SAFE-T GROUP LTD.

INTERIM FINANCIAL INFORMATION

(Unaudited)

MARCH 31, 2017

SAFE-T GROUP LTD.

INTERIM FINANCIAL INFORMATION

(Unaudited)

MARCH 31, 2017

TABLE OF CONTENTS

Auditor's review report to shareholders of Safe-T Group Ltd.

Introduction

We have reviewed the attached financial information of Safe-T Group Ltd. and its subsidiaries (hereafter - "the Company"), which includes the condensed consolidated statement of financial position as of March 31, 2017, and the condensed consolidated statements of profit or loss, changes in equity and cash flows for the three-month period ended on that date. The Board of Directors and management are responsible for the preparation and presentation of the financial information for this interim period in accordance with the provisions of International Accounting Standard No. 34, 'Interim Financial Reporting', and they are also responsible for the preparation of the financial information for this interim period in accordance Chapter D of the Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion on the financial information for this interim period based on our review.

Scope of review

Our review was conducted in accordance with the provisions of Review Standard No. 1 of the Institute of Certified Public Accountants in Israel, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.' A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements were not prepared in all material respects in accordance with IAS 34.

In addition to what was stated in the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the above financial information does not comply, in all material respects, with the disclosure provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports) – 1970.

Without qualifying our opinion, we draw attention to the following:

1. Note 1c to the condensed consolidated financial statements regarding the Company's financial position, whereby the comparative figures presented in these financial statements are based on the financial data of the accounting acquirer in order to reflect the accounting treatment applied to reverse acquisition.

2. Note 1d to the condensed consolidated financial statements regarding the Company's financial position. The Company has accrued losses and most of its activities are funded by its shareholders. Therefore, the continuation of the Company's activities is conditional upon its obtaining additional funding until it achieves profitability. This raises significant doubts as to the Company's ability to continue as a "going concern". The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and the amounts and classification of liabilities that might be necessary should the Company be unable to continue in its present form.

Tel-Aviv, Israel
May 29, 2017

Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

SAFE-T GROUP LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 31		December 31
	2017	2016**	2016
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
CURRENT ASSETS:			
Cash and cash equivalents	1,692	303	1,311
Restricted deposit	47	45	44
Accounts receivable:			
Trade	44	65	144
Other	117	24	107
	1,900	437	1,606
NON-CURRENT ASSETS:			
Property, plant and equipment, net	65	56	70
Restricted deposit	13	-	13
Goodwill	523	523	523
Intangible assets, net	953	1,205	1,015
	1,554	1,784	1,621
TOTAL ASSETS	3,454	2,221	3,227
CURRENT LIABILITIES:			
Short-term loans:			
Related party	63	62	63
Financial liabilities to group of investors	-	655	-
Accounts payable and accruals:			
Trade	44	21	44
Other	801	550	641
Deferred income	321	228	151
Proceeds on account of private allocation	613	-	-
Chief Scientist liability	79	132	55
Financial liabilities at fair value through profit or loss	-	*	-
	1,921	1,648	954
NON-CURRENT LIABILITIES:			
Derivatives financial instruments – warrants	1,168	-	889
Deferred income	52	-	55
Liability in respect of anti-dilution mechanism	3	-	94
Chief Scientist liability	39	-	63
	1,262	-	1,101
COMMITMENTS AND CONTINGENT LIABILITIES:			
EQUITY:			
Ordinary share capital	-	6	-
Share premium	22,706	14,889	22,220
Receivables on account of shares	*	-	*
Other equity reserves	11,837	10,966	11,624
Accumulated deficit	(34,272)	(25,288)	(32,672)
Total equity	271	573	1,172
Total equity and liabilities	3,454	2,221	3,227

* Represents an amount of less than $1 thousand.

** Retroactive application of the reverse acquisition method, see note 1c.

Amir Mizhar **Chairman of the Board of Directors**	**Shahar Daniel** **CEO**	**Shai Avnit** **CFO**

Date of approval of financial statements by Company's Board of Directors: May 29, 2017.

The accompanying notes are an integral part of these condensed financial statements.

