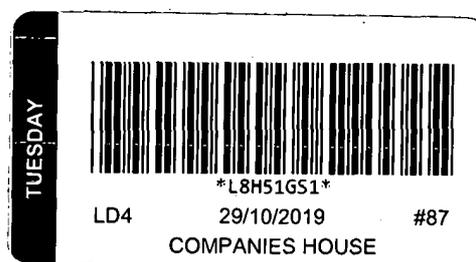


Registered number: 10306277

CYBEREASON LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



CYBEREASON LIMITED
REGISTERED NUMBER: 10306277

BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|--|------|----------------|-----------|
| Fixed assets | | | |
| Tangible assets | 4 | 71,208 | 15,147 |
| | | 71,208 | 15,147 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 885,463 | 374,138 |
| Cash at bank and in hand | | 274,124 | 135,538 |
| | | 1,159,587 | 509,676 |
| Creditors: amounts falling due within one year | 6 | (665,200) | (365,487) |
| Net current assets | | 494,387 | 144,189 |
| Total assets less current liabilities | | 565,595 | 159,336 |
| Provisions for liabilities | | | |
| Deferred tax | | (12,040) | - |
| | | (12,040) | - |
| Net assets | | 553,555 | 159,336 |
| Capital and reserves | | | |
| Called up share capital | 7 | 1 | 1 |
| Other reserves | | 31,072 | 5,319 |
| Profit and loss account | | 522,482 | 154,016 |
| | | 553,555 | 159,336 |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Lior Div
 Director

23/10/2019

CYBEREASON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Cybereason Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 5 New Street Square, London, EC4A 3TW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared under the going concern basis as the director plans to retain the Company for the foreseeable future. The director has received confirmation from Cybereason Inc., the sole customer and parent company, that the Group will continue to support the operations of the Company for the foreseeable future to allow it to be able to meet its own liabilities as they fall due. The consolidated Cybereason Inc. financial statements for the year ended 31 December 2018 show that the Group's total assets exceed its total liabilities and sufficient cash resources to continue in operational existence for a period of at least 12 months from the audit report date. As such, the Company's director has a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

CYBEREASON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

CYBEREASON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CYBEREASON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|------------------|---|-----|
| Office equipment | - | 33% |
|------------------|---|-----|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the year was 19 (2017 - 7).

CYBEREASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Tangible fixed assets

| | Office equipment £ |
|-------------------------------------|-----------------------------------|
| Cost or valuation | |
| At 1 January 2018 | 17,068 |
| Additions | 72,892 |
| At 31 December 2018 | 89,960 |
| Depreciation | |
| At 1 January 2018 | 1,921 |
| Charge for the year on owned assets | 16,831 |
| At 31 December 2018 | 18,752 |
| Net book value | |
| At 31 December 2018 | 71,208 |
| At 31 December 2017 | 15,147 |

5. Debtors

| | 2018 £ | 2017 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 1,212 | - |
| Amounts owed by group undertakings | 656,873 | 272,345 |
| Other debtors | 161,522 | 50,230 |
| Prepayments and accrued income | 65,856 | 51,563 |
| | 885,463 | 374,138 |

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

CYBEREASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Creditors: Amounts falling due within one year

| | 2018 | 2017 |
|------------------------------------|---------|---------|
| | £ | £ |
| Trade creditors | 390,236 | 166,278 |
| Corporation tax | 71,654 | 31,388 |
| Other taxation and social security | 121,514 | 80,492 |
| Other creditors | 43,468 | 44,238 |
| Accruals and deferred income | 38,328 | 43,091 |
| | 665,200 | 365,487 |

7. Share capital

| | 2018 | 2017 |
|---|------|------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 (2017 - 1) Ordinary share of £1.00 | 1 | 1 |

8. Pension commitments

The Company operates a defined contribution pension scheme for all employees within the Company. Contributions payable by the Company during the year amounted to £52,908 (2017: £NIL). As at the balance sheet date, contributions amounting to £10,260 (2017: £NIL) had not been paid over to the fund and are included within creditors.

9. Related party transactions

The Company has taken advantage of the exemption within FRS 102 not to disclose transactions with other wholly owned members of the group, on the basis that the Company is a wholly owned subsidiary.

10. Ultimate controlling party

The Company's ultimate parent undertaking and controlling party is Cybereason Inc, a company incorporated in the United States of America.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 25/10/2019 by Zahir Khaki (Senior statutory auditor) on behalf of PKF Littlejohn LLP.