



Interim Report

2019-01-01 – 2019-03-31

GWS Production AB (publ)

556776-4674

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Summary of year-end 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, 2019, 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 (2019-01-01 to 2019-03-31)

- Net turnover amounted to 5 237 (4 323) TSEK, an increase with 21,1 % compared to the same period last year.
- Result after financials and minority share amounted to -4 373 (-3 365) TSEK.
- Result per share* before dilution amounted to -0,19 (-0,21) SEK.
- Result per share* after dilution amounted to -0,17 (-0,20) SEK.
- The solidity** amounted to 62,5 (68,0) %.

THE MOTHER COMPANY

First quarter (2019-01-01 to 2019-03-31)

- Net turnover amounted to 3 421 (3 109) TSEK, an increase with 10% compared to the same period last year.
- Result after financials amounted to -4 137 (-2 789) TSEK.
- Result per share* before dilution amounted to -0,18 (-0,17) SEK.
- Result per share* after dilution amounted to -0,16 (-0,16) SEK.
- The solidity** amounted to 66,3 (72,1) %.

Amounts within brackets regard comparative period last year.

**Result per share: result is divided by an average number of shares (after dilution includes average number of share options). Total number of shares on March 31, 2019: 23 193 737 (15 945 407) shares. Average number of shares for the first quarter 2019: 23 193 737 (15 945 407). Total number of shares in GWS on December 31, 2018: 23 193 737 (15 945 407) shares. The Company has 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.

The Company has furthermore issued 794 000 share options (2018/2021) which can be converted into the same amount of shares from December 13th, 2021 to December 17th, 2021.

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

Significant events during the first quarter, 2019.

- GWS signs a pilot agreement with ACASIA Communications in Malaysia.
- GWS hires a regional sales manager for Germany, Austria and Switzerland.

Significant events after the first quarter.

- Lisa Berg Rydsbo, Adam Schatz och Sofia Kinberg proposed as new board members of GWS.
- GWS announces Safeture Enterprise, a new offering and a complete cloud-based IT platform designed to safeguard employees wherever they are. To reflect its product and ambition, GWS plans to change its name to Safeture AB, provided approval of the annual general meeting May 29.
- GWS appoints Magnus Hultman as new CEO of GWS.



Message from the CEO Andreas Rodman

The new year started in a very positive way for GWS, both in relation to new and existing clients, as well as our internal work to further enhance the company, our strategy and offering.

During the quarter, GWS signed another order with ACASIA in south east Asia. ACASIA is the collaboration between seven major telecom operators in the ASEAN region, and this is the second order from ACASIA. GWS will deliver the SDK and content to ACASIA for providing a safety and security solution for the population of Malaysia. ACASIA will develop their own app called MySOFEA based on the GWS SDK and include the real time content that we produce using our local expertise from our local office in Malaysia.

This initial Malaysian order is a pilot with a value of 170 000 EUR over two years. After the pilot, the plan is a full rollout to the larger part of the Malaysian population with a target of 3.5 million end users.

The company's chairman of the board, Semmy Rulf, has continuously increased his ownership in the company since he entered the board in May 2018. In March this year, he bought an additional 400,000 shares and has now a total of 1,000,000 shares and is the fourth largest shareholder in GWS.

We continue our aggressive growth plan and have therefore strengthened our sales resources by hiring a dedicated regional sales manager, Gilbert Leb, for the German-speaking area of Europe. Gilbert joined the company in January and is responsible for all sales in the DACH countries (Germany, Austria and Switzerland). Gilbert is based at our new office in Vienna.

The stable sales growth continued in the quarter, proving the value we provide to our customers. We had approximately a 21% growth for the first quarter compared to the same period a year earlier. We believe that the investment we have made since fall last year in sales and marketing will start yielding results and increase the growth speed during the second half of 2019.

In parallel with our committed work to continue to grow GWS, we have done a thorough strategic overview of the company to see how we can further enhance our offering to our clients. In April, we presented Safeture Enterprise, which is a new and complete cloud-based IT platform designed to safeguard employees wherever they are. To reflect the product and our ambition, we plan to change our name to Safeture AB, with a new ticker, SFTR, after the annual general meeting on May 29.

With the platform and new name in place, backed with a strong financial position and a growing number of global clients, I feel we are in a very favorable situation, and I look forward to informing you about our continued progress going forward.

Lund, May 2019

Andreas Rodman

CEO, GWS Production AB

About GWS Production AB

Global Warning System (GWS) offers a complete cloud-based IT platform designed to manage risk, safety and crises involving employees wherever they are.

Safeture Enterprise cloud-based IT platform gives larger corporations the ability to effectively automate safety and security processes. Today's employees are constantly on the move, and companies demand a flexibly software solution that seamlessly integrates with their own internal programs.

