



Interim Report

2018-01-01 – 2018-03-31

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 March 31, 2018, 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 quarter (2018-01-01 to 2018-03-31)

- Net turnover amounted to 4 323 (3 248) TSEK.
- Result after financials and minority share amounted to -3 365 (-3 428) TSEK.
- Result per share* amounted to -0,21 (-0,24) SEK.
- The solidity** amounted to 68,0 (83,0) %.

THE MOTHER COMPANY

First quarter (2018-01-01 to 2018-03-31)

- Net turnover amounted to 3 109 (2 025) TSEK.
- Result after financials amounted to -2 789 (-3 158) TSEK.
- Result per share* amounted to -0,17 (-0,22) SEK.
- The solidity** amounted to 72,1 (87,1) %.

Amounts within brackets regard comparative period last year.

*Results per share: results are divided by an average number of shares. The average number of shares for three months 2018: 15 945 407 (14 365 407) shares. Total number of shares in GWS on March 31st, 2018: 15 945 407 (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 8th, 2019 to July 24th, 2019. The Company has also issued 670 000 share options (2016/2020), of which, 670 000 has 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, 2018.

- Major international franchisor expands the agreement with GWS.

Significant events after the first quarter.

- GWS wins significant contract in Malaysia. Total contract value over 2 years is approximately 1,2 MSEK.
- GWS reach agreement with Tempest Security AB. The agreement is initially over 3 years with a minimum total value of approximately 940 TSEK.



Message from the CEO Andreas Rodman

During Q1 we passed an important milestone for GWS. Now, more than 1 000 companies use our service for their employees. By passing the 1 000 mark for corporate customers and with a large number of active end-users - GWS has consolidated its position as a world-leading provider of international travel security solutions.

A growing numbers of companies are seeing the importance of providing safety to their employees all over the world. During Q1, we continued our steady revenue growth and experienced a clear development in terms of the interest from companies protecting their employees.

The majority of the companies are new customers and they are in the early stages of using our travel security service platform. Of these companies, there is a limited number of users per company. If they follow similar patterns to our older customers, then we can expect to see a significant growth in number of users for these companies over the years. This of course, will be followed by a significant growth in revenue.

We also made the first real breakthrough in Southeast Asia during Q1, with the pilot for all working personnel outside Malaysia's coastal region. The contract is one of the first of its kind in ASEAN. The agreement, initially a pilot, will provide 20 000 new users with access to the platform with the potential of increasing this to 300 000 users. The total contract value is 550k MYR over two years which is approximately 1.2 million SEK.

The agreement was made through our partner ACASIA communications - a strategic alliance of seven major telcos in ASEAN. ACASIA Communications has been awarded a contract to improve the content of an existing application which allows the maritime community to lodge reports or request emergency assistance directly with related maritime agencies. The agreement means that GWS will perfect the application, with the goal of an ASEAN-wide adoption.

We have been working with ACASIA for a long time, in order to develop opportunities in ASEAN region and this is the first one that has been signed. This shows that even if the sales lead times are long and we only start with a pilot, the commitment to our long-term sales cycles yields positive results.

Tempest Security, a fast-growing security company, signed a partner agreement with a minimum revenue guarantee of 89 000 EUR (940 000 SEK) over the course of three years. This agreement means that Tempest Security has the opportunity to market and sell GWS security platform in its own name. The platform will be

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integrated with Tempest Security's alarm centre, which takes the first step from being a traditional alarm centre to becoming a Security Operation Centre, SOC - to meet customer demands for tomorrow's safety requirements.

In addition to Tempest being a growing company, they also have a focus on developing the business of protecting employees and a duty of care for companies. This makes this partnership even more interesting, since our Safeture platform is the base for delivering such services.

