

## Annual Report and 12 months since Initiation

29 April, 2018



**Company's 2017 financial results are in line with our expectations; stock target price unchanged at NIS 9.38.**

**Primary Exchange:** TASE

**Ticker:** TLV:SAFE

**Sector:** High-Tech

**Industry:** Cybersecurity

### Data as at 29 April, 2018

(Source: TASE)

**Closing price:** NIS 1.68

**Market cap:** NIS 34.03M

**# of shares:** 20,267,454

**Stock performance (Y.T.D.):** -75.3%

**Daily-trading-vol. (12 mos.):** NIS 815K

**Stock target price:** NIS 9.38

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**Kobi Hazan** - Lead Analyst

Credit to Experts: Dr. Tiran Rothman; Nadav Ofir;  
Daniel Grunstein

### Company Overview

Safe-T Group Ltd. ("Safe-T"), listed on the Tel Aviv Stock Exchange (TASE: SAFE) since 2016, is a cybersecurity company that was founded in 2013 in Israel. The company develops and markets its Software Defined Access Solution, which is designed to mitigate attacks on business-critical services, applications and data for a wide range of industries, including financial, healthcare, government and manufacturing organizations. Deployed globally, its product protects thousands of employees in enterprises and governments entities, securing their data, services, applications and networks from internal and external data threats. The software mitigates data threats such as un-authorized access to data, services, and networks, as well as data-related threats that include data exfiltration, leakage, malware, ransomware, and fraud. Headquartered in Israel, Safe-T is active in North America, APAC, Africa, and Europe.

### Highlights & Analysis

Safe-T released its annual report on 25 March, 2018 detailing the following:

**The company developed and is now promoting, in partnership with its distributors, a dedicated certification program.**

- The company believes that further measures taken during 2017, such as replacing distributors, recruiting a team in the US, appointing a CMO and so on, have laid strong foundations that will soon materialize into more contracts and increased revenues.

**Going forward, Safe-T's growth strategy comprises;**

- Monetization on its extensive distribution and partner network
- Boosting marketing and sales activities, focusing on enhancing their brand and reputation
- Continued investment in R&D, improving existing products and developing new ones

**Safe-T's patented technology is recognized by experts and has been the recipient of prestigious awards such as the Fortress Cyber Security Award for Compliance and Authentication & Identity (April 2018) and a 2018 InfoSec Award (March 2018).**

**We view the company as an attractive one, but believe that it entails the typical risks for a small-cap company in the rapidly growing cybersecurity space.**

- Major clients in each of the company's target industrial verticals, indicate market confidence.
- If the company successfully penetrates the North American and European markets, it may be acquired in the coming years, as the consolidation trend surges.

**We maintain Safe-T's equity value at \$53M / NIS 188M corresponding to a target price ranging between NIS 8.91 and NIS 9.88; a mean of NIS 9.38.**

- Net Revenues (Gross Profit) in 2017 increased to \$513K from \$331K in 2016, an increase of 55%. The growth can be attributed to an expanded customer base.
- Safe-T's Software Define Access platform addresses real needs and a large and growing market totaling over \$6 billion in 2018, according to Frost & Sullivan estimates

## Annual Updates for 2017 and Quarterly Updates for Q4-2017

### 2017 Annual Financial Results

**Net Revenues** (Gross profit) in 2017 increased to \$513K from \$331K in 2016, an increase of 55%. The growth can be attributed to an expanded customer base, however was partially offset by increased cost of revenues due to salary expenses and acquisition of software from third parties. Growth in Revenues and Cost of Revenues for 2017 compared with 2016, were 30% and 14% respectively. Revenues for Q4-2017 totaled \$377K, the highest for 2017.

**Research and development expenses** for 2017 totaled \$1.6M compared with \$1.1M for 2016, an increase of 48%. The increase can be mainly attributed to increased salary expenses and those paid to third parties including the Company's R&D partner firm. R&D expenses for Q4-2017 totaled \$517K, the highest for 2017.

**Sales and marketing expenses** for 2017 totaled \$4.1M compared with \$2.9M for 2016, an increase of 40%. This can be mainly attributed to salary expenses resulting from growing the sales team, travel expenses and S&M expenses for the promotion of the company and its products. S&M expenses for Q4-2017 totaled \$1.4M, the highest for 2017.