Modern companies' operations are closely tied to the employees and mobile technology enables them to work everywhere; at home, at airports, at café's or at suppliers. With globalization driving increased mobility, companies need new tools to safeguard both their employees and their operations. Safeture Enterprise creates a virtual security sphere around each employee wherever they are. The most common usage of the platform is Travel Risk Management for business travelers.

The Safeture Enterprise platform has a vast number of functions and components that can be used off-the-shelf, such as mobile apps, travel tracking, flight updates, global real time alerts, e-learning, bulk messaging, country and medical information, all in the same tool. It is an open platform, which allows clients to adopt specific internal processes and integrate it with external suppliers, such as assistance providers or other software, including internal employment databases or intranets.

The proven Safeture TRM (Travel Risk Management) software is a part of the Enterprise platform and is also available separately for smaller companies. The TRM software has been popular with many customers for years and is often a starting point for a new customer before they evolve to use other tools on the platform.

History

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.

The operations are conducted by GWS Production AB.

Overall goals

- To grow rapidly to establish ourselves in leading position globally.
- To establish our platform Safeture Enterprise as the first choice for all larger companies and organisations.
- To establish Safeture TRM (Travel Risk Management) as the first choice for all for smaller and midsized companies and organisations.
- To establish GWS content and technology as the first choice for all insurance companies.
- To establish Safeture SDK 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 risk, safety and security information available to users at the right time, no matter where they are. We will achieve this by providing the best platform and content that enables implementation of risk, safety and security processes and distribution of reliable information to individuals and organisations.

Sales and Strategy

GWS' global sales strategy is to large companies using direct sales and through partners reach other B2B and B2B2C customers. 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 is a SaaS, Software as a Service, model.

Research and development

Research and development are prioritized areas within GWS, and we operate in a market area that is still immature. 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 cutting edge knowledge that we gather from the cooperation with our customers is used in our technical development to invent new solutions 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 2019. A more detailed review of these can be found in the Financial Statements for 2018, available on the company's web page.

Organisation/personal

The average number of employees in the Mother company for Q1 2019 amounted to 24 (15). The increase refers to transfer of analytical personnel in Malaysia to be hired directly by the Mother company and also additional personnel in sales.

The corresponding figure for the Group amounted to 34 (26). The increase relates to that Travelogix has increased its R&D and sales department, additional employment of analytical personnel in GWS Malaysia and additional sales personnel in the mother company.

Development in figures during first quarter, 2019.

Amount within brackets corresponds to the same period last year.

Turnover

Net turnover for the Group during Q1, 2019 amounted to 5 237 (4 323) TSEK, an increase with 21,1%, while the net turnover for the Mother company amounted to 3 421 (3 109) TSEK, an increase with 10,0%.

Result

The result in Q1, 2019 for the Group amounted to -4 373 (-3 365) TSEK. The result for the Mother company amounted to -4 137 (-2 789) TSEK. During Q1 the Mother company significantly increased the marketing and sales activities, that had an impact on the operative costs for the period.

Liquidity

Cash in bank for the Group, as at March 31, 2019 amounted to 18 321 (10 151) TSEK, while cash in bank for the Mother company as at March 31, 2019 amounted to 16 305 (9 773) TSEK. Q1 cash-flow for the Group and the Mother company amounted to -1 627 (-3 907) TSEK respective -1 172 (-3 767) TSEK.

As the revenue grow we expect to have greater cash flow fluctuations between the quarters, but it will average out over the year.

Investments

Q1 investments in intangible and tangible assets amounted to 708 (997) TSEK for the Group and were mainly activated development costs. Corresponding investments in the Mother company amounted to 704 (914) TSEK and were mainly activated development costs.

Solidity

The solidity of the Group as at March 31, 2019 amounted to 62,5 (72,2) %, while the solidity for the Mother company amounted to 66,3 (74,8) %. 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 at March 31, 2019 the Company had issued 23 193 737 (15 945 407) shares. The average number of shares for Q1 2019 amounted to 23 193 737 (15 945 407) shares.

Share options

On June 17th, 2015, a general meeting was held and decided on a directed 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 on a directed 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.

On May 29th, 2018, a general meeting was held and decided on a directed issue of 800 000 share options of series 2018/2021 to employees and key personnel of the GWS Group. 794 000 share options were subscribed. The share options were issued at the price of 0,07 SEK per option. The subscription price for exercising the share options amounts to 9,86 SEK per option. The share options may be exercised during the period December 13th, 2021 – December 17, 2021. One (1) share option gives the right to subscribe for one (1) new share.

Biggest shareholders

The schedule below shows the ten biggest shareholders, and the number of shares they own in GWS Production AB, as at March 31, 2019.

