

Registre de Commerce et des Sociétés

Numéro RCS : B203124

Référence de dépôt : L170210779

Déposé et enregistré le 24/10/2017

FDIMWNVX20170620T11023801_001

RCSL Nr. : B203124

Matricule : 2016 2400 380

eCDF entry date : 20/06/2017

BALANCE SHEET

Financial year from ⁰¹ 08/01/2016 to ⁰² 31/12/2016 (in ⁰³ USD)

Q Cyber Technologies

46A, avenue John F. Kennedy

L-1855 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 _____	110 _____
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____	135 _____	136 _____
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
D. Current assets	1151 _____	151 <u>26.293.671,37</u>	152 _____
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>13.204.489,47</u>	164 _____
1. Trade debtors	1165 _____	165 <u>9.738.462,00</u>	166 _____
a) becoming due and payable within one year	1167 _____	167 <u>9.738.462,00</u>	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 _____	172 _____
a) becoming due and payable within one year	1173 _____	173 _____	174 _____
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 <u>3.466.027,47</u>	184 _____
a) becoming due and payable within one year	1185 _____	185 <u>3.466.027,47</u>	186 _____
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>13.089.181,90</u>	198 _____
E. Prepayments	1199 _____	199 <u>7.596,47</u>	200 _____
TOTAL (ASSETS)		201 <u>26.301.267,84</u>	202 <u>0,00</u>

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>409.238,66</u>	302 _____
I. Subscribed capital	1303 _____	303 <u>14.000,00</u>	304 _____
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____	310 _____
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>395.238,66</u>	322 _____
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions			
	1331 _____	331 <u>172.299,00</u>	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 <u>172.299,00</u>	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors			
	1435 _____	435 <u>25.719.730,18</u>	436 _____
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>18.407.583,52</u>	368 _____
a) becoming due and payable within one year	1369 _____	369 <u>18.407.583,52</u>	370 _____
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>3.855.744,76</u>	380 _____
a) becoming due and payable within one year	1381 _____	381 <u>3.855.744,76</u>	382 _____
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>3.456.401,90</u>	452 _____
a) Tax authorities	1393 _____	393 <u>3.454.200,90</u>	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>2.201,00</u>	398 _____
i) becoming due and payable within one year	1399 _____	399 <u>2.201,00</u>	400 _____
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>26.301.267,84</u>	406 <u>0,00</u>

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PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 08/01/2016 to ⁰² 31/12/2016 (in ⁰³ USD)

Q Cyber Technologies

46A, avenue John F. Kennedy

L-1855 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>24.738.462,00</u>	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-24.115.050,61</u>	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 <u>-24.115.050,61</u>	604 _____
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 <u>-25.423,41</u>	622 _____

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627 -30.450,32	628
a) concerning affiliated undertakings	1629	629 -26.186,30	630
b) other interest and similar expenses	1631	631 -4.264,02	632
15. Tax on profit or loss	1635	635 -172.299,00	636
16. Profit or loss after taxation	1667	667 395.238,66	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669 395.238,66	670 0,00

Q Cyber Technologies S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts as at December 31, 2016

1. GENERAL INFORMATION

Q Cyber Technologies S.à r.l. (hereafter the 'Company') was incorporated on January 8, 2016 and is organised under the laws of Luxembourg as a Société à responsabilité limitée for an unlimited period.

The registered office of the Company is established in Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 of each year.

The first financial year runs from the date of incorporation and ends on December 31, 2016.

The Company may use its funds to invest in real estate, in intellectual property rights or any other movable or immovable assets in any form or of any kind.

The Company's purpose shall also be selling and reselling computer software and related physical equipment together with associated consulting, training and the provision of support and other services. The Company may grant pledges, guarantees, liens, mortgages and any other form of securities as well as any form of indemnities, to Luxembourg or foreign entities, in respect of its own obligations and debts.

The Company may also provide financial assistance in any form (including but not limited to the granting of advances, loans, money deposits and credits as well as the providing of pledges, guarantees, liens, mortgages and any other form of securities, in any kind of form) to undertakings which are part of the same group of companies which the Company belongs to or to third parties, provided that doing so falls within the Company's best interest and does not trigger any license requirements.

In general, the Company may carry out any commercial, industrial or financial operation and engage in such other activities as the Company deems necessary, advisable, convenient, incidental to, or not inconsistent with, the accomplishment and development of the foregoing.

Notwithstanding the above, the Company shall not enter into any transaction which would cause it to be engaged in any activity which would be considered as a regulated activity or that would require the Company to have any other license.

Q Cyber Technologies S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts as at December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise their judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant accounting policies

The main valuation rules applied by the Company are as follows:

2.2.1. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made, have ceased to apply.

2.2.2. Foreign currency translation

The Company keeps its books in USD and the Balance Sheet and the Profit and Loss Account are expressed in the same currency.

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange rate losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately, respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of the transaction.

Q Cyber Technologies S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts as at December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.2. Foreign currency translation (continued)

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

2.2.3. Deferred charges

This asset item includes expenditures incurred during the financial year but relating to as subsequent financial year.

2.2.4. Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provision for taxation

Provision for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption 'Tax debts'. The advance payments are shown in the assets of the balance sheet under the 'Other debtors' item.

2.2.5. Creditors

Creditors are recorded at their reimbursement value.

Q Cyber Technologies S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts as at December 31, 2016

3. DEBTORS

Debtors are mainly composed of the trade receivables of USD 9 738 462,00 and the input value added tax for USD 3 466 027,47.