SAFE-T GROUP LTD.
CONDESED STATEMENT OF PROFIT OR LOSS

	Three-month period ended March 31		Year ended December 31
	2017	**2016***	**2016**
	(Unaudited)		**(Audited)**
	U.S. dollars in thousands		
REVENUES	195	104	843
COST OF REVENUES	139	117	512
GROSS PROFIT (LOSS)	56	(13)	331
OPERATING EXPENSES:			
RESEARCH AND DEVELOPMENT EXPENSES, NET	305	215	1,085
SELLING AND MARKETING EXPENSES	658	696	2,892
GENERAL AND ADMINISTRATIVE EXPENSES	475	717	2,123
LISTING FOR TRADE EXPENSES	-	-	1,579
TOTAL OPERATING EXPENSES	1,438	1,628	7,679
OPERATING LOSS	(1,382)	(1,641)	(7,348)
FINANCE EXPENSES	(341)	(99)	(1,854)
FINANCE INCOME	123	202	282
FINANCE INCOME (EXPENSES), net	(218)	103	(1,572)
LOSS BEFORE TAXES ON INCOME	(1,600)	(1,538)	(8,920)
TAXES ON INCOME	-	-	2
LOSS FOR THE PERIOD	(1,600)	(1,538)	(8,922)
BASIC AND DILUTED LOSS PER SHARE (IN DOLLARS)	(0.10)	(0.18)	(0.77)

* Retroactive application of the reverse acquisition method, see note 1c.

The accompanying notes are an integral part of these condensed financial statements.

SAFE-T GROUP LTD.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Ordinary shares	Cost of treasury shares	Share premium	Receivables on account of shares	Accumulated deficit	Other equity reserves	Total
	U.S. dollars in thousands						
BALANCE AT DECEMBER 31, 2016 (audited)	-	-	22,220	*	(32,672)	11,624	1,172
CHANGES IN THE THREE MONTHS ENDED MARCH 31 2017 (unaudited)							
Exercise of warrants			469				469
Share-based payment						230	230
Expiry of options			17			(17)	-
Loss for the period					(1,600)		(1,600)
BALANCE AT MARCH 31, 2017 (unaudited)	-	-	22,706	*	(34,272)	11,837	271
BALANCE AT DECEMBER 31, 2015 (audited)	6	*	14,889	(*)	(23,750)	10,138	1,283
CHANGES IN THE THREE MONTHS ENDED MARCH 31 2016 (unaudited)							
Cancellation of treasury shares	*	(*)					-
Share-based payment						828	828
Loss for the period					(1,538)		(1,538)
BALANCE AT MARCH 31, 2016 (unaudited)**	6	-	14,889	(*)	(25,288)	10,966	573
BALANCE AT DECEMBER 31, 2015 (audited)	6	*	14,889	*	(23,750)	10,138	1,283
CHANGES IN THE YEAR 2016 (audited):							
Reverse acquisition	(6)		1,868				1,862
Proceeds from issuance of shares net of issuance expenses of $ 101 thousand			4,058				4,058
Share-based payment						1,818	1,818
Private allocation net of issuance expenses			1,071				1,071
Exercise and expiry of options			334			(332)	2
Cancellation of treasury shares		(*)					(*)
Los for the period					(8,922)		(8,922)
BALANCE AT DECEMBER 31, 2016 (audited)	-	-	22,220	*	(32,672)	11,624	1,172

* Represents an amount of less than $1 thousand.

** Retroactive application of the reverse acquisition method, see note 1c.

The accompanying notes are an integral part of these condensed financial statements.

SAFE-T GROUP LTD.

