



Annual Report

2017-01-01 – 2017-12-31

GWS Production AB (publ)

556776-4674

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Summary of annual 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 December 31, 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

Twelve months (2017-01-01 to 2017-12-31)

- Net turnover amounted to 14 171 (8 988) TSEK.
- Result after financials and minority share amounted to -12 209 (-17 592) TSEK.
- Result per share* amounted to -0,84 (-1,23) SEK.
- The solidity** amounted to 72,2 (85,5) % on December 31st, 2017.

Fourth quarter (2017-10-01 to 2017-12-31)

- Net turnover amounted to 4 145 (1 900) TSEK.
- Result after financials and minority share amounted to -3 379 (-4 526) TSEK.
- Result per share* amounted to -0,23 (-0,31) SEK.

THE MOTHER COMPANY

Twelve months (2017-01-01 to 2017-12-31)

- Net turnover amounted to 8 866 (6 713) TSEK.
- Result after financials amounted to -11 467 (-16 511) TSEK.
- Result per share* amounted to -0,79 (-1,15) SEK.
- The solidity** amounted to 74,8 (88,2) %.

Fourth quarter (2017-10-01 to 2017-12-31)

- Net turnover amounted to 2 588 (1 480) TSEK.
- Result after financials amounted to -3 278 (-4 207) TSEK.
- Result per share* amounted to -0,22 (-0,29) SEK.

Amounts within brackets regard comparative period last year.

**Results per share: results are divided by an average number of shares. An average number of shares for twelve months 2017: 14 501 463 (14 357 256) shares. An average number of shares for the fourth quarter 2017: 14 909 629 (14 365 407) shares. Total number of shares in GWS on December 31st, 2017: 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, 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 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, for additional information please see press release from April 26, 2017, on the Company's web page.
- Annual general meeting in GWS 29 May, 2017. Information about resolutions taken are published in a PR 29 May, 2017.
- GWS announces that all future regulatory press releases will be in in English.
- Extra general meeting in GWS 27 June, 2017. Information about resolutions taken are published in a PR 27 June.

Significant events during the third quarter, 2017.

- GWS and ERV sign a new agreement and extend their corporation.
- GWS publishes report for the period January 1st – June 30th, 2017.
- GWS and EOS Risk Group in London sign a global contract. The agreement is initially for a two year period and gives GWS access to customers including the important oil and gas market.
- GWS and Chubb Group, the world's largest publicly traded property and casualty insurance company, sign a global contract for development and launch of travel risk management services. The agreement is initially for a three year period and it has a minimum order value of 660,000 USD during this time.

Significant events during the fourth quarter, 2017.

- GWS publishes report for the period January 1st – September 30th, 2017.
- Humle Småbolagsfond invests 5,2 million SEK in a private placement in GWS.
- GWS receives a business loan from ALMI amounting to 3 million SEK.

Significant events after year-end.

- Major international franchisor expands the agreement with GWS.



Message from the CEO Andreas Rodman

The positive growth trend within the company continued in the fourth quarter of 2017. The development is very clear and stable, both GWS core services and our subsidiary Travelogix services are steadily growing. In comparison to 2016, Travelogix has almost doubled its revenue in 2017.

The increases in recurring licensing revenue is evidence of our leading position in the travel safety industry with an advanced technical solution and qualified analytical ability. The expanded order we recently received from one of our customers, a major international franchisor with operations worldwide, supports this point. Let me share with you this example.

After using the service for three years, the company is so pleased with the outcome that they decided to greatly increase the agreement from 750 users to 5000 users. The order shows that business must be given time to develop, but also how much revenue potential the agreements may have. After running a medium-sized service and making important evaluations, the international franchisor

decided to sign a larger and more global agreement, which in this case generates 1.3 million SEK per year, only from a single corporate client.

We continue to work with other long-term sales processes that are slowly maturing. Once we start harvesting the fruits of this investment work, we will see a significant revenue growth.

Chubb is the world's largest listed property and non-life insurance company. At the end of 2017, we launched Chubb's Travel Smart app and travel management system. This app, initially available in Asia Pacific and the EMEA region, is based on our Software Development Kit (SDK). The SDK is easy to use and implement in existing apps and can be tailored to any company's specific needs, without extensive development.

We will also continue working to improve the cash flow. The negative cash flow for operating and investment activities has been reduced as expected compared to Q3.

During Q4 2017, we strengthened our operational cash through a combination of a bank loan and a private placement investment to Humle Småbolagsfond. Humle Småbolagsfond is a professional microcap fund that is known for being one of the top performance funds and able to find good investments. We are therefore proud to be part of the Humle portfolio and that Humle selected to invest in GWS. It is proof that major investors see the development potential in our business concept. In total we added about 8 million SEK in cash to the company in Q4 which, combined with our continued revenue growth, creates increased financial stability for GWS.

