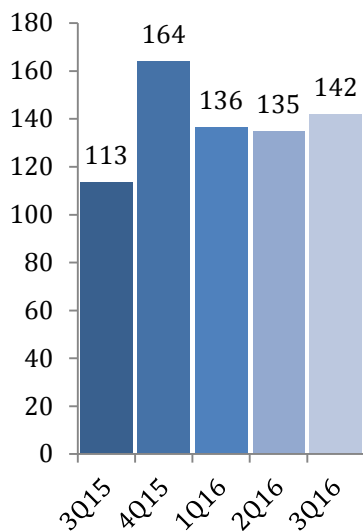




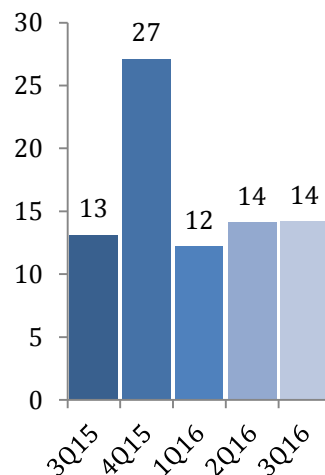
# 3Q 16

## QUARTERLY REPORT

Revenue, Continued Operations (\$ million)



Adjusted EBITDA, Continued Operations (\$ million)



Revenue growth of:

**25%**

### HIGHLIGHTS

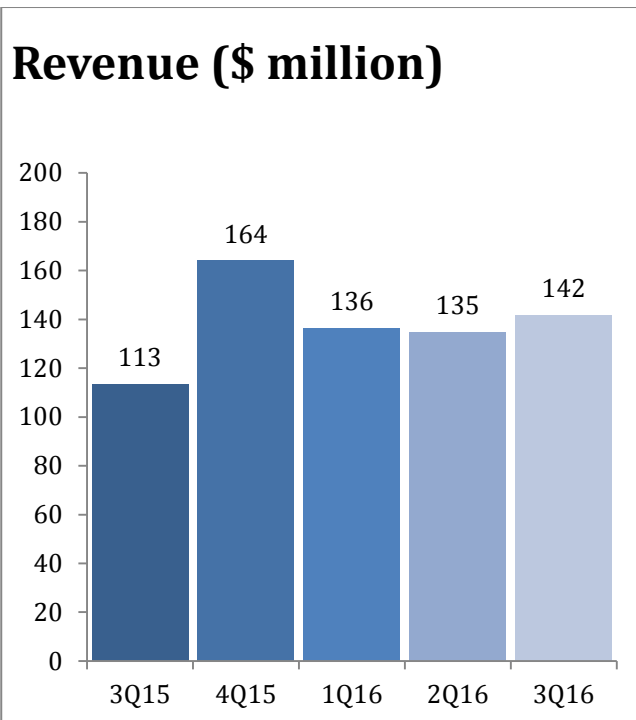
- Mobile Advertising revenue up 26% vs. 3Q15
- Apps & Games revenue up 81% vs. 3Q15
- Opera TV revenue down 30% vs. 3Q15
- Performance & Privacy revenue up 62% vs. 3Q15

### Continued + Discontinued Operations

- Revenue: \$168.0 million
- Adj. EBITDA: \$19.6 million

*Note: As of Q3 2016, Opera reports the Consumer Division as "Discontinued Operations". This report therefore addresses the remaining business, i.e., Mobile Advertising, Apps & Games, Opera TV and Performance & Privacy.*

Revenue was \$141.8 million in 3Q16, up from \$113.4 million in 3Q15, an increase of 25%. Adjusted EBITDA (excluding one-time costs) was \$14.2 million in 3Q16 compared to \$13.1 million in 3Q15. EBIT was -\$3.6 million in 3Q16 compared to -\$1.3 million in 3Q15.



## FINANCIAL HIGHLIGHTS

### Revenue

Revenue in 3Q16 was \$141.8 million, up 25% from 3Q15, when revenue was \$113.4 million.

### Mobile Advertising

- Revenue of \$122.1 million, up 26% vs. 3Q15
- Mobile video advertising revenues comprised 61% of Mobile Advertising revenue in 3Q16 vs. 57% in 3Q15
- Audience reach exceeded 1.46 billion consumers in 3Q16 compared to 1.1 billion in 3Q15
- Launched a £1m Sound & Vision Video Fund for brands

### Apps & Games

- Revenue of \$13.7 million, up 81% vs. 3Q15
- Adj. EBITDA margin of 45%+
- Live with 43 Operators in 21 countries

### Opera TV

- Revenue of \$5.8 million, down 30% vs. 3Q15, due to non-seasonal quarterly fluctuations
- Adj. EBITDA margin just shy of 40%

### Performance & Privacy

- Revenue of \$2.2 million, up 62% vs. 3Q15
- Continued profitable growth for SurfEasy
- Cost measures underway in Skyfire

### Operating costs

Total operating costs (including depreciation and stock based compensation costs, but excluding one-time costs) were \$142.3 million in 3Q16 compared to \$112.9 million in 3Q15, an increase of 26%.

### Publisher and revenue share cost

Publisher and revenue share cost in 3Q16 was \$80.0 million compared to \$58.8 million in 3Q15, an increase of 36%. Publisher and Revenue share cost increased in 3Q16 versus 3Q15 primarily due to higher publisher payout costs in Mobile Advertising.

