



Interim report

2017-01-01 – 2017-03-31

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, 2017, the Mother company owned 51% of the shares in Travelogix Ltd, 100% of the shares in GWS Production (Singapore) Pte Ltd and 35% of the shares in Carefindy AB (minority interest).

THE GROUP

First quarter (2017-01-01 to 2017-03-31)

- Net turnover amounted to 3 248 (1 771) TSEK.
- Result after financials and minority share amounted to -3 428 (-4 332) TSEK.
- Result per share* amounted to -0,24 (-0,30) SEK.
- The solidity** amounted to 83,0 (87,7) % at March 31, 2017.

THE MOTHER COMPANY

First quarter (2017-01-01 to 2017-03-31)

- Net turnover amounted to 2 025 (1 511) TSEK.
- Result after financials amounted to -3 158 (-4 094) TSEK.
- Result per share* amounted to -0.22 (-0,29) SEK.
- The solidity** amounted to 87,1 (88,6) %.

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 quarter 2017: 14 365 407 (14 332 803) shares. Total number of shares in GWS as at March 31, 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 8th, 2019 to July 24th, 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, for additional information please see press release from January 19, 2017, on the Company's web page.
- 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 after the first quarter.

- GWS signs partnership agreement with Lingmerths Resebyrå AB, a major agency located in southern Sweden.
- GWS adds insurance technology as focus area, for additional information please see press release from April 26th, 2017, on the Company's web page.



COMMENTS BY OUR CEO, ANDREAS RODMAN

During 2016 we put a lot of work in forging our development and sales strategy. Based on those learnings and choices of direction, we have started out 2017 with a focus on two major market segments and a clear focus for our development.

Our main sales focus is that of the business traveler segment, targeting large corporations facing a more and more global economy, with business travel as an everyday component of many employees' worklife. The corporate security industry and travel industry are two logical ways to reach business travelers. This market is growing, and with an increasing uncertainty in terms of potential threats such as terror attacks, we see that GWS' services offer a lot of value to customers and end users. Still, as mentioned before, working with large customers means that we are facing long sales and implementation processes.

What we can see now, however, is that with an increase in demand and awareness, the sales processes tend to be shortened. We have also learned how to guide our customers through the process and we have developed new services matching their needs even better. Worth mentioning is also that those large customers are staying with GWS and that they also are developing their business together with us. With this scenario, with a zero churn, we are building up a stable business over time.

Adding to this is our second focus area when it comes to sales, and it is the InsurTech business. We will remain dedicated to the corporate security and travel market, but we also see the potential for a more direct and even more profitable link through insurance companies. Like the corporate security industry, insurers today value GWS's ability to provide the user with information, but there is a greater dimension with insurances. The GWS's app and content can be used to detect need and risk exposures and thereby enhance their core service offer, generate more revenue and further increase safety and peace of mind of their customers.

With GWS added to the mix, insurance companies will have a way to understand the risk context of their customers in real time. We believe the entire insurance industry will be transformed into a business with more customer interaction and value-added services provided in relation to the users' needs. GWS has already several of those components in its service offer, but we will during the year secure a required focus on the development of both content and technology specifically for the InsurTech market.

Except for the special needs we want to meet from the insurance companies, we can now see that the development of our SDK during 2016 (Software Development Kit) is beginning to bear fruit. Based on customer feedback and our insights derived from the sales processes with our large customers, we added the SDK in the portfolio, and this has shown to be attractive for companies already developing and using their own apps. Furthermore, it requires less work and internal resources from GWS.

Last but not least, I also want to highlight that our subsidiary Travelogix Ltd, acquired during 2016, is progressing well and was cash positive during the first quarter, adding both valuable market and technology knowledge to the group.

I am looking forward to the rest of the year 2017, following the interesting path that we have laid out.

Lund, 2017-05-29

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.

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 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 through 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 quarter amounted to 16 (14). The corresponding figure for the Group amounted to 23 (19). The increase refers mainly to that the Group has increased marketing and sales, development and intelligence analysis.

Development in figures during first quarter, 2017.

Amount within brackets corresponds to the same period last year.