Lund, 2018-02-27

Andreas Rodman

VD, 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 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 during 2017 amounted to 15 (18). The decrease refers to transfer of analytical work to GWS Brazil and not replacing persons on paternity leave.

The average number of employees in the Group during 2017 amounted to 24 (23). The increase relate 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 2017.

Amount within brackets corresponds to the same period last year.

Turnover

Net turnover for the Group during 2017 amounted to 14 171 (8 988) TSEK, while the net turnover for the Mother company amounted to 8 866 (6 713) TSEK. During Q4 our net turnover for the Group amounted to 4 145(1 900) TSEK, while net turnover for the Mother company amounted to 2 588 (1 480) TSEK.

Result

The result in 2017 for the Group amounted to -12 209 (-17 592) TSEK. The result for the Mother company amounted to -11 467 (-16 511) TSEK. The result for the Group for Q4 amounted to -3 379 (-4 526) TSEK, and the result for the Mother company amounted to -3 278 (-4 207) TSEK.

The result for Q4 has been charged with bad debts amounting to 975 TSEK for the Group and 125 TSEK for the Mother company. The bad debts reservation relates in principle to two customers that are short of cash.

Liquidity

Cash in bank for the Group, as on December 31st, 2017 amounted to 14 058 (18 534) TSEK, while cash in bank for the Mother company as on December 31st, 2017 amounted to 13 540 (17 826) TSEK. Q4 cash-flow for the Group and the Mother company amounted to 5 695 (-3 544) TSEK respective 6 158 (-3 305) TSEK. The Mother company made a directed issue of new shares during Q4 amounting to 4 946 TSEK after costs for issuing the shares. The Mother company was also granted a business loan from Almi during Q4 amounting to 3 000 TSEK.

Investments

Q4 investments in intangible and tangible assets amounted to 997 (984) TSEK for the Group, and were mainly activated development costs. Corresponding investments in the Mother company amounted to 914 (902) TSEK, and were also mainly activated development costs. Total investments for 2017 in intangible and tangible assets amounted to 4 450 (5 154) TSEK for the group. The comparing number for the Mother company amounts to 4 367 (4 743) TSEK and were also mainly activated development costs.

Solidity

The solidity of the Group as on December 31st, 2017 amounted to 72,2 (85,5) %, while the solidity for the Mother company amounted to 74,8 (88,2) %. 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 December 31st, 2017 the Company had issued 15 945 407 (14 365 407) shares. The average number of shares during 2017, amounted to 14 501 463 (14 357 256) shares, while the average amount of shares for Q4 2017 amounted to 14 909 629 (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 December 31st, 2017.

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	667 119	4,18 %
Övriga (cirka 1 095 st.)	8 557 400	53,67 %
Totalt	15 945 407 st	100,0 %

¹ Algora AB is 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 240 TSEK for management services during 2017.

Mathia Nalappan, board member of GWS Production AB, has received 220 TSEK as remuneration for management services during eleven months 2017.

CEO Andreas Rodman has through his company Rodman Data HB invoiced the Company 13 TSEK during 2017. The charges relate to costs for mobile subscriptions.

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

The board estimates that GWS, with the additional funding that the company received in December 2017 amounting to about 8 MSEK, will have sufficient cash for continued operations and further growth for at least 1 (one) year ahead.

Audit

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

Proposal for appropriation of earnings

The board and the managing director recommend that no dividends should be paid for the year 2017.

General meeting and complete financial statements

General meeting will be held in Lund, on May 29th, 2018. The financial statements will be published April 20, 2018, and will be available on the company's web page on the same date.

Report dates

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

- | | |
|--|------------|
| • Full financial report as at December 31 st , 2017 | 2018-04-20 |
| • General meeting 2018 | 2018-05-29 |
| • Q1 report 2018 | 2018-05-29 |
| • Q2 report 2018 | 2018-08-28 |
| • Q3 report 2018 | 2018-11-28 |

Certified Adviser

Erik Penser Bank AB is the Certified Adviser of GWS.