We are currently in our final phase, working on the big upgrade of Safeture Pro. For several years, we have collected views and experiences from our customers and worked with brand new Safeture Pro 2.0 for business travelers. Some of the features have been launched through the Travel Smart app as we built for Chubb. But, now these are also coming to our corporate customers. Links to airline tickets, more functionality when off roaming or when on flight mode, brand new graphic design, user interface and much more. With Safeture Pro 2.0 we aim to both meet and exceed our customers' expectations.

Lund, 2018-05-29

Andreas Rodman
CEO, GWS Production AB

About GWS Production AB

Global Warning System (GWS) offers a mobile-based travel 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 experience of the global SARS epidemic, the Indian Ocean tsunami and the Mumbai terror attacks, where people could have been warned earlier, and received more information. GWS’ vision is to help people and organisations by providing correct information in real-time. The operations are conducted by GWS Production AB.

Overall goals

- To grow rapidly to establish ourselves in leading position globally.
- To establish our product, Safeture PRO, as the first choice for all security officers.
- To establish GWS content and technology as the first choice for all insurance companies.
- To establish the SDK product, Safeture Flow, as the first choice when integrating travel security services onto other services and products.
- To create long-term value for GWS shareholders through generating profit to pay dividends, and to secure the development and growth of the Company.

Vision & Mission

Our vision is to save lives and to prevent harm by making security information available to everyone, no matter where they are. We will achieve this by being the best at distributing reliable and fast security related information to individuals and organisations.

Sales and Strategy

GWS’ global sales strategy is to reach B2B and B2B2C customers through partners. Suitable local and global partners are within security, insurance, response services and travel. We create attractive offers to end customers within personal- and travelling security.

The business model that we apply depends on the targeted customer.

Research and development

Research and development are prioritized areas within GWS, and our current products are just the beginning. 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 risks may have an influence on the company’s business. No major changes in risk can be seen during 2018. A more detailed review of these can be found in the Financial Statements for 2017, available on the company’s web page.

Organisation/personal

The average number of employees in the Mother company during Q1 2018 amounted to 15 (16). The decrease refers to transfer of analytical work to GWS Brazil.

The average number of employees in the Group during Q1 2018 amounted to 26 (23). The increase relates to that Travelogix has increased its R&D and sales department and also additional employment of analytical personnel in GWS Brazil.

Development in figures during 2018.

Amount within brackets corresponds to the same period last year.

Turnover

Net turnover for the Group during Q1, 2018 amounted to 4 323 (3 248) TSEK, while the net turnover for the Mother company amounted to 3 109 (2 025) TSEK.

Result

The result in Q1, 2018 for the Group amounted to -3 365 (-3 428) TSEK. The result for the Mother company amounted to -2 789 (-3 158) TSEK.

Liquidity

Cash in bank for the Group, as on March 31st, 2018 amounted to 10 151 (14 640) TSEK, while cash in bank for the Mother company as on March 31st, 2018 amounted to 9 773 (13 630) TSEK.

The cash flow was temporarily negatively impacted by an increase of short term receivables from our customers. As the revenue grow we expect to have greater cash flow fluctuations between the quarters, but will average out over the year.

Investments

Q1 investments in intangible and tangible assets amounted to 681 (820) TSEK for the Group and were mainly activated development costs. Corresponding investments in the Mother company amounted to 681 (820) TSEK and were also mainly activated development costs.

Solidity

The solidity of the Group as on March 31st, 2018 amounted to 68,0 (83,0) %, while the solidity for the Mother company amounted to 72,1 (87,1) %. 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 First North in Stockholm under the abbreviation, "GWS". As on March 31st, 2018 the Company had issued 15 945 407 (14 365 407) shares. The average number of shares for Q1 2018 amounted to 15 945 407 (14 365 407) shares.

Share options

On April 9th, 2015, an extra general meeting was held and decided that 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 17th, 2015, which was the last date for subscription. The share options may be exercised during the period March 15th, 2019 – March 29th, 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 17th, 2015, a general meeting was held and decided that 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 were 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 8th, 2019 – July 24th, 2019. The subscription price for exercising the options amounts to 31,11 SEK per share.