### Payroll and related expenses

Total payroll and related expenses, excluding stock-based compensation expenses, were \$28.6 million in 3Q16 compared to \$27.9 million in 3Q15, an increase of 3%. Payroll and related expenses increased in 3Q16 versus 3Q15 with headcount growth partly offset by currency tailwind.

### Stock-based compensation expenses

Total stock-based compensation expenses for 3Q16 were \$3.0 million compared to \$1.0 million in 3Q15. The increase in stock-based compensation expenses compared to 3Q15 was primarily due to the 1Q16 issuance of new RSUs within Mobile Advertising.

### Depreciation and amortization

Depreciation and amortization expenses in 3Q16 were \$11.6 million compared to \$11.5 million in 3Q15, an increase of 1%.

### Other operating expenses

Other operating expenses in 3Q16 were \$19.0 million compared to \$13.6 million in 3Q15, an increase of 39%.

### One-Time Cost

In 3Q16, Opera recognized restructuring costs of \$3.2 million primarily related to restructuring changes.

### Non-IFRS EBITDA ("Adjusted EBITDA") and EBIT

Adjusted EBITDA, excluding stock-based compensation expenses and one-time costs, was \$14.2 million compared with \$13.1 million in 3Q15, up 8%. EBITDA was 8.0 million in 3Q16 compared with \$10.2 million in 3Q15. EBIT was -\$3.6 million in 3Q16 compared to -\$1.3 million in 3Q15.

### Interest income/expense and FX gains/losses

Net interest expense was \$1.0 million in 3Q16 compared to a net interest income of \$0.1 million in 3Q15. Opera had a foreign exchange loss of \$9.9 million in 3Q16 compared with a loss of \$5.4 million in 3Q15. Interest expense related to adjustments of the net present value of contingent considerations was \$1.0 million in 3Q16 compared to \$5.5 million in 3Q15. FX gain related to contingent considerations associated with acquisitions was \$0.9 million in 3Q16 compared to a loss of \$17.5 million in 3Q15. Revaluation of contingent consideration associated with acquisitions resulted in a gain of \$0.2 million in the quarter.

### Profit for the period

3Q16 IFRS Net Income was -\$5.2 million compared to -\$29.0 million in 3Q15. Non-IFRS 3Q16 Net Income was \$17.2 million compared to \$9.0 million in 3Q15. The Company's non-IFRS Net Income in 3Q16 excludes the negative effects of \$3.0 million in non-cash stock-based compensation expenses, \$3.2 million in restructuring costs, \$9.9 million in other FX gains, and a total of \$6.3 million in acquisition related adjustments.

EPS and fully diluted EPS were -\$0.036 and -\$0.036, respectively, in 3Q16, compared to -\$0.200 and -\$0.200, respectively, in 3Q15. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.117 and \$0.116, respectively, in 3Q16, compared to \$0.062 and \$0.060, respectively, in 3Q15.

### Liquidity and capital resources

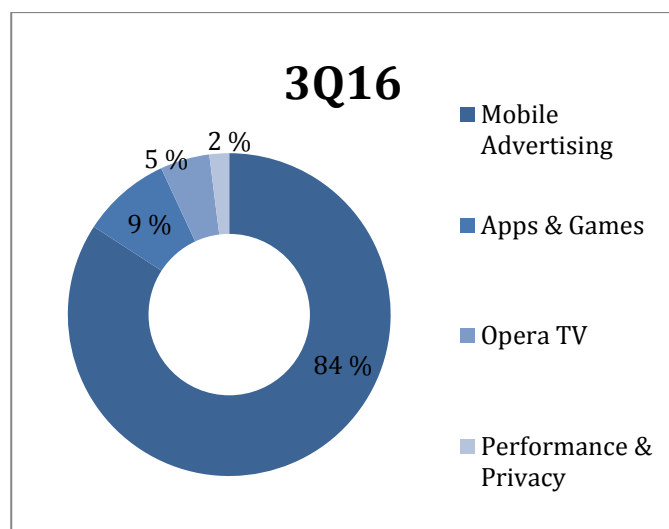
Opera's net cash flow from operating activities was \$4.8 million in 3Q16. Cash and cash equivalents at the end of 3Q16 were \$73.9 million compared to \$85.0 million in 3Q15.

In 1Q16, Opera signed an agreement with DNB Bank ASA to increase the size of its secured credit facility to \$285 million from \$250 million. As of the end of 3Q16, \$285 million of this credit facility has been drawn.

### Organization

At the end of 3Q16, Opera had 1,128 full-time employees and equivalents.