**General and administrative expenses** totaled \$2.2M compared with \$2.1M for 2016, an increase of 1%. The increase is negligible and is more or less indexed to the CPI. G&A expenses for Q4-2017 totaled \$545K, second only to Q2-2017.

**Operating loss** for 2017 stood at \$7.3M, compared with \$7.3M a decrease of 1% from 2016. Despite significant increases in operating costs, operating loss marginally decreased due to increases in net revenues. Operating loss for Q4-2017 totaled \$2.3M, the highest for 2017.

**Net financial income** for 2017 totaled \$2M, compared with -\$1.6M for 2016. The transition from net financing expenses in 2016 to financing revenue in 2017 is mainly due to the recording of income due to the decline in the stock exchange value of the options to the investors allotted by the company as part of the offering and within the framework of private allocations during 2017 less the increase in the stock exchange value of the anti-dilution mechanism granted to investors within the framework of those private allocations. Net financial income for Q4-2017 totaled \$571K, the second lowest for 2017, ahead of Q1.

**Tax paid** on revenues by Safe-T's American subsidiary for 2017 totaled \$1,000, compared with \$2,000 in 2016. In real terms both sums are insignificant.

**Net loss** for 2017 totaled \$5.3M, compared with \$8.9M in 2016, a decrease of 41%. The decrease can be attributed to all the reasons provided above for each category of income and expense. Net loss for Q4-2017 totaled \$1.7M, the highest for 2017.

**Capital Resources** at the end of 2017 totaled approx. \$3.1M, compared with approx. \$1.2M, the increase is primarily a result of successful capital raising throughout the reporting period.

\*All figures above are rounded to the nearest \$100K for figures > \$1M, and to the nearest thousand for figures < \$1M.

### Analysis

Safe-T's increase in revenues and net revenues is positive for the company going forward as it seeks to make the transition from being an R&D intensive firm to a commercially intensive firm.

Investments made by the company in sales teams across the three major markets; Europe, APAC, and the US are very important and are expected to already begin paying dividends in 2018. Furthermore, the appointment of a CMO fills an important gap in the management team and is indicative of the company's intention to begin delegating similarly ample resources to its sales and marketing activities, as it has to its R&D activities.

Importantly, investment in sales and marketing has not come at the expense of investment in R&D, which increased 41% in 2017. This is critical in a highly competitive industry. Cybersecurity companies need to stay on top of R&D insuring its products are optimal in terms of security, technology and effectiveness. In addition, new data breaches are constantly occurring and demand recurring reconfiguration of products to account for these new threats.

Safe-T is likely to witness increased market attention in 2018 on the back of several market drivers in the past year including; large-scale ransomware attacks, new regulation obligating firms to invest in data security (e.g. GDPR in Europe), and several high profile breaches affecting both corporate and political organizations. The simplicity and ingenuity of Safe-T's solution, in conjunction with its product's effectiveness and cost efficiency, position the company to leverage upon this market demand and increase its revenue share.

We view the company as an attractive one, but believe that it entails the typical risks for a small-capitalization (cap) company in the fast-growing cybersecurity space. If the company successfully penetrates the North American and European markets, it may be acquired in the coming years, as the consolidation trend surges. 2017 financial results are similar to our estimation for the company's revenues and gross profit, while operating costs are higher than expected. On the other hand, Safe-T continues with its strategic plans and will reach its goals.

**Thus, we maintain Safe-T's equity value at \$53M / NIS 188M corresponding to a target price ranging between NIS 8.91 and NIS 9.88; a mean of NIS 9.38.**

#### Y.T.D Stock Movement



## Executive Summary

### Investment Thesis

Safe-T Group Ltd., listed on the Tel Aviv Stock Exchange (TASE: SAFE) since 2016, is a cybersecurity company that was founded in 2013 by Amir Mizhar (24.87% holdings) in Israel. The company's solutions are designed to mitigate attacks on business-critical services and data for a wide range of industries, including financial, healthcare, government, and manufacturing organizations.

