the Mother company amounted to 79,7 (88,4) %. Solidity is calculated as total equity to total assets.

### The share

There is only one class of shares in GWS Production AB. The shares of the Company are listed on Nasdaq OMX First North in Stockholm under the abbreviation, "GWS". As at September 30, 2017 the Company had issued 14 365 407 (14 365 407) shares. The average number of shares during the third quarter of 2017 amounted to 14 365 407 (14 365 407) shares.



## Share options

On April 9<sup>th</sup>, 2015, an extra general meeting decided for a directed issue of share options to employees and key personnel. The share options are issued at a price of 0,13 SEK per option. The subscription price for exercising the share options amounted to 16,56 SEK per share. 427 885 share options were subscribed until April 17<sup>th</sup>, 2015, which was the last date for subscription. The share options may be exercised during the period March 15<sup>th</sup>, 2019 – March 29<sup>th</sup>, 2019, to subscribe for new shares in the company. One (1) share option gives the right to subscribe for one (1) new share.

On June 17<sup>th</sup>, 2015, a general meeting decided for a direct issue of 40 000 share options of series 2015/2019 directed to Sven Holmgren, Hans Skalin, Paul Degerlund, and Wolter Mannerfelt. The share options are issued at the price of 0,31 SEK per option. The share options give the holder a right to subscribe for 40 000 new shares in the company. The options may be exercised during the period July 8<sup>th</sup>, 2019 – July 24<sup>th</sup>, 2019. The subscription price for exercising the options amounts to 31,11 SEK per share.

On May 25<sup>th</sup>, 2016, a general meeting decided for a direct issue of 670 000 share options of series 2016/2020 to employees and key personnel, as well as to employees of Travelogix Ltd. The share options are issued at a price of 0,09 SEK per option. The subscription price for exercising the share options amount to 37,05 SEK per option. The share options may be exercised during the period April 15<sup>th</sup>, 2020 – April 29<sup>th</sup>, 2020. One (1) share option gives the right to subscribe for one (1) new share.

## Biggest shareholders

The schedule below shows the five biggest shareholders, and the number of shares they own in GWS Production AB, as at September 30, 2017.

Algora AB <sup>1</sup>	3 488 174	24,28 %
Emirates Advanced Investment Trading LLC	960 374	6,69 %
Academic Medical Group AB <sup>2 3</sup>	692 340	4,82 %
Lundaklostret AB	678 119	4,72 %
Andreas Rodman	577 500	4,02 %
Others (about 1 150 shareholders)	7 968 900	55,47 %
<b>Total</b>	<b>14 365 407 pcs</b>	<b>100,0 %</b>

<sup>1</sup> Algora AB is owned to 100 % by the chairman of the board, Lars Lidgren, (private, related party and family).

<sup>2</sup> Academic Medical Group AB is owned by the chairman of the board Lars Lidgren, 55,7 % through Algora AB, 2,8 % is owned through Seagles Aktiebolag. Board member Sven Holmgren owns 1,97 % (through related party), board member Hans Skalin 2,6 % (through related party) and Andreas Rodman 9,45 % (private) in Academic Medical Group AB.

<sup>3</sup> Academic Medical Group AB purchased in June 2015 the shares from its subsidiary AM e-Consulting AB.

## Related party transactions

The chairman of the board, Lars Lidgren, has through his company Seagles AB invoiced the Company 180 TSEK for management services during the first nine months 2017.

Mathia Nalappan, board member of GWS Production AB, has received 160 TSEK as remuneration for management services during the first nine months 2017.

## Other information

### General accounting principles

The Interim Report has been established in accordance with Årsredovisningslagen (1995:1554) and BFNAR 2012:1, Årsredovisning och koncernredovisning (K3). General accounting principles applied is coherent with the accounting principles used when establishing the financial statements in 2016.

### Going concern

GWS is for the time being operating at a loss and, hence, has a negative cash-flow. The negative cash flow is paid from equity. The board estimates that GWS will need additional financing during 2018 for continued operations and further growth. The management of the company and the board are working to secure additional funding for GWS.

### Audit

The Interim Report has not been audited by the Company's auditors.

### Report dates

The company establish and publish a financial report every quarter. Upcoming reports are planned as per below:

- |   |            |
|---|------------|
| • Year-end report for 2017                | 2018-02-27 |
| • Publishing of Financial Statements 2017 | 2018-04-20 |
| • Annual general meeting for 2017         | 2018-05-29 |
| • Q1 report 2018                          | 2018-05-29 |
| • Q2 report 2018                          | 2018-08-28 |
| • Q3 report 2018                          | 2018-11-28 |

### Certified Adviser

Sedermåra Fondkommission is the Certified Adviser of GWS.