## REVENUE OVERVIEW

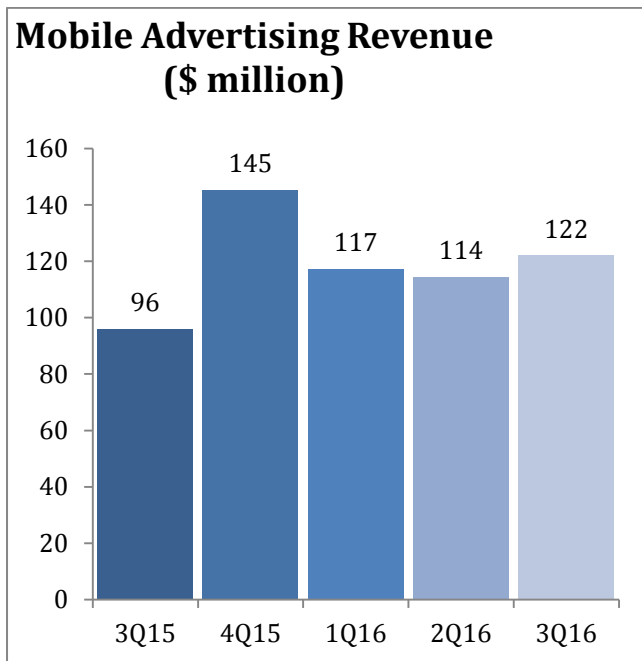


### Summary

\$ million	3Q 2016	3Q 2015
MW	122.1	96.8
Apps & Games	13.7	7.5
TV	5.8	8.4
Privacy & Performance	2.2	1.4
Eliminations	-0.2	0.0
Total Continued Operations*	141.8	113.4

\*Excluding Intercompany Revenue

## MOBILE ADVERTISING



Opera Mediaworks	3Q 2016	3Q 2015
Revenue	\$122.1	\$96.8
Gross Profit	\$45.2	\$40.6
Adjusted EBITDA	\$8.4	\$10.1
EBITDA	\$4.3	\$9.3
Normalized EBIT	\$2.8	\$7.7
EBIT	-\$1.7	\$2.1

### Market Overview

The global advertising industry continues to experience a macro shift in advertising spend from traditional offline channels, such as print, television and radio, to online channels, with mobile taking an increasing share of the online/Internet medium. This macro shift from offline to online has been fueled by several factors, namely the increasing amount of time consumers spend online and on mobile devices, and the fact that digital advertising compared to traditional offline advertising enables much better targeting, provides opportunities for more user interaction, and provides better measurement capabilities.

The rapid growth in mobile advertising in particular is being fueled by a number of factors: (i) the dramatic increase in smartphone users to over 2 billion by the end of 2015, with smartphone users spending significantly more time engaged with their mobile devices than feature phone users; (ii) reach and "anytime-anywhere" access to users – there are more than 5 billion mobile phone users worldwide (compared to a little over 2 billion desktop users, for example); (iii) strong targeting characteristics – advertisers are able to glean meaningful amounts of aggregated information about mobile users, such as location, demographics and behavior; (iv) high performance and user response rates from Android and iOS smartphone devices in particular, which support highly interactive and entertaining ad formats due to advanced display technologies, strong graphics processors and fast processing speeds; (v) wide spread access to high speed wireless data networks, which enables the consumption of high quality and rich media and video content on mobile devices; and (vi) rapid increase in

consumer time spent in smartphone mobile applications in particular, as developers have been able to deliver highly intuitive, engaging and personalized content experiences "in-app", capitalizing on native operating system software development kits which facilitate the full harnessing of a mobile device's processing capabilities and functionality.

### Opera's Role in the Advertising Landscape

Opera's goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, with a focus towards consumer experience, privacy and providing value to the mobile ecosystem. We have long standing relationships with our 3rd party partners who include the world's largest brand and performance advertisers, ad agencies, publishers, data and attribution platforms and application developers. Opera's mission is to be the highest quality mobile advertising platform in the world, delivering innovative brand experiences that evoke emotion and drive real outcomes fueled by data, technology and creativity.

Our 1.4B user reach and SDK footprint in the top 1 000 apps is the strongest among all independent advertising platforms and provides a strategic advantage in the marketplace. Opera's aim is to grow our market advantage via:

- Expanding off our proprietary Instant-Play™ technology to grow our share in the video market, fueled by a focus on the most innovative brand experiences that drive real world outcomes and ROI for our clients.
- Lead the market in performance advertising, servicing the largest performance advertisers in the world, delivering both scale and high quality/high life time value users to our clients.
- Expanding our relationships with Publishers who are leading the app store 1000, with innovative content and an appreciation for monetization, retention and quality mobile-first consumer experiences.
- Helping both Brand and Performance advertisers reach targeted audiences globally, delivering actions and outcomes that feed their strategic and financial objectives both effectively and cost efficiently.
- Leveraging data, machine learning and automation to deliver targeted audiences at scale, while being transparent on our data use policies and practices all around the world
- The Opera House, our global in house creative agency whose passion for art, design and creative brand experiences delivers messaging that evokes emotion and helps our clients deliver campaigns that maximize their return on ad spend.
- Being a leader in premium programmatic technologies and processes, that balance brand safety for both publishers and advertisers, with automation, data targeting and, ultimately, high quality consumer marketing experiences that deliver real results.
- Our global footprint, with deep publisher and advertiser relationships, serviced by over 20 offices in locations around the world.

Under the Opera Mediaworks brand, Opera offers premium brand mobile advertisers the ability to build their brands and engage with consumers by offering creative services, sophisticated audience targeting capabilities, significant audience and publisher reach, high levels of transparency and measurability on ad campaigns, and support for highly interactive and engaging advertising experiences on a full range of mobile devices, including banner display ads, interactive rich media ads, video ads and native advertising. Moreover, Opera offers advertisers the ability to purchase advertising through the traditional insertion order (IO) "managed service" method and electronically via Opera's real time bidding (RTB) and programmatic platform. Opera's strength is in mobile video advertising, where we

have differentiated product offerings with Instant-Play™ and Instant-Feed™ video ad units. Opera's proprietary Instant-Play™ technology excels in delivering innovative, TV-like, crystal-clear video ads instantly in HD across the most popular iOS and Android smartphone and tablet apps in the world. The video ads can be shown "anywhere" as part of a native app experience, not just as part of other video content. Opera's proprietary Instant-Play™ video ad technology eliminates latency and long load times for video, providing the highest quality video experience for advertisers, publishers and consumers, with interactive elements to drive engagement, action and results. In addition, Opera's highly interactive end-cards are tailored for mobile engagement, for both app installation and calls-to-action for brands.