Safe-T's patented technology is recognized by experts and has been the recipient of prestigious awards such as the Fortress Cyber Security Award for Compliance and Authentication & Identity (April 2018) and a 2018 InfoSec Awards (March 2018).

Safe-T is active in a domain that generates intense competition; consolidation through acquisitions is also a growing trend. Small, innovative, technologically complex companies are faced with the challenges of gaining credibility, reputation, differentiation and developing an effective network of revenue generating channels. Moreover, diverse regulatory and compliance requirements across various countries and regions complicate things for companies with a global presence.

Safe-T's Software Define Access platform addresses real needs and a large and growing market totaling over \$6 billion in 2018, according to Frost & Sullivan estimates.

Safe-T is targeting several industry verticals, including financial services, government, and healthcare and has developed a network of over 40 channel and technology partners with a focus on the USA, Europe, Southeast Asia and Israel. Furthermore, the company developed and is now promoting, with its distributors, a dedicated certification program.

### Vision & Strategy

Safe-T is focused on high-risk data protection, and positions itself as "software-defined access for the hybrid cloud - Keep the Hackers Out & Let the Good Guys In" The company believes that their approach of protecting sensitive data by "hiding it from both the outside and inside worlds, and making it accessible only to authorized and intended entities" (i.e. creating a perimeter that is closed to unauthorized users) has high efficiency at a cost effective price-point.

Safe-T's Software Define Access is a platform that aims to protect the entire data access lifecycle, divided into three components; adaptive access, data usage control and data usage audits and reports.

In 2018, Safe-T's strategy is to support the existing network of business partners in increasing pipeline, POCs and revenues while continue to develop the technology. The company is focused on the US market and on off-the-shelf solutions rather than tailored and customized programs.

Going forward, Safe-T's growth strategy comprises:

- Monetization on its extensive distribution and partner network
- Boosting marketing and sales activities, focusing on enhancing their brand and reputation
- Continuing investment in R&D, improving existing products and developing new ones

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## Market Analysis

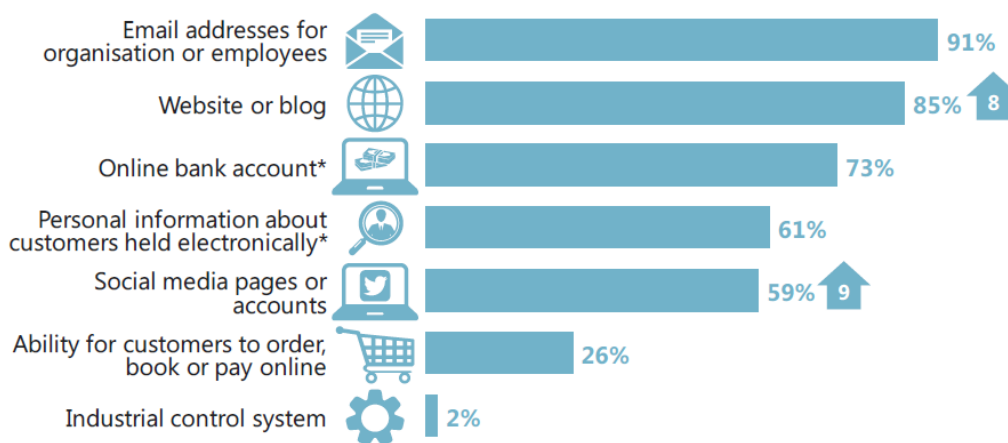
### Market Overview

Along with the adoption and implementation of digital transformation across all verticals and commercial domains, new opportunities for organizations come with increased security risks.

The AV-TEST Institute claims to register over 250,000 new malicious programs every day, with over 100 million registered in 2017. The WannaCry ransomware attack in May 2017 affected organizations in over 150 countries and highlighted the threat landscape. Every business and organization is a potential target and should consider itself under threat.

The UK Government's Cyber Security Breaches Survey 2017 found that almost 70% of large businesses identified a breach or attack in 2016. According to the survey results, the growing integration of business and organizations with relay of online services (see below chart), externally hosted web services (59%), BYOD (46%), etc., expose them to cybercrime more than ever before.