Adma Förvaltnings AB	6 900 000	29,75 %
Algora AB ¹	2 845 104	12,27 %
Humle Småbolagsfond AB	1 580 000	6,81 %
Semmy Rülff (Chairman of the board of GWS)	1 000 000	4,31 %
Emirates Advanced Investment Trading LLC	960 374	4,14 %
Andreas Rodman (CEO of GWS)	577 500	2,49 %
Academic Medical Group AB ^{2 3}	507 340	2,19 %
Olof Anderssons Förvaltnings AB	390 423	1,68 %
A1A Förvaltning AB	343 913	1,48 %
J D Oredsson	200 000	0,86 %
Others (about 960 shareholders)	7 889 083	34,02 %
Totalt	23 193 737 st	100,0 %

¹ Algora AB is owned to 100 % by the board member Lars Lidgren (private, related party and family).

² Academic Medical Group AB is owned by Lars Lidgren, member of the board, 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

Semmy Rülff, chairman of the board of GWS Production AB, has received 60 TSEK as remuneration for management services during the first quarter 2019.

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 2018.

Going concern

The board estimates that GWS will have sufficient cash for continued operations and further growth going forward.

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:

- Annual general meeting for 2018 2019-05-29
- Q2 report 2019 2019-08-29
- Q3 report 2019 2019-11-29

Certified Adviser

Erik Penser Bank AB is the Certified Adviser of GWS.

Submission of Interim Report

Lund May 2nd, 2019

GWS Production AB (publ)

The board

Semmy Rölf – Chairman of the Board

Sven Holmgren – Board Member

Lars Lidgren – Board Member

Mathia Nalappan – Board Member

Deep Parekh – Board Member

Hans Skalin – Board Member

Andreas Rodman – Managing Director

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THE GROUP

(The Group comprises the Mother company, including subsidiaries. At March 31, 2019, 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 2019	Q1 2018	2018-01-01 2018-12-31
Revenue			
Net turnover	5 237	4 323	18 947
Own work activated	704	681	3 122
Other income	-11	-10	77
Total revenue	5 930	4 994	22 146
Operating costs	-9 593	-7 473	-28 942
Depreciation	-878	-1 104	-3 896
Operative result	-4 541	-3 583	-10 692
Financials			
Finance net	-46	-37	-149
Impairment	-	-	*-150
Result after financials	-4 587	-3 620	-10 991
Tax	-6	-20	**456
Result after tax	-4 593	-3 640	-10 535
Minority share of the result	220	275	68
Loss for the period	-4 373	-3 365	-10 467

*Write-down of minority interest in Carefindy AB

**Of which 488 (476) refer to a tax credit claim paid in cash in Travelogix Ltd

Data per share

	Q1 2019	Q1 2018	2018-01-01 2018-12-31
Number of shares before dilution (at period end)	23 193 737	15 945 407	23 193 737
Number of shares after dilution** (at period end)	*24 697 737	17 083 292	25 125 622
Average number of shares before dilution	23 193 737	15 945 407	17 601 951
Average number of shares after dilution**	*25 120 868	17 083 292	19 205 208
Number of shares at period end	23 193 737	15 945 407	23 193 737
Result per share before dilution (calculated on average number of shares)	-0,19	-0,21	-0,59
Result per share after dilution** (calculated on average number of shares)	-0,17	-0,20	-0,55

*427 885 share options fell due 29 March, 2019. No conversion was exercised. However, the share options are accounted for in the average number until 29 March, 2019.

**Dilution take into account total number of outstanding share options.

Summary of financial position

(TSEK)	2019-03-31	2018-12-31
Assets		
Fixed assets		
Intangible assets	12 913	12 769
Tangible assets	128	153
Financial assets	50	950
Total fixed assets	13 091	13 872
Current assets		
Short term receivables	5 539	6 055
Cash and bank	18 321	19 948
Total current assets	23 860	26 003
Total assets	36 951	39 875
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 855	1 855
Fund for development cost	5 713	6 217
<i>Non restricted equity</i>		
Share premium	100 932	100 932
Retained earnings	-82 635	-72 933
Result for the period	-4 373	-10 467
Minority interest	1 588	1 826
Total equity	23 080	27 430
Total short-term liabilities	11 371	9 945
Total long-term liabilities	2 500	2 500
Total equity and liabilities	36 951	39 875

Statement of cash flow - summary

(TSEK)	Q1 2019	Q1 2018	2018-01-01 2018-12-31
Operating activities			
Operative result	-4 541	-3 583	-10 692
Adjustment for depreciation & other items	878	1 104	4 384
Interest received /paid	-52	-37	-149
Cash flow from changes in working capital	1 896	-710	221
Cash flow from operating activities	-1 819	-3 226	-6 236
Cash flow from investing activities	-708	-681	-2 846
Cash flow from financing activities	900	0	14 972
Cash flow of the period	-1 627	-3 907	5 890
Cash at the beginning of the period	19 948	14 058	14 058
Cash at the end of the period	18 321	10 151	19 948