We also excel in Performance advertising, driving a significant number of high quality application installs per quarter for clients looking to acquire new users of their apps. Opera provides performance advertisers with comprehensive real-time targeting, real-time bidding (RTB) and real-time reporting tools for "cost per action" (CPA) campaigns, to secure customer sign-ups, lead generation and application downloads.

Revenues in the quarter came from a broad spectrum of brand advertisers, including 65 of the AdAge Top 100 Global Advertisers. We ran campaigns in the quarter for such brand advertisers as Amazon, AstraZeneca, Bank of America, Google, Intuit, McDonalds, Sony, Starbucks and Toyota. In addition, during 3Q16, we ran campaigns for many of the top grossing app developers in the world across both iOS and Android.

For premium mobile publishers and app developers, Opera offers technology solutions and services, highly intuitive reporting and analytical tools and access to premium and performance advertisers (via Opera's own advertiser relationships and third party mobile ad networks), helping these publishers maximize revenue from their content and user base. At the core of Opera's success with premium publishers and developers is the Opera Mediaworks technology platform and software development kit (SDK).

The Opera Mediaworks technology platform success with mobile publishers stems from six major sources:

1. Ad Serving & Campaign Management capabilities - powerful rich media ad serving, targeting and analytics; management, uploading, scheduling and control of "house" ads and directly sourced advertising;
2. Ad Mediation capabilities - ad performance optimization, transparency and control over ad network traffic from over 120 ad sources around the world;
3. Proprietary Instant-Play™ HD video technology enables publishers to integrate video ads as prerolls, interstitial videos, value exchange videos and native videos into their content to minimize intrusiveness to consumers and maximize revenue to publishers. The Instant-Play™ HD video ads eliminate latency and run in high definition, delivering differentiated value to the advertiser, publisher and end user.
4. Access to extensive premium mobile ad demand - Opera is able to offer publishers access to 65 of the top 100 global advertisers and demand relationships with 85 out of the 100 top grossing app developers in the world.
5. Programmatic Offering - In addition to Opera's more managed service offerings, via the Opera Mediaworks Ad Exchange (OMAX) programmatic buying solution, Opera offers a real-time bidding (RTB) platform that brings advertisers, ad networks and agencies together with mobile

publishers and app developers for an efficient, automated media buying and selling experience. Through OMAX, publishers have access to a range of demand-side platforms (DSPs), facilitated by new audience segmentation and expanded targeting capabilities, designed to improve monetization of publisher properties. Publisher customers can also choose the option of setting up private marketplaces for their inventory, which brings in diverse demand sources while still maintaining publisher control.

6. Data Management Platform - Building on a legacy as a trusted partner for the management of a publisher's private data, Opera also offers a cooperative DMP solution. Here, publishers can opt-in, consistent with their privacy policies, to share non-personally identifiable information about their consumers to improve ad targeting capabilities and drive better monetization. This helps both publishers to pool their data to provide better targeting to advertisers looking to easily identify and reach their target consumer.

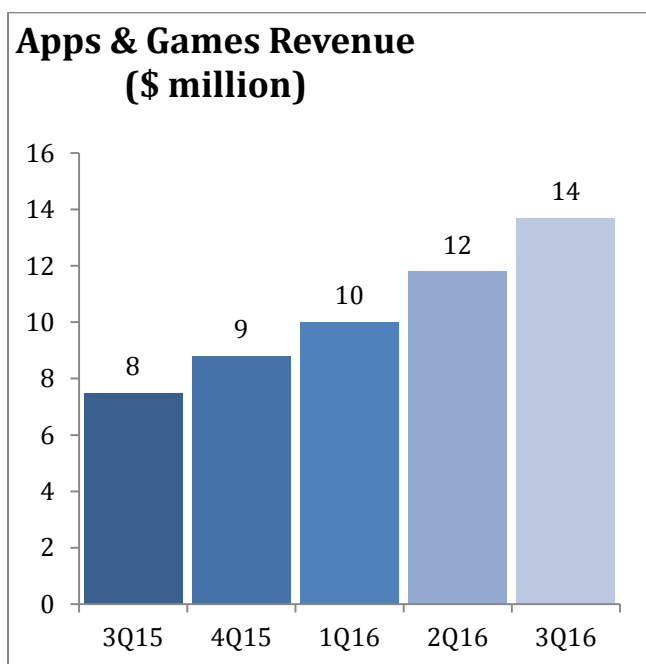
In the quarter, Mobile Advertising revenue in 3Q16 increased 26% compared to 3Q15, fueled by expanded business with new and existing advertiser customers and continued growth in our video and performance advertising businesses.