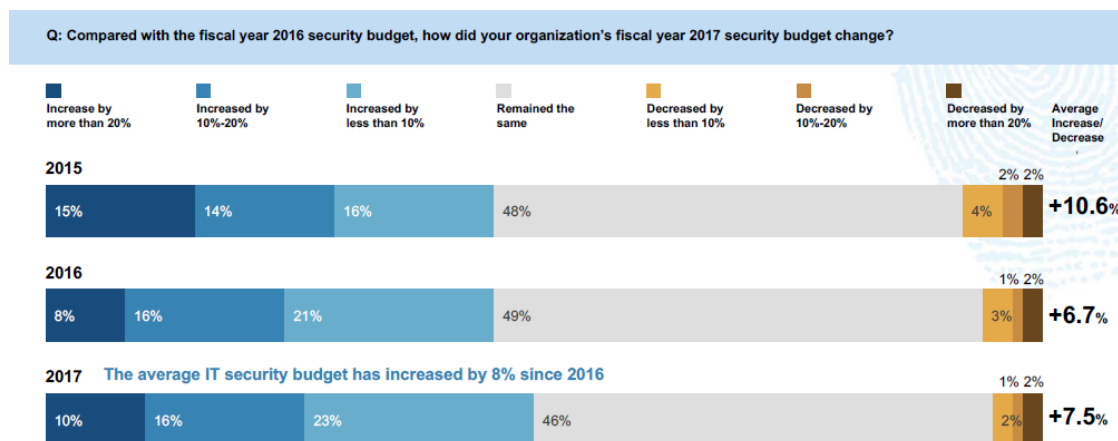
**Q. Which of the following, if any, does your organisation currently have or use?**



Base: 1,523 UK businesses

\*New or amended answer options not present in last year's survey

Consequently, IT security budgets continue to increase as depicted below.



Source: 2017 State of Cybercrime Report

Investment in cybersecurity for many regulated industries is a requirement for compliance and improved corporate governance. However, as new regulations are implemented, such as GDPR in Europe, the need to invest in strong cybersecurity solutions will increase across all industries.

## Market Size & Growth Rate

Fueled and energized by the global digital transformation, Cybersecurity enjoys unprecedented and continuous growth.

In the mid-2000's, the global cyber security market was relatively new and was estimated to be in the range of \$3.5 billion. A little over a decade later, in 2017, it was estimated to be worth more than \$110 billion with projections to reach \$150 billion or more by 2022, growing at a CAGR of between 8% and 10%.

Safe-T's Software Defines Access platform addresses several domains within the Cybersecurity market that are sometimes evaluated as a stand-alone segments, including among others; Software Defined Perimeter (\$12.2 billion by 2025), Managed File Transfer (\$2.1 billion by 2025), Cloud Access Security Broker (\$13.2 billion by 2024). Growth rates for all of those domains are expected to be in the high double digits.

Overall, we estimate the company's addressable market size to be approximately \$6 billion.<sup>1</sup>

## Trends & Drivers

### **Key trends and drivers that support the need for Safe-T's solutions include:**

- Increasing incidence of cyber- threats, cyber-attacks, spear phishing, ransomware, and advanced persistent threat (APT) attacks, including via social media and compromised websites.
- BYOD to work has become the norm, bringing with it a host of mobile bots.
- Exposure of confidential information, unintentionally or otherwise, can result in failure to meet regulatory standards, leading to legal action, fines, theft of intellectual property, bad publicity, and loss of customers.
- 75% of businesses lack sufficient cyber security expertise, which increases opportunities for vendors.<sup>2</sup>
- Cloud-based storage and applications, such as Salesforce and Dropbox, across all verticals and industries, inevitably increase the need for cloud-based security services
- Software-defined perimeter (SDP) and other isolation technologies will go mainstream over the next five years and are expected to be adopted by over 30% of enterprises.<sup>3</sup>

## Restraints

### **Key restraints include:**

- The cyber security market is vast, competition intense, and consolidation in the form of mergers and acquisitions, growing.
- Many companies find it difficult to manage and allocate sufficient budgetary resources to meet all threats.
  - It remains especially difficult to capture attention and become a supplier.
- Regulatory and compliance requirements within various countries and regions increase the complexity for companies with a global presence.

<sup>1</sup> Although the \$6 billion market size is based on data from different years (MFT from 2016, CASB from 2015, and EFSS from 2013), we believe that it provides a good estimate.