Submission of Annual Report

Lund February 27th, 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

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THE GROUP

(The Group comprises the Mother company, including subsidiaries. At December 31, 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)	Q4 2017	Q4 2016	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Revenue				
Net turnover	4 145	1 900	14 171	8 988
Own work activated	914	996	4 367	4 693
Other income	-2	-23	77	60
Total revenue	5 057	2 873	18 615	13 741
Operating costs	-7 924	-6 253	-27 731	-28 830
Depreciation	-1 075	-1 473	-3 889	-3 295
Operative result	-3 942	-4 853	-13 005	-18 384
Financials				
Finance net	65	-20	66	-6
Result after financials	-3 877	-4 873	-12 939	-18 390
Tax*	476	0	476	0
Result after tax	-3 401	-4 873	-12 463	-18 390
Minority share of the result	22	347	254	798
Loss for the period	-3 379	-4 526	-12 209	-17 592
Result per share (SEK)	-0,23	-0,31	-0,84	-1,23

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

Summary of financial position

(TSEK)	2017-12-31	2016-12-31
Assets		
Fixed assets		
Intangible assets	13 566	13 257
Tangible assets	279	344
Financial assets	1 100	950
Total fixed assets	14 945	14 551
Current assets		
Short term receivables	2 910	2 669
Cash and bank	14 058	18 534
Total current assets	16 968	21 203
Total assets	31 913	35 754
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 276	1 149
Fund for development cost	5 521	3 280
<i>Non restricted equity</i>		
Share premium	86 544	81 725
Retained earnings	-60 044	-40 175
Result for the period	-12 209	-17 592
Minority interest	1 942	2 176
Total equity	23 030	30 563
Total short-term liabilities	5 883	5 191
Total long-term liabilities	3 000	-
Total equity and liabilities	31 913	35 754

Statement of cash flow - summary

(TSEK)	Q4 2017	Q4 2016	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Operating activities				
Operative result	-3 942	-4 852	-13 005	-18 384
Adjustment for depreciation & other items	1 551	1 472	4 365	3 294
Interest received /paid	34	-40	35	9
Cash flow from changes in working capital	971	843	450	-386
Cash flow from operating activities	-1 386	-2 577	-8 155	-15 467
Cash flow from investing activities	-841	-874	-4 243	-8 172
Cash flow from financing activities	7 922	-93	7 922	2 143
Cash flow of the period	5 695	-3 544	-4 476	-21 496
Cash at the beginning of the period	8 363	22 078	18 534	40 030
Cash at the end of the period	14 058	18 534	14 058	18 534

Summary of changes in equity

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

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	-	-17 592
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

Summary of income statement

(TSEK)	Q4 2017	Q4 2016	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Revenue				
Net turnover	2 588	1 480	8 866	6 713
Own work activated	914	922	4 367	4 619
Other income	109	1	188	37
Total revenue	3 611	2 403	13 421	11 369
Operating costs	-5 572	-5 037	-21 272	-24 892
Impairment	-469	-378	-469	-378
Depreciation	-879	-1 172	-3 182	-2 638
Operative result	-3 309	-4 184	-11 502	-16 539
Financials				
Finance net	31	-23	35	28
Result after financials	-3 278	-4 207	-11 467	-16 511
Result before tax	-3 278	-4 207	-11 467	-16 511
Loss for the period	-3 278	-4 207	-11 467	-16 511
<i>Result per share (SEK)</i>	<i>-0,22</i>	<i>-0,29</i>	<i>-0,79</i>	<i>-1,15</i>

Summary of financial position

(TSEK)	2017-12-31	2016-12-31
Assets		
Fixed assets		
Intangible assets	8 692	7 671
Tangible assets	74	117
Financial assets	5 879	5 747
Total fixed assets	14 645	13 535
Current assets		
Short term receivables	2 457	2 008
Cash and bank	13 540	17 826
Total current assets	15 997	19 834
Total assets	30 642	33 369
Equity and liabilities		
<i>Restricted equity</i>		
Share capital	1 276	1 149
Fund for development costs	5 521	3 210
<i>Non restricted capital</i>		
Share premium	86 544	81 725
Retained earnings	-58 963	-40 141
Loss for the period	-11 467	-16 511
Total equity	22 911	29 432
Total short-term liabilities	4 731	3 937
Total long-term liabilities	3 000	0
Total equity and liabilities	30 642	33 369

Summary of cash flow

(TSEK)	Q4 2017	Q4 2016	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Operating activities				
Operative result	-3 309	-4 184	-11 502	-16 539
Adjustment for depreciation	879	1 550	3 182	3 016
Interest received /paid	31	-23	35	28
Cash flow from changes in working capital	1 445	1 161	346	-569
Cash flow from operating activities	-954	-1 496	-7 939	-14 064
Cash flow from investing activities	-789	-766	-4 248	-8 967
Cash flow from financing activities	7 901	-1 043	7 901	1 193
Cash flow of the period	6 158	-3 305	-4 286	-21 838
Cash at the beginning of the period	7 382	21 131	17 826	39 664
Cash at the end of the period	13 540	17 826	13 540	17 826

Summary of changes in equity

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.

Twelve months 2016

(TSEK)	Share capital	Funds 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	-	2 083
Share options	-	-	60	-	60
Reposting	-	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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