### **Other Key 3Q16 Highlights:**

In 3Q16 Opera Mediaworks launched a £1m Sound & Vision Video Fund for brands to create "sound-off" mobile video ads. As many as 10 brands, including Disney and Bose which are already signed-up, will benefit from media funding for mobile videos created with little or no sound. The funding launches as recent industry research indicates 85% of video is being watched without sound\* and further research indicates that a large proportion of mobile users keep their devices set to silent for the majority of the day. Mobile videos that rely on sound to drive home the brand narrative are therefore unable to fully convey key messages to the consumer.

In partnership with digital research experts Millward Brown, the fund will also be the basis of a study to inform marketers on creative principles for using sound in mobile video. It will examine if additional elements such as initial introduction screens or text captions provide video engagement uplift. Participating brands will receive an in-depth campaign report that highlights subsequent findings and insight into the effectiveness of bespoke "sound-off" video creative.

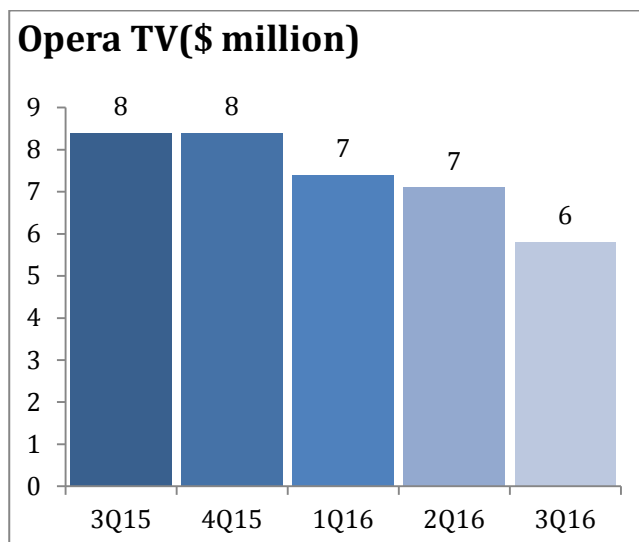
For selected campaigns, the study will compare two mobile video assets side-by-side. One will run as standard video (non-narrated) and one will be expertly edited within Opera House, Opera Mediaworks' design studio, or by the brands' own media agencies, to run with additional visual or text elements. Success will be measured by assessing the differing rates of brand uplift and consumer engagement.



Apps & Games	3Q 2016	3Q 2015
Revenue	\$13.7	\$7.5
Gross Profit	\$8.8	\$5.4
Adjusted EBITDA	\$6.4	\$2.8
EBITDA	\$6.4	\$2.7
Normalized EBIT	\$6.1	\$2.7
EBIT	\$2.9	\$0.2

The cornerstone of Opera’s Apps & games offering is Bemobi, a leading subscription-based mobile-app-discovery service in Latin America. Bemobi offers a unique, “Netflix-style” subscription service for premium Android apps. Working with mobile operators, Bemobi’s proprietary app-wrapping technology allows smartphone owners access to unlimited use of premium mobile apps for a small weekly fee. Users pay for this service through their mobile operator billing systems, making the service highly effective in emerging markets, where credit-card and debit-card penetration is low.

Apps Club is the official Android apps subscription offer for many of the top mobile carriers and smartphone OEMs in the world. Apps Club is the leading Apps subscription service in terms of addressable market reach, content quality as well as in total active subscribers. Apps Club reaches over 500M mobile subscribers and unlocks the potential of Apps Distribution and monetization in Emerging markets. With emerging markets in mind, it has no need for credit cards as it provides carrier billing for 100% of its addressable users, therefore unlocking a huge monetization potential where credit card penetration is low. Also, there is no need for a data plan to download new apps – all app downloads within Apps Club can be done for free independently of users having purchased a mobile data plan, making the service accessible for all.



Opera TV	3Q 2016	3Q 2015
Revenue	\$5.8	\$8.4
Gross Profit	\$5.8	\$8.1
Adjusted EBITDA	\$2.3	\$4.6
EBITDA	\$2.3	\$4.6
Normalized EBIT	\$1.6	\$4.3
EBIT	\$1.6	\$4.3

By 2017, more than two billion devices will be able to connect with TV and over 80% of all TVs sold will be internet enabled. We are helping our customers, including Samsung, Sony, Swisscom, TCL and TiVo, to take advantage of this opportunity by rapidly launching their TV services on to tens of millions of connected devices through content-rich, web-style apps.

As device manufacturers and operators seek to enhance their relationships with and provide compelling applications and services to their consumers, they are increasingly developing and deploying Internet-connected devices. As more original video content makes itself available for digital distribution via the Internet, the television industry is going through rapid change where traditional content delivery models are being substituted with direct-to-consumer models. The growth of this industry has been further spurred by increased consumer demand for popular TV Apps such as Netflix, YouTube and regional broadcaster catch-up TV services, directly on their TVs or through set-top boxes. OEMs and Operators compete with one another for consumer attention in the living room, and require to enable such complex functionality to sell their products. These trends play in beautifully to the strengthened product portfolio provided by Opera’s TV products.

With the Opera TV’s Software Development Kit (SDK), device manufacturers and operators are able to render their own TV user experience in HTML 5 while enabling popular TV Apps (also written in HTML 5) to be accessed by their consumers. The SDK is continuously pre-ported to all popular silicon platforms in the market and tested for all popular TV apps demanded by consumers. This greatly accelerates time-to-market for OEMs and Operators that choose the Opera TV SDK. The Opera Devices SDK powers the experience on tens of millions of devices each year made by over 50 device manufacturers, including Arris, HiSense, Humax, Samsung, Sagemcom, Sony, TiVo and



Vestel.