<sup>2</sup> Seals, Tara. "75% of Orgs Lack Cybersecurity Expertise." Infosecurity, October 2016, [www.infosecurity-magazine.com/news/75-of-orgs-lack-cybersecurity](http://www.infosecurity-magazine.com/news/75-of-orgs-lack-cybersecurity).

<sup>3</sup> Gartner. *It's Time to Isolate Your Services from the Internet Cesspool*. September 2016.

## Product / Service Offering

Safe-T's Software Define Access is a platform that aims to protect the entire data access lifecycle, and is divided into three components; adaptive access, data usage control and data usage audits and reports.

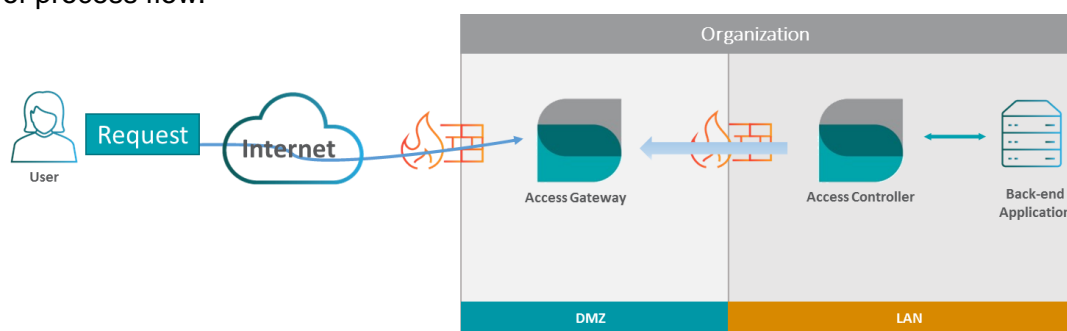
### How Safe-T's Patented Reverse Access™ works:

1. Incoming requests from user/external application to internal application arrives to the Safe-T Access Gateway
2. Safe-T Access Controller immediately pulls them into the LAN over an outbound connection
3. Safe-T Access Controller utilizes the SecureStream engine to apply policy and workflow on traffic
4. The request is sent to the internal application, and the reply is sent back to the user/external application.



Source: Safe-T Investor Presentation, 2018

An illustration of process flow:



Source: Safe-T Sales Presentation, 2018

### Safe-T Has Identified 5 Use Cases:

Secure Application Access	Provide secure, controlled & transparent access and usage for all entities to internal applications and files
Secure File & Email Access	Control access & secure the exchange of any type and size of file between people, applications, cloud solutions & businesses
Automated Application Access	Easily and securely offer new file upload services for applications, customers & anonymous users
Secure Cloud Storage Access	Control & monitor all data uploaded & downloaded from the enterprise to/from cloud storages
Secure Hybrid Cloud Access	Simplify migration to the hybrid-cloud architectures, by securely & transparently connecting the cloud to the on-premise

Source: Safe-T Sales Presentation, 2018

## Marketing & Sales

During 2017, the company expanded its capabilities and now has an active marketing and pre/post sales team located in Israel, the US, Europe and APAC. Notably, we see great value in the recruitment of a Chief Marketing Officer. These activities already resulted, among other changes, in the transformation of Safe-T's value proposition to one that is less technical and more commercially oriented, directly targeting customer use cases.

The company believes that measures taken during 2017, such as replacing distributors, recruiting a team in the US and so on, have laid strong foundations that will soon materialize into more contracts and increased revenues.

In addition, the company developed and is now promoting, with its distributors, a dedicated certification program.

Safe-T has a strong presence in Israel, is expanding its sales efforts in the US, and gaining traction in Europe and South East Asia, specifically in Singapore and Philippines. Sales in the US will be their primary focus over the next few years, and are expected to constitute 50% of their revenues in the future.

Generally, Safe-T's solution can be deployed as is, or after making tailored adaptations. In the short term, the company is focused on promoting 'off the shelf solutions' but understands the importance (due to high stickiness) in selling tailored solutions, specifically to very large organizations.