Turnover

Net turnover for the Group during Q1, 2017 amounted to 3 248 (1 771) TSEK, while the net turnover for the Mother company amounted to 2 025 (1 511) TSEK.

Result

The result for Q1, 2017 for the Group amounted to -3 428 (-4 332) TSEK after minority share of the result. The result for the Mother company amounted to -3 158 (-4 094) TSEK.

Liquidity

Cash in bank for the Group, as at March 31, 2017 amounted to 14 640 (18 534) TSEK, while cash in bank for the Mother company as at March 31, 2017 amounted to 13 630 (17 826) TSEK. Q1 cash-flow for the Group and the Mother company amounted to -3 894 (-6 173) TSEK respective -4 196 (-6 311) TSEK.

Investments

Q1 investments in intangible and tangible assets amounted to 820 (7 773) TSEK for the Group, and were mainly activated development costs. The number for Q1 2016 for the Group, within brackets, also comprises the acquisition of Travelogix. Corresponding investments in the Mother company amounted to 820 (1 537) TSEK, and were also mainly activated development costs.

Solidity

The solidity of the Group as at March 31, 2017 amounted to 83.0 (87,7) %, while the solidity for the Mother company amounted to 87,1 (88.6) %. 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 March 31, 2017 the Company had issued 14 365 407 (14 365 407) shares. The average number of shares during the first quarter of 2017 amounted to 14 365 407 (14 332 803) shares.

Share options

On April 9th, 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 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 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 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 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 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 31, 2017.

Algora AB ¹	3 488 174	24,28 %
Emirates Advanced Investment Trading LLC	960 374	6,69 %
Academic Medical Group AB ^{2 3}	692 340	4,82 %
Lundaklostret AB	678 119	4,72 %
Andreas Rodman	577 500	4,02 %
Others (about 1 190 shareholders)	7 968 900	55,47 %
Total	14 365 407 pcs	100,0 %

¹ Algora AB is owned to 100 % by 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, 2,8 % is owned through Seagles Aktiebolag. Board member Sven Holmgren owns 1,97 % (through related party), board member Wolter Mannerfelt 0,54 % (through Acuzena Ltd.), 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 2017.

Mathia Nalappan, board member of GWS Production AB, has received 40 TSEK as remuneration for management services during the first quarter 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 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 to be able to continue grow and develop its business and technology. 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:

- | | |
|---|------------|
| • Q2 report 2017 | 2017-08-25 |
| • Q3 report 2017 | 2017-11-24 |
| • Year-end report for 2017 | 2018-02-27 |
| • Publishing of Financial Statements 2017 | 2018-04-20 |
| • Annual general meeting for 2017 | 2018-05-29 |

Certified Adviser

Sedermera Fondkommission is the Certified Adviser of GWS.

Submission of Interim Report

Lund May 29, 2017

GWS Production AB (publ)

The board

Lars Lidgren – chairman of the board

Paul Degerlund – board member

Sven Holmgren – board member

Wolter Mannerfelt – board member

Mathia Nalappan – 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, 2017, the Mother company owned 51% of the shares in Travelogix Ltd, 100% of the shares in GWS Production (Singapore) Pte Ltd and 35% of the shares in Carefindy AB (minority interest).

Statement of income - summary

(TSEK)	Q1 2017	Q1 2016	2016-01-01 2016-12-31
Revenue			
Net turnover	3 248	1 771	8 988
Own work activated	820	1 511	4 693
Other income	21	145	60
Total revenue	4 089	3 427	13 741
Operating costs	-6 674	-7 325	-28 830
Depreciation	-893	-556	-3 295
Operative result	-3 478	-4 454	-18 384
Financials			
Finance net	0	-48	-6
Result after financials	-3 478	-4 502	-18 390
Minority share of the result	50	170	798
Loss for the period	-3 428	-4 332	-17 592
<i>Result per share (SEK)</i>	<i>-0,24</i>	<i>-0,30</i>	<i>-1,23</i>