### Submission of Interim Report

Lund November 24, 2017  
GWS Production AB (publ)  
The board

*Lars Lidgren – chairman of the board*  
*Sven Holmgren – board member*  
*Mathia Nalappan – board member*  
*Deep Parekh – board member*  
*Hans Skalin – board member*  
*Charlotta Tönsgård – board member*  
*Andreas Rodman – managing director*

**For further information please contact MD Andreas Rodman, +46 (0) 708 – 10 13 16, [andreas.rodman@globalwarningsystem.com](mailto:andreas.rodman@globalwarningsystem.com)**

**THE GROUP** (The Group comprises the Mother company, including subsidiaries. At September 30, 2017, the Mother company owned 51% of the shares in Travelogix Ltd, 100% of the shares in GWS Production (Singapore) Pte Ltd, 99,99% of the shares in GWS do Brasil Soluções e Sistemas Tecnológicos em Segurança Ltda and 35% of the shares in Carefindy AB (minority interest)).

## Statement of income - summary

(TSEK)	Q3 2017	Q3 2016	9 months 2017	9 months 2016
<b>Revenue</b>				
Net turnover	3 518	2 664	10 026	7 088
Own work activated	1 278	624	3 453	3 967
Other income	12	-67	79	83
<b>Total revenue</b>	<b>4 808</b>	<b>3 221</b>	<b>13 558</b>	<b>10 868</b>
Operating costs	-6 555	-7 384	-19 807	-22 577
Depreciation	-992	-622	-2 814	-1 823
<b>Operative result</b>	<b>-2 739</b>	<b>-4 785</b>	<b>-9 063</b>	<b>-13 531</b>
<b>Financials</b>				
Finance net	-3	66	1	14
<b>Result after financials</b>	<b>-2 742</b>	<b>-4 719</b>	<b>-9 062</b>	<b>-13 517</b>
Minority share of the result	29	189	232	451
<b>Loss for the period</b>	<b>-2 713</b>	<b>-4 530</b>	<b>-8 830</b>	<b>-13 066</b>
<i>Result per share (SEK)</i>	<i>-0,19</i>	<i>-0,32</i>	<i>-0,61</i>	<i>-0,91</i>

## Statement of financial position - summary

(TSEK)	2017-09-30	2016-12-31
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	13 689	13 257
Tangible assets	300	344
Financial assets	1 122	950
<b>Total fixed assets</b>	<b>15 111</b>	<b>14 551</b>
<b>Current assets</b>		
Short term receivables	5 873	2 669
Cash and bank	8 363	18 534
<b>Total current assets</b>	<b>14 236</b>	<b>21 203</b>
<b>Total assets</b>	<b>29 347</b>	<b>35 754</b>
<b>Equity and liabilities</b>		
<i>Restricted equity</i>		
Share capital	1 149	1 149
Fund for development costs	5 259	3 280
<i>Non restricted equity</i>		
Share premium	81 725	81 725
Retained earnings	-59 589	-40 175
Result for the period	-8 830	-17 592
Minority interest	2 204	2 176
<b>Total equity</b>	<b>21 918</b>	<b>30 563</b>
<b>Total short term liabilities</b>	<b>7 429</b>	<b>5 191</b>
<b>Total equity and liabilities</b>	<b>29 347</b>	<b>35 754</b>

## Statement of cash flow - summary

(TSEK)	Q3 2017	Q3 2016	2017-01-01 2017-09-30	2016-01-01 2016-09-30
<b>Operating activities</b>				
Operative result	-2 739	-4 786	-9 063	-13 531
Adjustment for depreciation	992	622	2 814	1 822
Interest received /paid	-3	31	1	49
Cash flow from changes in working capital	-1 264	-532	-521	-1 230
<b>Cash flow from operating activities</b>	<b>-3 014</b>	<b>-4 665</b>	<b>-6 769</b>	<b>-12 890</b>
<b>Cash flow from investing activities</b>	<b>-1 116</b>	<b>-789</b>	<b>-3 402</b>	<b>-7 298</b>
<b>Cash flow from financing activities</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>2 236</b>
Cash flow of the period	-4 130	-5 436	-10 171	-17 952
Cash at the beginning of the period	12 493	27 514	18 534	40 030
<b>Cash at the end of the period</b>	<b>8 363</b>	<b>22 078</b>	<b>8 363</b>	<b>22 078</b>

## Changes in equity - summary

### First 9 months 2017

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss of the period	Minority interest	Total equity
2017-01-01	1 149	3 280	81 725	-57 767	2 176	30 563
Reallocation	-	1 979	-	-1 822	260	417
Loss for the period	-	-	-	-8 830	-232	-9 062
<b>2017-06-30</b>	<b>1 149</b>	<b>5 259</b>	<b>81 725</b>	<b>-68 419</b>	<b>2 204</b>	<b>21 918</b>

### Twelve months 2016

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss of the period	Minority interest	Total equity
2016-01-01	1 140	-	79 591	-36 931	-	43 800
Travelogix	-	-	-	36	2 176	2 212
Issue of new shares	9	-	*2 074	-	-	2 083
Share options	-	-	60	-	-	60
Reposting	-	3 280	-	-3 280	-	0
Loss for the period	-	-	-	-17 592	-	-17 952
<b>2016-12-31</b>	<b>1 149</b>	<b>3 280</b>	<b>81 725</b>	<b>-57 767</b>	<b>2 176</b>	<b>30 563</b>

\*Cost for issuing new shares amounting to 181 TSEK has reduced Share premium.