## Target Segments & Customers

Safe-T is positioned as a cybersecurity company that can sell into any vertical industry, including: financial services, government, healthcare, education, defense, law firms and manufacturing. The company cites financial services, government, and healthcare as its "sweet spots," and these currently constitute 95% of its revenues. Safe-T expects that the bulk of their revenue will continue to be generated from these three industries.

**The Financial Services Industry (FSI)** includes; banks, investment houses, credit cards, fintech, insurance, and mortgage o companies.

**The Healthcare Industry** includes; hospitals, HMOs, labs, and health insurance (preauthorization) companies.

**The Government sector** includes; Government Ministries, Defense and HLS, and Law Enforcement.

FINANCIAL Banks Credit Cards Insurance Mortgage Origination	LARGE CORPORATIONS Global Organizations Manufacturing Utilities Law Firms	GOVERNMENT Government Ministries Defense & HLS Law Enforcement	HEALTHCARE & EDUCATION Hospitals HMO Higher Education	CLOUD OEM partners SaaS MSPs Cloud-based Enterprises
				

Source: Safe-T Investor Presentation, 2018

Several of Safe-T's major clients reflect market confidence in the security offered by its solutions. Select examples are detailed in the table below.

Industry	Positive Reflection	Client	Positive Reflection
<b>Banking</b>	As the banking industry goes online more is being invested in cyber security than time delay safes. In 2015 HSBC budgeted \$1 billion to upgrade cybersecurity, and JPMorgan Chase spent \$500 million.	<b>Bank Hapoalim Ltd.</b>	Israel's largest bank is regarded as a global leader in cybersecurity, already having cooperated with companies like Microsoft and IAI on cybersecurity trials.
<b>Government</b>	Governments continue to be the most publicized victims of cybersecurity breaches, especially given recent cases surrounding the 2016 US Elections, and other international cyber-attack incidents.	<b>Government of Israel</b>	The Israeli government, which uses Safe-T products on its gov.il domain, comprises some of the most sensitive institutions in the world including the Prime Minister's Office (the branch responsible for the Mossad).
<b>Insurance</b>	Much like banking, Insurance is undergoing a comprehensive digital transition and is therefore seeking the most impenetrable solutions for Insurtech products.	<b>Harel Insurance Ltd.</b>	Harel is a leading investor in Cybersecurity companies and identified the importance of implementing innovative protective solutions before most in the industry.
<b>Law enforcement</b>	Law enforcement can only fulfill its function to serve and protect, if they themselves are protected. With legal responses to cybercrime beginning to take off, the arresting party is a priority target for hackers.	<b>Israel Police</b>	Israel Police has stated on many occasions that they struggle to handle the number of incoming threats. The fact that, one of the world's most threatened police departments trusts in Safe-T, is a great testament.
<b>National Energy Grids</b>	National Electricity grids are adopting cyber protection mechanisms after several large scale threats sent shockwaves through large grids in the US, Poland, Israel and others.	<b>The Electricity Company, Israel</b>	According to Globes, the Israel Electricity Authority faces an estimated 10,000 cyber-attacks per hour, many of which aim to breach data provision/ access.

## Technology & Business Partners

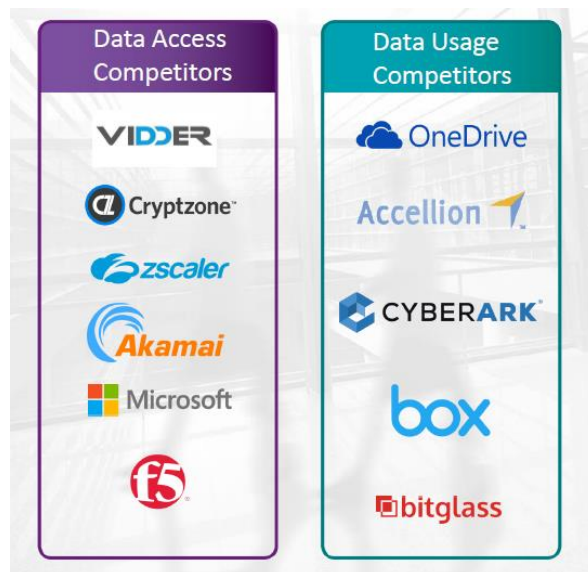
Safe-T has over 40 business and technology partners across the regions.