The Opera TV Store, an HTML5-based app store for connected TVs, set-top boxes and media players, offers a rich selection of nearly 1,000 high-quality, easily navigated TV apps from popular video content providers. The Opera TV Store has also been enhanced with the ability to display ads, thereby enabling publishers and content providers to inject pre-roll ads and to monetize their applications. Popular content providers include TED, Vimeo, Washington Post, Crackle, Facebook and Fashion TV. The Opera TV Store has already been shipped on tens of millions of devices, including Smart TVs and Blu-ray Disc players. In addition, with innovative toolkits such as Opera TV Snap, brands and content owners can quickly repurpose their online video inventory into HTML5-based TV apps, at zero cost and in minutes.

The Opera Devices SDK powers the experience on tens of millions of devices each year made by over 50 device manufacturers, including Arris, HiSense, Humax, Samsung, Sagemcom, Sony, TiVo and Vestel.

In 3Q16 Opera TV announced the launch of the latest update to its next-generation TV app technology, Opera TV Snap 3.0. The latest version of Opera TV Snap brings a complete end-to-end over-the-top (OTT) app generator for broadcasters, content providers, and video on demand (VOD) services. This full platform upgrade enables content providers to mix live broadcasted streams, video clips from recent episodes, and full series content in one app with a multi-tier category navigation for easy access. Opera TV Snap 3.0 has expanded to include support for Brightcove Video Cloud, Dailymotion, JW Player, Ooyala, and Zype, empowering content providers to reach new audiences on millions of Smart TV devices.

The Opera TV Snap solution allows content owners to repurpose their online video channels and existing video inventory into ready-to-run HTML5 apps for the Opera TV platform supported by major television and set-top-box manufacturers. The latest version features a side menu for easier navigation, support for full series content, updated user interface (UI), and improved support for viewer analytics to measure use behavior. Opera TV Snap 3.0 meets the complex needs of broadcasters and content providers enabling full series content to be cataloged and arranged by episode in chronological order. In addition to episode cataloging, Opera TV Snap 3.0 also allows broadcasters to feed live streaming content to viewers on their Smart TVs, Blu-ray players, and set-top-boxes.

In 3Q16 Opera TV launched the Opera TV Certification Program to bring over-the-top (OTT) services to multiple ecosystems of platforms and devices. The program by Opera TV, the world's largest HTML5-powered TV ecosystem, is a first-of-its-kind program designed to solve one of the biggest challenges facing OTT application developers and OEMs.

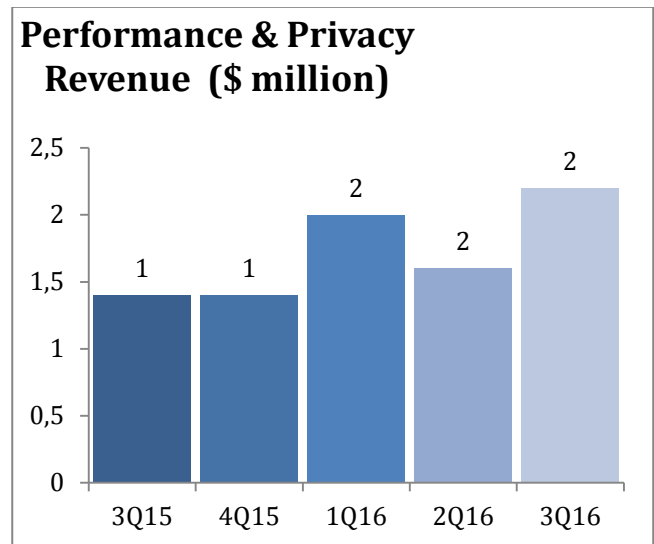
As the world's largest HTML5 TV ecosystem, shipped on more than 40 million devices each year, Opera TV looks to lead the way in addressing this market. To harmonize the two ends, the program is aligned with Opera TV's latest HTML5 SDK, and consists of two key parts:

- **Application certification** provides tools and documentation for app developers, and certifies that the app is compatible with Opera-powered devices. This streamlines development efforts and reduces the time-to-market from months to weeks.
- **Device certification** provides device manufacturers and operators with a test suite to ensure their devices, embedded with Opera TV's latest SDK, comply with device specifications. This significantly shortens the time to bring numerous top-tier

complex applications to the device.

Through the program, certified apps can be distributed through Opera TV partners, which include consumer electronic device manufacturers as well as the fast-growing pay-TV and free-to-air operators. Unlike other programs, this is a multi-silicon, multi-device, multi-industry approach, all aimed at reaching viewers in their living rooms on any device. Opera TV can also help with the distribution and publishing of certified apps and work closely with app developers and content owners to ensure maximum reach for their content.

**PERFORMANCE & PRIVACY**



Privacy & Performance	3Q 2016	3Q 2015
Revenue	\$2.2	\$1.4
Gross Profit	\$2.0	\$1.2
Adjusted EBITDA	-\$2.1	-\$2.6
EBITDA	-\$2.3	-\$2.8
Normalized EBIT	-\$2.6	-\$3.1
EBIT	-\$3.7	-\$4.3

Privacy (SurfEasy)

SurfEasy is a leader in the privacy space offering ultrafast cross-screen VPN services. SurfEasy's solution works as follows. When data is sent from a device without encryption, all of the information being transmitted is easily read, stored and even modified by anyone handling it. SurfEasy works by installing an application on a consumer's device, which then creates an encrypted tunnel between the device and SurfEasy's Global Private Network. All of the data "in and out" of the device is sent through the encrypted tunnel ensuring no one can monitor, access or restrict a consumer's activity. SurfEasy's applications have been installed on over 10 million devices around the world.