CONDESED STATEMENT OF CASH FLOWS

	Three-month period ended March 31		Year ended December 31
	2017	**2016****	**2016**
	(Unaudited)		**(Audited)**
	U.S. dollars in thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss for the period	(1,600)	(1,538)	(8,922)
Adjustments required to reflect the cash flows from operating activities:			
Exchange differences on cash and cash equivalents balances	(69)	-	(25)
Change in financial liability at fair value through profit or loss	296	*	513
Gain from cancellation of options to group of investors	-	(193)	(193)
Finance expenses in respect of financial liability to group of investors	-	96	193
Recognition of initial deferred loss	-	-	1,056
Listing expenses	-	-	1,545
Amortization of intangible assets	62	61	251
Depreciation	6	9	29
Share-based payment	230	828	1,818
	525	801	5,187
Changes in operating asset and liability items:			
Decrease in trade receivables	100	547	468
Increase in other receivables	(10)	(16)	(83)
Decrease in trade payables□ב	-	(69)	(46)
Increase (decrease) in other payables	160	(114)	(22)
Increase in deferred income	167	123	101
	417	471	418
Net cash used in operating activities	(658)	(266)	(3,317)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Restricted deposits	-	(1)	(13)
Acquisition of property, plant and equipment	(1)	(5)	(39)
Net cash used in investing activities	(1)	(6)	(52)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash and cash equivalents from reverse acquisition	-	-	317
Issuance of shares and warrants net of issuance expenses	-	-	4,072
Repayment of grants to Chief Scientist, net	-	-	(17)
Repayment of financial liability at fair value through profit or loss	-	-	(1,056)
Financial liabilities and options to group of investors	-	500	-
Receipt of grants from Chief Scientist	-	13	-
Private allocation net of issuance costs	-	-	1,527
Proceeds in respect of exercise of options and warrants	358	-	2
Proceeds on account of private allocation	613	-	-
Repayment of financial liabilities at amortized cost	-	-	(1,122)
Receipt of financial liabilities and options to group of investors	-	-	870
Net cash provided by financing activities	971	513	4,593
INCREAESE IN CASH AND CASH EQUIVALENTS	312	241	1,224
EXCHANGE RATE DIFFERENCES IN RESPECT OF CASH AND CASH EQUIVALENTS	69	-	25
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,311	62	62
CASH AND CASH EQUIVALENTS AT END OF PERIOD:	1,692	303	1,311
SUPPLEMENTARY DATA ON ACTIVITIES NOT INVOLVING CASH FLOWS:			
Exercise of warrants	111	-	-

* Represents an amount of less than $1 thousand.
** Retroactive application of the reverse acquisition method, see note 1c.

The accompanying notes are an integral part of these condensed financial statements.

NOTE 1 - GENERAL:

a. Safe-T-Data Group Ltd. (hereafter - the "Company") is a holding company, which is engaged, as of that date, through the subsidiary Safe-T Data (hereafter – "Safe-T") and its subsidiaries (RSAccess Ltd. and Safe-T USA Inc.) (hereafter – "RSAccess", "Safe-T Inc." and together with the Company – the "Group") in the development and marketing of solutions for secure and safe data transfer that allow organizations to benefit from improved productivity and effectivity, enhanced security and higher level of compliance with regulatory requirements relating to information security.

b. A merger transaction between the Company and Safe-T was completed on June 15, 2016, such that the Company holds all the share capital and voting rights of Safe-T and Safe-T's shareholders gained control in the Company. The Company is essentially a holding company, which operates, as of that date, through Safe-T, a fully owned subsidiary of the Company and its subsidiaries.

c. The consolidated financial statements include the Company and Safe-T's financial statements. Although legally the Company is the entity, which acquired the shares, since Safe-T's shareholders gained control over the Company, Safe-T is the accounting acquirer and therefore the transaction was accounted for using the reverse acquisition method.

The comparative figures presented in those financial statements were restated in order to reflect the Group's financial position and results of operations using the reverse acquisition method. In the calculation of the loss per share, the Company used the weighted average number of Safe-T shares until the date of the merger transaction, multiplied by the exchange ratio determined for the transaction. The number of shares used in the calculation as from the transaction date is the weighted average number of Company's shares.

d. The Company has accrued losses and most of its activities are funded by its shareholders. Therefore, the continuation of the Company's activities is conditional upon its obtaining additional funding until it achieves profitability. The Company monitors its cash flow projections on a current basis and takes active measures to obtain the funding it requires to continue its operations. These cash flow projections are subject to various risks and uncertainties concerning their fulfilment. The above factors and the risk inherent in the Company's operations raise significant doubts as to the Company's ability to continue as a "going concern". The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and the amounts and classification of liabilities that might be necessary should the Company be unable to continue in its present form.

e. Non-inclusion of separate financial information

In accordance with Regulation 4 to the Periodic and Immediate Reports regulations, the Company has not attached separate financial information to its consolidated financial statements in accordance with Regulation 9C and Regulation 38D to the Securities Regulations (Periodic and Immediate Reports) - 1970.