On May 25th, 2016, a general meeting was held and decided that 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 15th, 2020 – April 29th, 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 March 31st, 2018.

Algora AB ¹	3 488 174	21,88 %
Humle Småbolagsfond AB	1 580 000	9,91 %
Emirates Advanced Investment Trading LLC	960 374	6,02 %
Academic Medical Group AB ^{2,3}	692 340	4,34 %
Lundaklostret AB	631 825	3,96 %
Andreas Rodman (CEO of GWS)	577 500	3,62 %
Olof Anderssons Förvaltnings AB	390 423	2,45 %
Nordnet Pensionsförsäkring AB	255 286	1,60 %
Anding Group AB	179 254	1,12 %
Seagles AB ¹	171 930	1,08 %
Others (about 1 087 shareowners)	7 018 301	44,02 %
Totalt	15 945 407 st	100,0 %

¹ Algora AB and Seagles AB are owned to 100 % of the chairman of the board, Lars Lidgren (private, related party and family).

² Academic Medical Group AB is owned by the chairman of the board Lars Lidgren, 55.7 % through Algora AB and, 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.

³ 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 60 TSEK for management services during the first quarter 2018.

Mathia Nalappan, board member of GWS Production AB, has received 60 TSEK as remuneration for management services during the first quarter 2018.

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 2017.

Going concern

The board estimates that GWS will have sufficient cash for continued operations and further growth for 2018 and part of 2019.

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:

- Q2 report 2018 2018-08-28
- Q3 report 2018 2018-11-28
- Annual report 2018 2019-02-27
- Financial Statements 2018 2019-03-29

Certified Adviser

Erik Penser Bank AB is the Certified Adviser of GWS.

Submission of Interim Report

Lund May 29th, 2018
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

THE GROUP

(The Group comprises the Mother company, including subsidiaries. At March 31, 2018, 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)	Q1 2018	Q1 2017	2017-01-01 2017-12-31
Revenue			
Net turnover	4 323	3 248	14 171
Own work activated	681	820	4 367
Other income	-10	21	77
Total revenue	4 994	4 089	18 615
Operating costs	-7 473	-6 674	-27 731
Depreciation	-1 104	-893	-3 889
Operative result	-3 583	-3 478	-13 005
Financials			
Finance net	-37	0	66
Result after financials	-3 620	-3 478	-12 939
Tax	-20	0	476*
Result after tax	-3 640	-3 478	-12 463
Minority share of the result	275	50	254
Loss for the period	-3 365	-3 428	-12 209
Result per share (SEK)	-0,21	-0,24	-0,84

*Refer to a tax credit claim paid in cash in Travelogix Ltd

Summary of financial position

(TSEK)	2018-03-31	2017-12-31
Assets		
Fixed assets		
Intangible assets	13 468	13 566
Tangible assets	253	279
Financial assets	1 100	1 100
Total fixed assets	14 821	14 945
Current assets		
Short term receivables	3 872	2 910
Cash and bank	10 151	14 058
Total current assets	14 023	16 968
Total assets	28 844	31 913
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 276	1 276
Fund for development cost	6 192	5 521
<i>Non restricted equity</i>		
Share premium	86 544	86 544
Retained earnings	-72 682	-60 044
Result for the period	-3 365	-12 209
Minority interest	1 640	1 942
Total equity	19 605	23 030
Total short-term liabilities	6 239	5 883
Total long-term liabilities	3 000	3 000
Total equity and liabilities	28 844	31 913

Statement of cash flow - summary

(TSEK)	Q1 2018	Q1 2017	2017-01-01 2017-12-31
Operating activities			
Operative result	-3 583	-3 478	-13 005
Adjustment for depreciation & other items	1 104	893	4 365
Interest received /paid	-37	0	35
Cash flow from changes in working capital	-710	-489	450
Cash flow from operating activities	-3 226	-3 074	-8 155
Cash flow from investing activities	-681	-820	-4 243
Cash flow from financing activities	0	0	7 922
Cash flow of the period	-3 907	-3 894	-4 476
Cash at the beginning of the period	14 058	18 534	18 534
Cash at the end of the period	10 151	14 640	14 058