SurfEasy offers its service direct to consumers as a freemium subscription. Users are given an amount of free encrypted bandwidth per month and encouraged to earn more by referring friends, adding additional devices and deepening their engagement with the service. Users that want unlimited bandwidth can subscribe to monthly or annual rate plans. This model has allowed SurfEasy to generate strong organic customer growth by becoming one of the top ranked and highest reviewed privacy and security applications in the AppStore, while generating a small but

steadily growing monthly recurring revenue base. Opera and SurfEasy are also actively working on launching an "Ad-supported" model, where consumers can get free use of the service in exchange for watching mobile advertising.

#### Performance (Rocket Optimizer/Skyfire)

As mobile operators face increasing downward pressure on average voice revenue per subscriber, and as competition heightens, operators around the world are looking for new sources of revenue, differentiation via data services and network performance/quality, and solutions to manage the explosion of mobile video and multi-media data network traffic spurred by the rapid adoption of smartphones and tablets, with video alone expected to comprise close to 70% of total mobile data traffic by 2017. Rocket Optimizer, which is designed for Operator deployment, is Opera's flagship product addressing Operator needs with regard to managing the explosion of mobile video data traffic in particular.

The Rocket Optimizer™ NfV (Network Functions Virtualization)-friendly mobile video, audio and data optimization solution, which can detect when specific users are facing poor network connections and then intervene in milliseconds to improve network quality and performance for that user, helps operators manage unpredictable spikes in demand. Rocket Optimizer™ can minimize long start times, rebuffering, and stalls on video and audio streams that frustrate mobile users around the world. The Rocket Optimizer™ solution provides operators with an instant 60% boost in bandwidth capacity across smartphones, tablets and laptops on 3G and 4G LTE networks. Its flexible cloud architecture and intelligent traffic steering dramatically reduce an operator's total cost of ownership, in comparison with the cost of legacy in-line hardware solutions, while enabling the operator to provide best quality of experience (QoE). As part of this new go-to-market strategy, Opera has signed distribution partnerships with Huawei, Nokia and Ericsson.

#### **Events after the Reporting Date**

On 4 November 2016, Opera announced that the transaction between Opera Software ASA and Golden Brick Capital Private Equity Fund I L.P. (the "Buyer") of the sale and purchase of Opera's consumer business for \$575 million (the "Transaction") had been successfully closed.

\$38 million of the amount held in escrow (\$575 million) is not to be released at closing, but in one or more subsequent installments tied to the completion of the reorganization of the Consumer Business.

#### **Outlook**

Opera remains positive about the Company's overall growth prospects, with the following perspective on the company as a whole:

Within Opera's Mobile Advertising, Opera expects to generate solid revenue growth from this business in 2016 compared to 2015, in particular from mobile video advertising, as Opera continues to ramp up revenue from brand and performance advertisers and application developers and expands into new geographies. Key focus areas for our mobile brand and performance businesses going into 2017 continue to be video, native advertising, programmatic and measurement solutions.

Opera expects to see strong growth in its Apps & Games business in 2016 vs. 2015, as Bemobi takes the success in Brazil to a global arena. Opera continues to believe in a solid TV business, with overall license revenue relatively flat

in 2016 vs. 2015. Opera is investing further in its Performance and Privacy Apps business, where SurfEasy shows profitable growth in the VPN market. Opera also believes in the mid to long terms prospects of Rocket Optimizer and uses 2016 to reorganize and focus the business for profitability.

Oslo, November 9, 2016  
The Board of Directors  
Opera Software ASA

Sverre Munck  
Chairman  
(sign.)

Lars Boilesen  
CEO  
(sign.)

This report and the description of Opera's business and financials should be read in conjunction with the presentation given by the Company of its quarterly numbers, a Webcast of which can be found at [www.opera.com](http://www.opera.com).



## Key Financial Figures

Continuing operations (Numbers in \$ million, except earnings per share)	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
Revenue	141.8	113.4	413.1	321.6
Gross profit	61.8	54.6	185.8	164.9
Adjusted EBITDA <sup>1)</sup>	14.2	13.1	40.5	44.9
EBITDA	8.0	10.2	25.7	36.2
Normalized EBIT	5.2	7.9	17.0	30.0
EBIT	(3.6)	(1.3)	(10.5)	7.5
EPS	(0.036)	(0.200)	(0.214)	(0.322)
EPS, fully diluted	(0.036)	(0.200)	(0.214)	(0.322)
Non-IFRS Net income	17.2	9.0	27.8	38.9
Non-IFRS EPS	0.117	0.062	0.190	0.270
Non-IFRS EPS, fully diluted	0.116	0.060	0.189	0.263
Cash flow from operating activities	(4.9)		11.1	
Cash flow from investment activities	(19.1)		(146.9)	
Cash flow from financing activities <sup>2)</sup>	25.4		162.2	
<b>Segment information</b>	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>YTD 2016</b>	<b>YTD 2015</b>
<b>Adjusted EBITDA <sup>1)</sup></b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Mobile Advertising	8.4	10.1	26.4	31.8
Apps & Games	6.4	2.8	16.1	6.9
Opera TV	2.3	4.6	9.0	12.8
Privacy & Performance	(2.1)	(2.6)	(6.5)	(1.1)
Corporate Costs	(0.9)	(1.1)	(4.5)	(3.4)
Eliminations	0.0	0.0	(0.0)	0.0
<b>Total Continued Operations (with ICP) <sup>3)</sup></b>	<b>14.2</b>	<b>13.8</b>	<b>40.5</b>	<b>46.9</b>
Eliminations	(0.0)	(0.7)	(0.0)	(2.1)
<b>Total Continued Operations (net of ICP)</b>	<b>14.2</b>	<b>13.1</b>	<b>40.5</b>	<b>44.9</b>