AMERICA	EUROPE	ASIA	AFRICA	SOUTH AMERICA
<b>Business Partners</b>  <b>Technology Partners</b> 	<b>Business Partners</b>  <b>Technology Partners</b> 	<b>Business Partners</b>  <b>Technology Partners</b> 	<b>Business Partners</b>  <b>Technology Partners</b> 	<b>Business Partners</b>  <b>Technology Partners</b> 

Source: Safe-T Investor Presentation, 2018

## Competitive Analysis

Safe-T's competition is diverse and abundant. Competing vendors are divided into; Data Access and Data Usage.



## Appendix II – Company Contact Details & Management

### Contact Details:

#### Israel

T: +972-9-866-6110

A: 8 Aba Even St, Herzliya Pituach

#### USA

T: +1-888-304-5010

A: 51 John F Kennedy Parkway, First Floor West  
Short Hills, NJ 07078

### Management

**Amir Mizhar - Founder and Chairman:** prior to founding Safe-T, Amir founded and led eTouchware. As founder and CEO of M-Technologies, Amir led the vision and creation of online collaboration tools, and online merchandising systems for retail markets. Developing commercial software programs since the age of 13, Amir is an expert ethical hacker and currently holds multiple patents in the area of data transfer over communication networks.

**Shachar Daniel - Co-Founder and CEO:** responsible for Safe-T's overall vision, company strategy, daily operations, and growing the company's business and presence around the world. Shachar brings over 10 years of managerial experience in in operations and project management. Prior to joining Safe-T, he was Program Manager at Prime-sense, Head of Operations Project Managers at Logic, and Project Manager at Elbit systems.

**Eitan Bremner - Co-founder and VP Product:** responsible for Safe-T's global marketing and product management activities, including product strategy and roadmap, product marketing, positioning, go-to-market strategy, and corporate marketing. Eitan has over 15 years' experience in marketing, product marketing and product management roles, including at Radware and Radvision (an Avaya company). Prior to working for the RAD group, he served as an officer in Unit 8200, an Israeli Intelligence Corps unit.

**Julie Shafiki – CMO (New Appointment):** leads Safe-T's global marketing strategies, including messaging, branding, public relations and analyst relations, product, channel marketing, digital marketing, field marketing and lead generation initiatives. Julie previously served as VP Marketing of Tufin®, the leader in security policy orchestration. Julie was also Global Director of Marketing Communications for Lumenis, Israel's largest medical device company. She served as Associate VP of Global Public Relations at Comverse (NASDAQ:CMVT), and Director of Corporate Communications at PowerDyne (NASDAQ:PDSN, now Microsemi) where she led the corporate marketing activities during the company's IPO and subsequently its acquisition. Julie also worked at Amdocs (NYSE:DOX) in various marketing roles. She holds an MBA from Tel Aviv University and a BA from Colgate University in New York.

**John Parmley, CEO Safe-T USA Inc (Replacement):** John leads all North American sales and operations activities. John brings expertise in acceleration of pipeline development and sales in early stage security start-up companies. Prior to joining Safe-T, John served as Area Vice President US West and Canada at Tufin Technologies, the leader in security policy orchestration solutions. Previously, John served as Field Sales Manager (Central US) for Core Security Technologies, a provider of computer and network security solutions. John has also held roles as Director of Worldwide Channel Management and Enterprise Sales at Veriwave Inc. (acquired by Ixia) and Senior Director Enterprise Sales for Airmagnet (acquired by Fluke Networks). John holds a Bachelor of Science in Geology from the University of Wisconsin Oshkosh.

**Shai Avniti - CFO:** leads Safe-T's financials affairs including taxation, accounting, budgeting, cash flows and financing. He has extensive experience in managing financial, operational, administrative and legal affairs in companies within the medical device, consumer electronics and software fields. He served as a CFO at both public and private hi-tech companies, including Card Guard Scientific Survival (currently LifeWatch), Valor Computerized Systems, ProSight, and BriefCam.