Summary of changes in equity

First 3 months 2018

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss of the period	Minority interest	Total equity
2018-01-01	1 276	5 521	86 544	-72 253	1 942	23 030
Reposting	-	671	-	-429	-27	215
Loss for the period	-	-	-	-3 365	-275	-3 640
2018-03-31	1 276	6 192	86 544	-76 047	1 640	19 605

Twelve 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
Issue of new shares	127	-	*4 819	-	-	4 946
Reposting	-	2 241	-	-2 277	20	-16
Loss for the period	-	-	-	-12 209	-254	-12 463
2017-12-31	1 276	5 521	86 544	-72 253	1 942	23 030

*Cost for issuing new shares amounting to 253 TSEK has reduced Share premium

THE MOTHER COMPANY

Summary of income statement

(TSEK)	Q1 2018	Q1 2017	2017-01-01 2017-12-31
Revenue			
Net turnover	3 109	2 025	8 866
Own work activated	681	850	4 367
Other income	-9	21	188
Total revenue	3 781	2 866	13 421
Operating costs	-5 617	-5 308	-21 272
Impairment	0	0	-469
Depreciation	-918	-716	-3 182
Operative result	-2 754	-3 158	-11 502
Financials			
Finance net	-35	0	35
Result after financials	-2 789	-3 158	-11 467
Result before tax	-2 789	-3 158	-11 467
Loss for the period	-2 789	-3 158	-11 467
<i>Result per share (SEK)</i>	<i>-0,17</i>	<i>-0,22</i>	<i>-0,79</i>

Summary of financial position

(TSEK)	2018-03-31	2017-12-31
Assets		
Fixed assets		
Intangible assets	8 466	8 692
Tangible assets	63	74
Financial assets	5 879	5 879
Total fixed assets	14 408	14 645
Current assets		
Short term receivables	3 727	2 457
Cash and bank	9 773	13 540
Total current assets	13 500	15 997
Total assets	27 908	30 642
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 276	1 276
Fund for development costs	6 192	5 521
<i>Non restricted capital</i>		
Share premium	86 544	86 544
Retained earnings	-71 101	-58 963
Loss for the period	-2 789	-11 467
Total equity	20 122	22 911
Total short-term liabilities	4 786	4 731
Total long-term liabilities	3 000	3 000

Total equity and liabilities

27 908

30 642

Summary of cash flow

(TSEK)	Q1 2018	Q1 2017	2017-01-01 2017-12-31
Operating activities			
Operative result	-2 754	-3 158	-11 502
Adjustment for depreciation	918	716	3 182
Interest received /paid	-35	0	35
Cash flow from changes in working capital	-1 215	-934	346
Cash flow from operating activities	-3 086	-3 376	-7 939
Cash flow from investing activities	-681	-820	-4 248
Cash flow from financing activities	0	0	7 901
Cash flow of the period	-3 767	-4 196	-4 286
Cash at the beginning of the period	13 540	17 826	17 826
Cash at the end of the period	9 773	13 630	13 540

Summary of changes in equity

First 3 months 2018

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss for the period	Total equity
2018-01-01	1 276	5 521	86 544	-70 430	22 911
Reposting	-	671	-	-671	-
Loss for the period	-	-	-	-2 789	-2 789
2018-03-31	1 276	6 192	86 544	-73 890	20 122

Twelve 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
Issue of new shares	127	-	*4 819	-	4 946
Reposting	-	2 311	-	-2 311	-
Loss for the period	-	-	-	-11 467	-11 467
2017-12-31	1 276	5 521	86 544	-70 430	22 911

*Cost for issuing new shares amounting to 253 TSEK has reduced Share premium.



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- Keeping you safe.