The Company did not include separate financial information due to the negligible effect that the separate financial statements have on the consolidated financial statements. The parameters used by the Company in order to determine the said effect are: assets, revenues, loss and cash flow from operating activities.

NOTE 2 - BASIS OF PREPARATION OF CONDENSED FINANCIAL STATEMENTS:

a. The interim condensed consolidated financial information of the Group as of March 31, 2017 and for the three-month period ended on that date (hereafter - "the interim financial information") was prepared in accordance with International Accounting Standard No. 34 - "Interim Financial Reporting" (hereafter – "IAS 34") and includes the additional disclosure required in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports) – 1970.

   The interim financial information does not include all the information and disclosures required in annual financial statements. The interim financial information should be read in conjunction with the 2016 annual financial statements and the notes thereto, which are in accordance with International Financial Reporting Standards, which are standards and interpretations published by the International Accounting Standards Board (hereafter – IFRS) and include the additional disclosure required in accordance with the Securities Regulations (Annual Financial Statements) – 2010.

b. Estimates

   The preparation of interim financial statements requires the Group’s management to exercise its judgment and to use significant accounting estimates and assumptions that affect the application of the Group's accounting policy and the amounts of reported assets, liabilities, income and expenses. Actual results may materially differ from those estimates.

   In preparation of these condensed consolidated interim financial statements, the significant judgments that were exercised by the management in applying the Group's accounting policy and the key sources of estimation uncertainty were similar to those applied in the Group’s annual financial statements for the year ended December 31, 2016.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and computation methods used in preparation of the interim financial information are consistent with those used in preparation of the 2016 annual financial statements of the Group.

NOTE 4 – FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

a. Fair value disclosure

As of March 31, 2017, the Company has financial liabilities, which are based on observable data (level 1) in respect of derivative financial instruments – warrants totaling $ 1,168 thousands.

NOTE 4 – FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued):

b. Fair value measurements based on unobservable data (level 3)

The following table presents Group's liabilities, which are measured at fair value as of March 31, 2017 (unaudited):

	Anti-dilution mechanism
	U.S dollars in thousands
Balance as of January 1, 2016	94
Finance income	(91)
Balance as of March 31, 2017	3
Total unrealized gains for the period included in profit or loss for liabilities held at the end of the reporting period	91

The following table presents Group's liabilities which are measured at fair value as of March 31, 2016 (unaudited):

	Options to group of investors	Bridging loan	Financing of issuance expenses	Total
	U.S dollars in thousands			
Balance as of January 1, 2016:	-	*	*	*
Inception	1,398	-	-	1,398
Cancelation	(1,398)	-	-	(1,398)
Balance as of March 31, 2016	-	*	*	*
Total unrealized gains for the period included in profit or loss for liabilities held at the end of the reporting period	-	*	*	*

The following table presents Group's liabilities which are measured at fair value as of December 31, 2016 (audited):

	Anti-dilution mechanism	Options to group of investors	Bridging loan	Financing of issuance expenses	Total
	U.S. dollar in thousands				
Balance as of January 1, 2016:	-	-	*	*	*
Inception	106	1,398	-	-	1,504
Finance expenses (income)	(12)	-	**800	**256	1,044
Settlement/cancelation	-	(1,398)	(800)	(256)	(2,454)
Balance as of December 31, 2016	94	-	-	-	94
Total unrealized gains for the period included in profit or loss for liabilities held at the end of the reporting period	12	-	(800)	(256)	(1,044)

* Represents an amount of less than $ 1 thousand.

** Recognition of deferred initial loss at an amount equal to the cash amount paid by the Company at the time of completion the merger transaction. For further details see note 15 to the Group's 2016 annual financial statements.