Summary of changes in equity

First three months 2019

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss of the period	Minority interest	Total equity
2019-01-01	1 855	6 217	100 932	-83 400	1 826	27 430
Reposting	-	-504	-	765	-18	243
Loss for the period	-	-	-	-4 373	-220	-4 593
2019-03-31	1 855	5 713	100 932	-87 008	1 588	23 080

Twelve 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
Issue new shares			14 967			14 967
Reposting	579	696	-579	-680	-116	-100
Loss for the period	-	-	-	-10 467		-10 467
2018-12-31	1 855	6 217	100 932	-83 400	1 826	27 430

*Cost for issuing new shares amounting to 79 TSEK has reduced Share premium.

THE MOTHER COMPANY

Summary of income statement

(TSEK)	Q1 2019	Q1 2018	2018-01-01 2018-12-31
Revenue			
Net turnover	3 421	3 109	12 870
Own work activated	704	681	3 122
Other income	-11	-9	77
Total revenue	4 114	3 781	16 069
Operating costs	-7 530	-5 617	-22 340
Depreciation	-688	-918	-3 155
Operative result	-4 104	-2 754	-9 426
Financials			
Finance net	-33	-35	-88
Impairment *)	0	0	-1 578
Result after financials	-4 137	-2 789	-11 092
Result before tax	-4 137	-2 789	-11 092
Loss for the period	-4 137	-2 789	-11 092

*) write-down of financial asset and intercompany loan in GWS Singapore and minority interest in Carefindy AB.

Data per share

	Q1 2019	Q1 2018	2018-01-01 2018-12-31
Number of shares before dilution (at period end)	23 193 737	15 945 407	23 193 737
Number of shares after dilution** (at period end)	*24 697 737	17 083 292	25 125 622
Average number of shares before dilution	23 193 737	15 945 407	17 601 951
Average number of shares after dilution**	*25 120 868	17 083 292	19 205 208
Number of shares at period end	23 193 737	15 945 407	23 193 737
Result per share before dilution (calculated on average number of shares)	-0,18	-0,17	-0,59
Result per share after dilution** (calculated on average number of shares)	-0,16	-0,16	-0,55

*427 885 share options fell due 29 March, 2019. No conversion was exercised. However, the share options are accounted for in the average number until 29 March, 2019.

**Dilution take into account total number of outstanding share options.

Summary of financial position

(TSEK)	2019-03-31	2018-12-31
Assets		
Fixed assets		
Intangible assets	8 431	8 404
Tangible assets	21	32
Financial assets	4 475	5 375
Total fixed assets	12 927	13 811
Current assets		
Short term receivables	4 937	5 456
Cash and bank	16 305	17 477
Total current assets	21 241	22 933
Total assets	34 168	36 744
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 855	1 855
Fund for development costs	5 713	6 217
<i>Non restricted capital</i>		
Share premium	100 932	100 932
Retained earnings	-81 714	-71 126
Loss for the period	-4 137	-11 092
Total equity	22 649	26 786
Total short-term liabilities	9 019	7 458
Total long-term liabilities	2 500	2 500
Total equity and liabilities	34 168	36 744

Summary of cash flow

(TSEK)	Q1 2019	Q1 2018	2018-01-01 2018-12-31
Operating activities			
Operative result	-4 104	-2 754	-9 426
Adjustment for depreciation & other items	688	918	2 328
Interest received /paid	-33	-35	-88
Cash flow from changes in working capital	2 081	-1 215	-778
Cash flow from operating activities	-1 368	-3 086	-7 964
Cash flow from investing activities	-704	-681	-3 071
Cash flow from financing activities	900	0	14 972
Cash flow of the period	-1 172	-3 767	3 937
Cash at the beginning of the period	17 477	13 540	13 540
Cash at the end of the period	16 305	9 773	17 477

Summary of changes in equity

First three months 2019

(TSEK)	Share capital	Fund for development costs	Share premium	Ret. earnings incl. Loss for the period	Total equity
2019-01-01	1 855	6 217	100 932	-82 218	26 786
Reposting	-	-504	-	504	-
Loss for the period	-	-	-	-4 137	-4 137
2019-03-31	1 855	5 713	100 932	-85 851	22 649

Twelve 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
Issue of new shares	-	-	14 967	-	14 967
Reposting	579	696	-579	-696	-
Loss for the period	-	-	-	-11 092	-11 092
2018-12-31	1 855	6 217	100 932	-82 218	26 786

*Cost for issuing new shares amounting to 79 TSEK has reduced Share premium.



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