Statement of financial position - summary

(TSEK)	2017-03-31	2016-12-31
Assets		
Fixed assets		
Intangible assets	13 150	13 257
Tangible assets	313	344
Financial assets	1 069	950
Total fixed assets	14 532	14 551
Current assets		
Short term receivables	3 489	2 669
Cash and bank	14 640	18 534
Total current assets	18 129	21 203
Total assets	32 661	35 754
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 149	1 149
Fund for development costs	3 210	3 280
<i>Non restricted equity</i>		
Share premium	81 716	81 725
Retained earnings	-57 689	-40 175
Result for the period	-3 428	-17 592
Minority interest	2 139	2176
Total equity	27 097	30 563
Total short term liabilities	5 564	5 191

Total equity and liabilities

32 661

35 754

Statement of cash flow - summary

(TSEK)	Q1 2017	Q1 2016	Twelve months 2016
Operating activities			
Operative result	-3 478	-4 454	-18 384
Adjustment for depreciation	893	556	3 295
Interest received /paid	0	12	9
Cash flow from changes in working capital	-489	331	-387
Cash flow from operating activities	-3 074	-3 555	-15 467
Cash flow from investing activities	-820	-4 789	-8 172
Cash flow from financing activities	0	-2 171	2 143
Cash flow of the period	-3894	-6 173	-21 496
Cash at the beginning of the period	18 534	40 030	40 030
Cash at the end of the period	14 640	33 857	18 534

Changes in equity - summary

First 3 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	-	-70	-9	78	13	12
Loss for the period	-	-	-	-3 428	-50	-3 478
2017-03-31	1 149	3 210	81 716	-61 117	2 139	27 097

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
2016-12-31	1 149	3 280	81 725	-57 767	2 176	30 563

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

THE MOTHER COMPANY

Statement of income - summary

(TSEK)	Q1 2017	Q1 2016	2016-01-01 2016-12-31
Revenue			
Net turnover	2 025	1 511	6 713
Own work activated	820	1 446	4 619
Other income	21	97	37
Total revenue	2 866	3 054	11 369
Operating costs	-5 308	-6 712	-24 892
Write-down of shares in Carefindy AB	0	0	-378
Depreciation	-716	-448	-2 638
Operative result	-3 158	-4 106	-16 539
Financials			
Finance net	0	12	28
Result after financials	-3 158	-4 094	-16 511
Result before tax	-3 158	-4 094	-16 5114
Loss for the period	-3 158	-4 094	-16 511
<i>Result per share (SEK)</i>	<i>-0,22</i>	<i>-0,29</i>	<i>-1,15</i>

Statement of financial position - summary

(TSEK)	2017-03-31	2016-12-31
Assets		
Fixed assets		
Intangible assets	7 813	7 671
Tangible assets	106	117
Financial assets	5 747	5 747
Total fixed assets	13 666	13 535
Current assets		
Short term receivables	2 872	2 008
Cash and bank	13 630	17 826
Total current assets	16 502	19 834
Total assets	30 168	33 369
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 149	1 149
Fund for development costs	3 210	3 210
<i>Non restricted capital</i>		
Share premium	81 725	81 725
Retained earnings	-56 652	-40 141
Loss for the period	-3 158	-16 511
Total equity	26 274	29 432
Total short term liabilities	3 894	3 937
Total equity and liabilities	30 168	33 369

Statement of cash flow - summary

(TSEK)	Q1 2017	Q1 2016	Twelve months 2016
Operating activities			
Operative result	-3 158	-4 106	-16 539
Adjustment for depreciation	716	448	3 016
Interest received /paid	0	12	28
Cash flow from changes in working capital	-934	453	-569
Cash flow from operating activities	-3 376	-3 193	-14 064
Cash flow from investing activities	-820	-5 289	-8 967
Cash flow from financing activities	0	-2 171	1 193
Cash flow of the period	-4 196	-6 311	-21 838
Cash at the beginning of the period	17 826	39 664	39 664
Cash at the end of the period	13 630	33 353	17 826

Changes in equity - summary

First 3 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	-	-	-	-	-
Loss for the period	-	-	-	-3 158	-3 158
2016-06-30	1 149	3 210	81 725	-59 810	26 274

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
2016-12-31	1 149	3 210	81 725	-56 652	29 432

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



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