NOTE 4 – FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued):

c. **Valuation processes used by the Group**

The valuations required for financial reporting of level 3 items are carried out by external valuers together with the Group's finance department. The CFO and the valuation team discuss the valuation processes and their results in accordance with the Group's reporting dates.

The Company's valuations processes in the three-month period ended March 31, 2017 included a valuation of the anti-dilution mechanism and a valuation of options granted to employees and advisors; (for details see note 6).

d. **Fair value of financial assets and financial liabilities measured at amortized cost**

Assets and liabilities, which are not measured on a recurrent basis at fair value, are presented at their carrying amount, which approximates their fair value, except for Additional Loan I, which was repaid as part of the completion of the merger transaction; (for further details see note 15 to the Group's 2016 annual financial statements).

	March 31		December 31
	2017	2016	2016
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
Additional Loan I	-	249	-

NOTE 5 – TRANSACTIONS WITH RELATED PARTIES

a. On February 4, 2015, the Company's controlling shareholder and Chairman of the Board of Directors transferred to RSAccess an amount of approximately $62 thousands (242 thousand ILS), which was to be used to partly repay its debt to Safe-T. The funds were transferred as a loan, which does not bear interest, with the aim that RSAccess will repay the loan as soon as possible out of revenue proceeds or out of investment proceeds it will receive from Safe-T. As of March 31, 2017, the debt has not yet been repaid. The balance of the loan will be transferred from RSAccess to Safe-T if the merger between the two will be approved (see note 7d).

b. On June 20, 2016, the Company repaid all of Safe-T's loans amounting to $ 2,178 thousands. On July 25, 2016, the Company and Safe-T signed a credit facility agreement, where under the Company will provide a credit facility of up to approximately 16.5 million ILS (approximately $4.3 million) for the purpose of withdrawing the abovementioned loans and further loans to be used in Safe-T's operating activities. The loans shall bear interest in accordance with the rate set in the Income Tax Regulations and they are repayable in one installment or several installments within three years from the date of receipt of each such loan. The amount of Safe-T's loans repaid by the Company as described above was included in the maximal credit facility amount provided by the Company to Safe-T.

NOTE 5 – TRANSACTIONS WITH RELATED PARTIES (continued)

On November 28, 2016, the parties signed a further credit facility agreement under similar terms. The maximal amount of this credit facility is 6 million ILS (approximately $ 1.6 million).

On March 29, 2017, the parties signed a further credit facility agreement under similar terms. The maximal amount of this credit facility is 10 million ILS (approximately $ 2.7 million)

In the period from June 22, 2016 through March 31, 2017, Safe-T has withdrawn further amounts totaling approximately $ 3,019 thousands on account of the said credit facility, such that the total amount of the loans extended by the Company to Safe-T is approximately $5,495 thousands as of March 31, 2017 (including exchange differences) (and the total amount of interest is $ 161 thousands).

The balance of current intercompany debt as of March 31, 2017 is $ 58 thousands.

c. As part of the ongoing running of its business, the Company receives management services from the controlling shareholder and the Chairman of the Board of Directors in consideration for a monthly payment of $ 15 thousands As of March 31, 2017, this balance reflected a $ 15 thousand balance payable to the controlling shareholder.

d. the Company employs related parties of its shareholders. In the three-month period ended March 31, 2017, the total payroll costs amounted to $ 26 thousand. As of March 31, 2017, the payable balance amounted to $4 thousand.

NOTE 6 – SHARE BASED PAYMENT

On March 29, 2017, the Company's Board of Directors approved the award of 647,896 options to employees and advisors at an exercise price of 6.371 ILS per share. The options will be exercisable at the end of the vesting periods in accordance with the terms of the award agreements.

The fair value of the options at date of grant, which was computed according to the binomial model, amounted to $655 thousand. This value is based on the following assumptions: expected volatility of 47.4%, risk free interest of 2.31%, expected term until exercise of 10 years and an early exercise multiple of 2.5 for each offeree. Volatility is based on volatility data of share price of software companies for periods matching the expected term of the option until exercise.