4. SUBSCRIBED CAPITAL

On January 8, 2016 the share capital of the Company was set at twelve thousand five hundred Euro EUR 12 500,00 divided into twelve thousand five hundred 12 500 shares with a nominal value of one Euro EUR 1,00 each.

On October 14, 2016, it was decided to convert the subscribed capital of the Company from Euros EUR to US Dollars USD such conversion being performed at the official exchange rate Euros against US Dollars as it was fixed on January 8, 2016 and being EUR 1,00 = USD 1,0861 so that after conversion, the subscribed capital of the Company amounts to thirteen thousand five hundred seventy six US Dollars and twenty five cents USD 13 576,25.

On October 14, 2016, the Sole Shareholder resolved also to increase the share capital of the Company for an amount of four hundred twenty three US Dollars and seventy five cents USD 423,75, so as to raise it from thirteen thousand five hundred seventy six US Dollars and twenty five cents USD 13 576,25 to fourteen thousand US Dollars USD 14 000,00.

As a result, the share capital of the Company is set at fourteen thousand US Dollars USD 14 000,00 divided into fourteen thousand 14 000 shares with a nominal value of one US Dollar USD 1,00 each.

5. LEGAL RESERVE

The Company is required to allocate a minimum of 5% of its annual net income to the legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

6. PROVISIONS

Provisions are made up as follows :

	2016 USD
Provisions for taxation	172 299.00
Total	172 299.00

Q Cyber Technologies S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts as at December 31, 2016

7. CREDITORS

Amounts due and payable for the accounts shown under "creditors" are as follows:

	Within one year USD	Total	2016 USD
Trade creditors	18 407 583.52	18 407 583.52	
Amounts owed to affiliated undertakings	3 855 744.76	3 855 744.76	
Other creditors tax authorities	3 454 200.90	3 454 200.90	
Other creditors	2 201.00	2 201.00	
Total	25 719 730.18	25 719 730.18	

- **Loans granted by the sole shareholder**

On May 1, 2016 and September 1, 2016, the sole shareholder decided to grant to the Company two short term loans for USD 1 000 000,00 each. These loans are granted for a period of 12 months and bear interest at the fixed rate of 3% per annum.

In November 2016 and December 2016, the sole shareholder received USD 500 000,00 and USD 700 000,00 respectively from the Company related to the partial repayment of short term loans mentioned above.

The interest on the financing above as at the year-end amounts to USD 26 186,31.

- **Other Items**

Tax debts amounting to USD 3 454 200,90 relate to the VAT due based on reverse charge mechanism.

8. NET TURNOVER

This item relates to the income from sale and distribution of computer equipment and services for an amount of USD 24 738 462,00. As presented in note 3, the Company has recorded the trade receivables for an amount of USD 9 738 462,00.

A breakdown of the net turnover by category of activity and into geographical markets is omitted because its nature is such that it would be seriously prejudicial to the Company.

9. RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES

This item corresponds to the expenses related to the distribution of products and services of USD 18 173 291,00 and to the expenses related to subcontractors and other operational expenses for an amount of USD 5 941 759,61.

10. OTHER OPERATING EXPENSES

This item is composed of the office rental charges for USD 25 423,41.

Q Cyber Technologies S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts as at December 31, 2016

11. INTEREST PAYABLE AND SIMILAR EXPENSES

11.1. Concerning affiliated undertakings

This item represents the accrued interest on the loans (note 7) for an amount of USD 26 186,30.

11.2. Other interest and similar expenses

This item represents the foreign exchange results for an amount of USD 4 264,02.

12. TAX ON PROFIT OR LOSS

This item relates to the estimated amount of provision for Corporate Income Tax and Municipal Business Tax for an amount of USD 172 299,00.

13. SUBSEQUENT EVENTS

Pursuant to a share pledge agreement dated April, 2017, the Sole Shareholder has pledged all its rights, titles, interests and benefits, present and future, in, to and under its present and future Shares in the Company to the financial institution, and all its rights, titles, interests and benefits, present and future, in and to all rights, moneys, powers and property whatsoever which may from time to time and at any time be distributed or derived from, or accrue on or arise in respect of or relate to said Shares in favour of the pledgee.

Pursuant to the first ranking receivables pledge agreement governed by Luxembourg law dated in April, 2017 and made between the Sole Shareholder as pledgor, financial institution as Pledgee and the Company as debtor, the Sole Shareholder pledged all its rights, titles and benefits in relation to all present and future claims it has or will have against the Company, including, without limitation, all income deriving therefrom, payments made or to be made in respect thereof, interests thereon and proceeds thereof.

Q Cyber Technologies S.à r.l.*Société à responsabilité limitée*

Registered office : 46 A avenue John F. Kennedy, L-1855 Luxembourg

R.C.S. Luxembourg : B 203124

Share Capital: USD 14,000

Business license: 10069634/0

ANNEX TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016**I. ALLOCATION OF THE RESULT:**

The board of managers has proposed and the sole shareholder has decided to carry forward the profit of the year ending December 31, 2016 amounting to USD 395,238.66 to the following financial year as follows:

Profit for the financial year as at December 31, 2016	USD	395,238.66
Allocation to the legal reserve	USD	(19,761.93)
Result to be carried forward to the following financial year	USD	375,476.73

II. THE BOARD OF MANAGERS:

- Eran Gorev, manager, professionally residing at 207 Sloane Street, 2nd floor, London SW1X 9QX, UK,
- Kevin Wilson, manager, professionally residing at 46 A avenue John F. Kennedy, L-1855 Luxembourg,
- Yuval Somekh, manager professionally residing at 46 A avenue John F. Kennedy, L-1855 Luxembourg.