## Appendix III – Analyst Bios

**Kobi Hazan** is the Lead Analyst for Frost & Sullivan's Independent Equity Research practice. He has over 14 years of experience in capital markets, including research, analysis, investment advisory, and management. Mr. Hazan served as a Fund Manager for provident and mutual funds at Analyst Ltd. and, since 2012, he runs the Amida Israel Fund, a hedge fund specializing in Israeli equities. Kobi holds a BA (Economics and Management) from The College of Management Academic Studies. He is licensed as an Investment Advisor in Israel.

**Dr. Tiran Rothman** is Director of Operations at Frost & Sullivan, Israel and also oversees the Firm's Independent Equity Research practice. He has over a decade's experience in financial research and analysis, obtained through positions at a boutique office for economic valuations, as chief economist at the AMPAL group, and as co-founder and analyst at Bioassociate Biotech Consulting. Dr. Rothman also serves as Head of the Economics & Management School at Wizo Academic College, Haifa. Tiran holds a PhD (Economics), MBA (Finance), and was a visiting scholar at Stern Business School, NYU.

**Daniel Grunstein** is a Consulting Analyst at Frost & Sullivan in Israel and has been working on the TASE program for the past 14 months. Daniel has five years of work experience in research and international business development in Australia and Israel. Daniel holds a BA (Economics) from the University of Sydney, and an MBA (Innovation & Strategy) from Tel Aviv University.

**Nadav Ofir** is Head of Consulting at Frost & Sullivan in Israel. He has over 12 years of experience in consulting and providing research and economic analysis for companies in various industries, including in the energy and real estate sectors. Nadav holds a BA (International Relations) from the Hebrew University of Jerusalem, and an MEI Masters of Entrepreneurship and Innovation) from Swinburne University of Technology (Australia).

## Appendix

### Appendix I - Financial Reports

<b>Balance Sheet (USD 000s)</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
<b>Current Assets</b>			
Cash and cash equivalents	62	1,311	3,514
Restricted deposits	44	44	93
Accounts receivable	633	251	868
<b>Total current assets</b>	<b>739</b>	<b>1,606</b>	<b>4,475</b>
<b>Non-Current Assets</b>			
Restricted deposits	-	13	-
Goodwill	523	523	523
Net PPE	60	70	165
Intangible assets, net	1,266	1,015	764
<b>Total non-current assets</b>	<b>1,849</b>	<b>1,621</b>	<b>1,452</b>
<b>Total assets</b>	<b>2,588</b>	<b>3,227</b>	<b>5,927</b>
<b>Current Liabilities</b>			
Loans	314	63	-
Accounts payable and others	967	891	1,571
<b>Total current liabilities</b>	<b>1,281</b>	<b>954</b>	<b>1,571</b>
<b>Non-Current Liabilities</b>			
Warrants and others	0	1,038	1,215
Loans to the Chief Scientist (Israel)	24	63	-
<b>Total non-current liabilities</b>	<b>24</b>	<b>1,091</b>	<b>1,215</b>
<b>Total liabilities</b>	<b>1,305</b>	<b>2,055</b>	<b>2,786</b>
<b>Total equity</b>	<b>1,283</b>	<b>1,172</b>	<b>3,141</b>
<b>Total liabilities and equity</b>	<b>2,588</b>	<b>3,227</b>	<b>5,927</b>

<b>Profit and Loss Statement, USD 000s</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Revenues	715	843	1,096
Cost of Revenues	453	512	583
<b>Gross Profit</b>	<b>262</b>	<b>331</b>	<b>513</b>
Research and Development Expenses, net	(795)	(1,805)	(1,608)
Sales and Marketing Expenses	(2,295)	(2,892)	(4,051)
General and Administrative Expenses	(2,252)	(2,123)	(2,150)
IPO Expenses	(14,012)	(1,579)	-
<b>Operating Loss</b>	<b>(19,092)</b>	<b>(7,348)</b>	<b>(7,296)</b>
Financial Income	1,206	282	2,959
Financial Expenses	(312)	(1,854)	(975)
Taxation on Revenues	-	2	1
<b>Net Loss</b>	<b>(18,198)</b>	<b>(8,920)</b>	<b>(5,312)</b>
Loss per ordinary share – basic and diluted	(4.43)	(0.77)	(0.29)

## Disclaimers, disclosures, and insights for more responsible investment decisions

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