NOTE 7 - EQUITY

a. Composition of share capital

	Number of shares			
	Authorized	Issued and paid	Authorized	Issued and paid
	March 31, 2017		December 31, 2016	
Ordinary shares of no par value	1,000,000,000	15,404,106	1,000,000,000	15,162,033

NOTE 7 – EQUITY (continued)

	Number of shares	
	Authorized	Issued and paid
	March 31, 2016	
Ordinary shares of NIS 0.01 par value	1,000,000,000	22,915,980

b. Approval of private allocation

On March 27, 2017, the Company's Board of Directors approved a private share allocation agreement. Under the agreement, the Company shall allocate 1,994,084 packages comprising 1 share and 1 warrant in consideration for 6.00 ILS per package, such that the total consideration to be received by the Company will amount to approximately 12.0 million ILS. (approximately $3.3 million).

The warrants that will be awarded to the investors are non-tradable. The exercise price of the warrants that will be awarded to the investors will be 8.75 ILS per share. The warrants will expire on November 30, 2018. The target date for completion of the investment was set to May 31, 2017. However, the Company may postpone this date up until June 30, 2017 if it does not obtain all regulatory approvals required to finalize the transaction by the target date. Also, the investment of one of the Company's investors – amounting to 3.63 million ILS – was subject to listing the Company's shares for trading over the counter (OTC) in the USA (see also note 9a).

Through March 31, 2017, the Company received a total of approximately 2,242 thousand ILS (approximately $ 613 thousands). This amount was recorded in the balance sheet among short-term liabilities until the receipt of regulatory approval for the finalization of the transaction; such regulatory approval was received subsequent to the date of the financial statements. For further details regarding the approval of the allocation and extension thereof, see note 9a.

c. Deferral of exercise of Series 1 warrants and reduction of exercise price

On January 30, 2017, the Company's general meeting decided to defer the exercise date of the Series 1 warrants from February 9, 2017 to April 30, 2017 and to reduce the exercise price of the warrants from 6.25 ILS to 5.50 ILS. On February 5, 2017, the Court approved the said actions.

As of the March 31, 2017, 8,750 warrants were exercised before the reduction of the exercise price, for a total consideration of approximately 55 thousand ILS (approximately $14 thousand), and 233,323 warrants were exercised after the reduction of the exercise price, for a total consideration of approximately 1,283 thousand ILS (approximately $344 thousand).

d. The approval of a full merger of the subsidiary Safe-T with the second-tier company RSAccess

On February 2, 2017, the Company's general meeting approved the merger of RSAccess into Safe-T. The approval is subject to approval by the Registrar of Companies and to the Tax Authority's approval to the effect that this merger is a tax-exempt merger. In accordance with the resolution, all assets and liabilities of RSAccess, including a debt of approximately 242 thousand ILS (approximately $63 thousand) shall be transferred to Safe-T and RSAccess will enter into voluntary liquidation.

NOTE 8 – LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to Company's owners by the weighted average number of ordinary shares in issue.

	Three-month period ended March 31		Year ended December 31
	2017	**2016**	**2016**
	U.S. dollars in thousands		
Loss attributable to Company's owners	1,600	1,538	8,922
The weighted average of the number of ordinary shares in issue (in thousands of shares)	15,262	8,627	11,527
Basic loss per share (dollar)	0.10	0.18	0.77

In the calculation of the loss per share, the Company used the weighted average number of Safe-T shares until the date of finalization of the merger transaction, multiplied by the exchange ratio determined for the transaction, as described in note 1c.

The number of shares used in the calculation as from the transaction date is the weighted average number of Company's shares. As to the agreement signed between Safe-T's shareholders and the Company in June 2016, see note 15 to the Group's 2016 annual financial statements.

NOTE 9 - SUBSEQUENT EVENTS

a. Approval of private allocation

In April 2017, the Company received as part of the private allocation (as described in note 7b) amounts totaling 8,153 thousand ILS (approximately $2.23 million) against the allocation of 1,358,834 shares and a similar number of options. The Company was also issued with the Stock Exchange's approval for finalization of the allocation.