## THE MOTHER COMPANY

### Statement of income - summary

(TSEK)	Q3 2017	Q3 2016	2017-01-01 2017-09-30	2016-01-01 2016-09-30
<b>Revenue</b>				
Net turnover	2 209	1 893	6 278	5 233
Own work activated	1 278	688	3 453	3 697
Other income	11	-67	79	36
<b>Total revenue</b>	<b>3 498</b>	<b>2 514</b>	<b>9 810</b>	<b>8 966</b>
Operating costs	-5 243	-6 245	-15 700	-19 855
Depreciation	-825	-497	-2 303	-1 466
<b>Operative result</b>	<b>-2 570</b>	<b>-4 228</b>	<b>-8 193</b>	<b>-12 355</b>
<b>Financials</b>				
Finance net	0	32	4	51
<b>Result after financials</b>	<b>-2 570</b>	<b>-4 196</b>	<b>-8 189</b>	<b>-12 304</b>
<b>Result before tax</b>	<b>-2 570</b>	<b>-4 196</b>	<b>-8 189</b>	<b>-12 304</b>
<b>Loss for the period</b>	<b>-2 570</b>	<b>-4 196</b>	<b>-8 189</b>	<b>-12 304</b>
<i>Result per share (SEK)</i>	<i>-0,18</i>	<i>-0,29</i>	<i>-0,57</i>	<i>-0,86</i>

### Statement of financial position - summary

(TSEK)	2017-09-30	2016-12-31
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	8 772	7 671
Tangible assets	85	117
Financial assets	5 834	5 747
<b>Total fixed assets</b>	<b>14 691</b>	<b>13 535</b>
<b>Current assets</b>		
Short term receivables	4 594	2 008
Cash and bank	7 382	17 826
<b>Total current assets</b>	<b>11 976</b>	<b>19 834</b>
<b>Total assets</b>	<b>26 667</b>	<b>33 369</b>
<b>Equity and liabilities</b>		
<i>Restricted equity</i>		
Share capital	1 149	1 149
Fund for development costs	5 259	3 210
<i>Non restricted capital</i>		
Share premium	81 725	81 725
Retained earnings	-58 701	-40 141
Loss for the period	-8 189	-16 511
<b>Total equity</b>	<b>21 243</b>	<b>29 432</b>
<b>Total short term liabilities</b>	<b>5 424</b>	<b>3 937</b>
<b>Total equity and liabilities</b>	<b>26 667</b>	<b>33 369</b>

## Statement of cash flow - summary

(TSEK)	Q3 2017	Q3 2016	2017-01-01 2017-09-30	2016-01-01 2016-09-30
<b>Operating activities</b>				
Operative result	-2 570	-4 228	-8 193	-12 355
Adjustment for depreciation	825	497	2 303	1 466
Interest received /paid	0	32	4	51
Cash flow from changes in working capital	-1 650	-901	-1 099	-1 730
<b>Cash flow from operating activities</b>	<b>-3 395</b>	<b>-4 600</b>	<b>-6 985</b>	<b>-12 568</b>
<b>Cash flow from investing activities</b>	<b>-1 116</b>	<b>-1 348</b>	<b>-3 459</b>	<b>-8 201</b>
<b>Cash flow from financing activities</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>2 236</b>
Cash flow of the period	-4 511	-5 930	-10 444	-18 533
Cash at the beginning of the period	11 893	27 061	17 826	39 664
<b>Cash at the end of the period</b>	<b>7 382</b>	<b>21 131</b>	<b>7 382</b>	<b>21 131</b>

## Changes in equity - summary

### First 9 months 2017

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss for the period	Total equity
2017-01-01	1 149	3 210	81 725	-56 652	29 432
Reallocation	-	2 049	-	-2049	-
Loss for the period	-	-	-	-8 189	-8 189
<b>2017-06-30</b>	<b>1 149</b>	<b>5 259</b>	<b>81 725</b>	<b>-66 890</b>	<b>21 243</b>

### Financial year 2016

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss for the period	Total equity
2016-01-01	1 140	-	79 591	-36 931	43 800
Issue of new shares	9	-	*2 074	-	2 180
Share options	-	-	60	-	56
Reallocation	-	3 210	-	-3 210	0
Loss for the period	-	-	-	-16 511	-16 511
<b>2016-12-31</b>	<b>1 149</b>	<b>3 210</b>	<b>81 725</b>	<b>-56 652</b>	<b>29 432</b>

\*Cost for issuing new shares amounting to 181 TSEK has reduced Share premium.



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