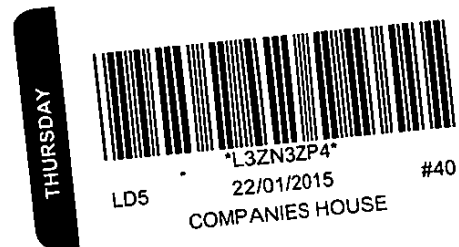


Company Registration No FC030699 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
SKYFIRE LABS, INC.



SKYFIRE LABS, INC.

COMPANY INFORMATION

Company number	FC030699
Registered office	779 East Evelyn Avenue Suite 200 Mountain View California 94041 USA
Accountants	Fitzgerald and Law LLP 8 Lincoln's Inn Fields London United Kingdom WC2A 3BP

SKYFIRE LABS, INC.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
Turnover		13,004,205	4,168,064
Cost of sales		(1,390,704)	(1,798,449)
Gross profit		11,613,501	2,369,615
Administrative expenses		(2,096,397)	(10,436,278)
Other operating income		-	10,000
Operating profit/(loss)	2	9,517,104	(8,056,663)
Other interest receivable and similar income		7,568	14,141
Interest payable and similar charges		(1,103,504)	(105,886)
Profit/(loss) on ordinary activities before taxation		8,421,168	(8,148,408)
Tax on profit/(loss) on ordinary activities	3	(5,487)	(10,457)
Profit/(loss) for the year	10	8,415,681	(8,158,865)

SKYFIRE LABS, INC.

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 \$	\$	2012 \$	\$
Fixed assets					
Tangible assets	5		348,269		454,268
Current assets					
Debtors	6	1,729,607		664,306	
Cash at bank and in hand		782,314		9,702,867	
		<u>2,511,921</u>		<u>10,367,173</u>	
Creditors amounts falling due within one year	7	<u>(3,691,878)</u>		<u>(7,331,221)</u>	
Net current (liabilities)/assets			<u>(1,179,957)</u>		<u>3,035,952</u>
Total assets less current liabilities			<u>(831,688)</u>		<u>3,490,220</u>
Creditors amounts falling due after more than one year	8		<u>(2,801,636)</u>		<u>(941,953)</u>
			<u>(3,633,324)</u>		<u>2,548,267</u>
Capital and reserves					
Called up share capital	9		1		41,001,806
Profit and loss account	10		<u>(3,633,325)</u>		<u>(38,453,539)</u>
Shareholders' funds			<u>(3,633,324)</u>		<u>2,548,267</u>

These financial statements have been prepared in accordance with the provisions applying to overseas companies under SI 2009/1801 of The Overseas Companies Regulations 2009 (Companies Act 2006) and have been prepared under US Generally Accepted Accounting Principles

The company is not required to prepare and disclose accounts under parent law and is not required to produce audited financial statements

The directors consider the United States Dollar (US\$) to be the functional and local currency of the group Accordingly, these financial statements are presented in US\$

Approved by the Board and authorised for issue on

 01/16/15

N Bhandari
Director

Company Registration No FC030699

SKYFIRE LABS, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Basis of preparation of financial statements

Skyfire Labs, Inc. was acquired by Opera Software on 14 March 2013. The financial statements are prepared in accordance with applicable United States Accounting Standards (United States Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Cost of building new features, together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits, are capitalised as development costs and amortised on a straight-line, 3 year basis.

Prior to the acquisition of the company by Opera Software research and development expenditure was written off to the profit and loss account in the year in which it was incurred, unless where the directors were satisfied as to the technical, commercial and financial viability of the individual projects.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	50% on a straight line basis
Computer equipment	50% on a straight line basis

2 Operating profit/(loss)

	2013	2012
	\$	\$
Operating profit/(loss) is stated after charging/(crediting)		
Amortisation of intangible assets	1,348,815	-
Depreciation of tangible assets	356,498	276,766
Loss on disposal of tangible assets	35,412	-
Profit on disposal of intangible assets	(13,301,051)	-
	<u> </u>	<u> </u>

3 Taxation

	2013	2012
	\$	\$
Domestic current year tax		
Tax	5,487	10,457
	<u> </u>	<u> </u>
Total current tax	5,487	10,457
	<u> </u>	<u> </u>

SKYFIRE LABS, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

4 Intangible fixed assets

	Research and development \$
Cost	
At 1 January 2013	-
Additions	3,767,728
Disposals	(3,767,728)
At 31 December 2013	-
Amortisation	
At 1 January 2013	-
Amortisation on disposals	(1,348,815)
Charge for the year	1,348,815
At 31 December 2013	-
Net book value	
At 31 December 2013	-
At 31 December 2012	-

5 Tangible fixed assets

	Computer equipment \$	Fixtures and fittings \$	Total \$
Cost			
At 1 January 2013	2,051,720	48,870	2,100,590
Additions	243,393	42,519	285,912
Disposals	(1,478,795)	(48,870)	(1,527,665)
At 31 December 2013	816,318	42,519	858,837
Depreciation			
At 1 January 2013	1,636,937	9,385	1,646,322
On disposals	(1,478,795)	(13,457)	(1,492,252)
Charge for the year	342,720	13,778	356,498
At 31 December 2013	500,862	9,706	510,568
Net book value			
At 31 December 2013	315,456	32,813	348,269
At 31 December 2012	414,783	39,485	454,268

SKYFIRE LABS, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

6 Debtors	2013	2012
	\$	\$
Accounts receivable	1,597,629	552,050
Other debtors	38,036	17,137
Prepayments and accrued income	93,942	95,119
	<u>1,729,607</u>	<u>664,306</u>
7 Creditors amounts falling due within one year	2013	2012
	\$	\$
Accounts payable	81,736	284,934
Payroll liabilities	24,310	13,693
Accruals and deferred income	3,566,268	6,189,156
Other creditors	19,564	843,438
	<u>3,691,878</u>	<u>7,331,221</u>
8 Creditors amounts falling due after more than one year	2013	2012
	\$	\$
Long term liabilities	<u>2,801,636</u>	<u>941,953</u>
9 Share capital	2013	2012
	\$	\$
Allotted, called up and fully paid		
100 (2012 13,937,243) Ordinary shares of 1¢ (2012 0.0055¢) each	1	76,594
0 (2012 77,626,929) Preference shares of \$nil (2012 0.5272¢) each	-	40,925,212
	<u>1</u>	<u>41,001,806</u>

SKYFIRE LABS, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

10 Statement of movements on profit and loss account

	Profit and loss account \$
Balance at 1 January 2013	(38,453,539)
Merger adjustments	4,465,940
Further merger adjustment in respect of previously paid share capital	21,938,593
Profit for the year	8,415,681
Balance at 31 December 2013	<u>(3,633,325)</u>