Furthermore, on April 24 and April 30 2017, the Company's Board of Directors approved the extension of the private allocation by 2,649 thousand ILS (approximately $730 thousands) under the same terms against the allocation of 441,483 shares. The prices of the shares and the terms of the options are similar to the terms of the private allocation (as described in note 7b).

In addition, on May 21, 2017, the Company's Board of Directors approved a further extension of the private allocation pursuant to an agreement where under two of the investors will make further investments in the Company. Under the agreement, the Company shall allocate 1,174,286 packages comprising 1 share and 1 warrant in consideration for 7.00 ILS per package, such that the additional consideration received by the Company shall total 8.22 million ILS (approximately $ 2.27 million).

NOTE 9 - SUBSEQUENT EVENTS (continued)

The warrants that will be granted to the investor are non-tradable. The exercise price of the warrants is 10.00 ILS per share and they shall expire on November 30, 2018. The target date for completion of the investment was set to July 15, 2017. However, the Company may postpone this date up until August 15, 2017 if it does not obtain all regulatory approvals required to finalize the transaction by the target date.

In addition, one of the investors, who previously stipulated that he will only make the investment if the Company's shares are listed for trading over the counter (OTC) in the USA (as described in note 7b), has decided to waive this demand and invested 3.63 million ILS (approximately $ 1 million) in the Company. The Company received the said amount and will allocate 600,000 shares to this investor.

The amounts which the Company has received and is expecting to receive from the private allocation, including the two extensions thereof, aggregate to a total of 22,651 thousand ILS. As of the date of the publication of these financial statements, a total of 8.2 million ILS (approximately $ 2.27 million), has not yet been received by the Company.

b. Exercise of Series 1 warrants

Over the course of April 2017 and through the date of expiry of the Series 1 warrants on April 30, 2017, further 1,048,206 options were exercised for a total consideration of 5,765 thousand ILS (approximately $ 1,590 thousand). In the period from January 30, 2017 up until April 30, 2017, 1,290,979 options were exercised (approximately 99.85% of the total number of Series 1 warrants) in consideration for 7,103 thousand ILS (approximately $1,943 thousand).
Also, in May 2017, 7,020 options were exercised for an exercise price of approximately 53 thousand ILS.

c. Document of understanding for the founding of a joint company in the field of transport cyber security

On April 23, 2017, Safe-T signed a non-binding document of understanding with Foresight Autonomous Holdings Ltd (hereafter – "Foresight"), a public Company, which is listed on the Tel Aviv Stock Exchange (hereafter – "the Stock Exchange") and which to the best of the Company's knowledge, is engaged in research and development of products designed to prevent road accidents, Rail Vision Ltd. (hereafter – "Rail Vision"), a private Israeli company (one of the shareholders of which is Foresight), which, to the best of the Company's knowledge, is engaged in the development of technology in the field of traffic safety and in the prevention of accidents in the trains sector and Shrem Zilberman Group Ltd., which, to the best of the Company's knowledge, is a company that promotes investments in technology companies, where under they will found a joint company that will engage in cyber security in vehicles and trains (hereafter – "the Document", "the Joint Company" and "the Partners", as applicable).

NOTE 9 - SUBSEQUENT EVENTS (continued)

In accordance with the Document, the Partners reached understandings with regard to their respective shareholding in the Joint Company. Also, the Partners agreed that Safe-T shall grant the Joint Company a license to use its SDA product (for the consideration agreed upon) and will provide customization services with the aim of customizing its products to the transport sector; it was also agreed that Safe-T shall provide development and technical support services (against payment of a consideration that will be determined in a service agreement to be signed with the Joint Company).
Foresight and Rail Vision shall utilize their knowhow and business relations in the field of autonomous vehicles and trains, respectively, to provide the Joint Company advisory and sales services (against payment of a consideration that was determined in the agreement) as well as other business services. The terms under which those services shall be provided shall be determined in services agreements that will be signed between the Joint Company and the Partners.
Subject to the Partners' signing a detailed agreement for the founding of the Joint Company, Shrem Zilberman Group Ltd. shall invest in the Joint Company the initial equity and will work to raise further equity, whether on its own and/or through third parties, under conditions that will be set in the detailed agreement.