<sup>1)</sup> excluding restructuring costs and stock-based compensation expenses

<sup>2)</sup> \$21.6 million is related to settlements between continued and discontinued operations in connection with the acquisition of the Consumer business.

<sup>3)</sup> Including intercompany postings (ICP) against discontinued operations.

See note 10 for further explanation of alternative performance measures



## Interim condensed financial statements

### Consolidated statement of comprehensive income

(Numbers in \$ million, except earnings per share)

	3Q 2016	3Q 2015	%	YTD 2016	YTD 2015	%
	(Unaudited)	Restated (Unaudited)	change	Restated (Unaudited)	Restated (Unaudited)	change
<b>Continuing operations</b>						
Revenue	141.8	113.4	25%	413.1	321.6	28%
<b>Total operating revenue</b>	<b>141.8</b>	<b>113.4</b>	<b>25%</b>	<b>413.1</b>	<b>321.6</b>	<b>28%</b>
Publisher and revenue share cost	80.0	58.8	36%	227.3	156.6	45%
Payroll and related expenses <sup>1)</sup>	28.6	27.9	3%	89.3	80.6	11%
Stock-based compensation expenses	3.0	1.0	196%	7.1	5.3	34%
Depreciation, amortization, and impairment expenses	11.6	11.5	1%	36.2	28.7	26%
Other operating expenses	19.0	13.6	39%	55.9	39.5	42%
<b>Total operating expenses</b>	<b>142.3</b>	<b>112.9</b>	<b>26%</b>	<b>415.9</b>	<b>310.6</b>	<b>34%</b>
<b>Operating profit ("EBIT"), excluding restructuring costs</b>	<b>(0.5)</b>	<b>0.5</b>		<b>(2.8)</b>	<b>10.9</b>	
Restructuring costs	3.2	1.8		7.7	3.4	
<b>Operating profit ("EBIT")</b>	<b>(3.6)</b>	<b>(1.3)</b>		<b>(10.5)</b>	<b>7.5</b>	
Net financial items (loss)	(10.8)	(28.2)		(25.8)	(59.8)	
<b>Profit (loss) before income tax</b>	<b>(14.5)</b>	<b>(29.5)</b>		<b>(36.3)</b>	<b>(52.3)</b>	
Provision for taxes <sup>2)</sup>	(9.3)	(0.5)		(5.0)	(5.9)	
<b>Profit (loss) from continuing operations</b>	<b>(5.2)</b>	<b>(29.0)</b>		<b>(31.3)</b>	<b>(46.4)</b>	
<b>Discontinuing operations</b>						
Profit (loss) from discontinuing operations, net of tax	(33.3)	11.9		(29.7)	1.7	
<b>Profit (loss) from discontinuing operations</b>	<b>(33.3)</b>	<b>11.9</b>	<b>0</b>	<b>(29.7)</b>	<b>1.7</b>	
<b>Items that may be reclassified subsequently to profit (loss)</b>						
Foreign currency translation differences	19.3	14.8		27.4	20.2	
<b>Total comprehensive income (loss)</b>	<b>(19.2)</b>	<b>(2.4)</b>	<b>0</b>	<b>(33.5)</b>	<b>(24.4)</b>	
<b>Earnings per share (group numbers):</b>						
Basic earnings (loss) per share (USD)	(0.263)	(0.118)		(0.417)	(0.310)	
Diluted earnings (loss) per share (USD)	(0.263)	(0.118)		(0.417)	(0.310)	
Shares used in earnings per share calculation	146,551,599	145,255,501		146,094,577	144,111,359	
Shares used in earnings per share calculation, fully diluted	146,551,599	145,255,501		146,094,577	144,111,359	
<b>Earnings per share (continuing operations):</b>						
Basic earnings (loss) per share (USD)	(0.036)	(0.200)		(0.214)	(0.322)	
Diluted earnings (loss) per share (USD)	(0.036)	(0.200)		(0.214)	(0.322)	
Shares used in earnings per share calculation	146,551,599	145,255,501		146,094,577	144,111,359	
Shares used in earnings per share calculation, fully diluted	146,551,599	145,255,501		146,094,577	144,111,359	

<sup>1)</sup> Payroll and related expenses excludes stock-based compensation expenses.

<sup>2)</sup> The quarterly and YTD provision for taxes is based on an estimated tax rate for the Group.



## Consolidated statement of financial position

(Numbers in \$ million)

	9/30/2016 (Unaudited)	9/30/2015 (Unaudited)	12/31/2015 (Unaudited)
<b>Assets</b>			
Deferred tax assets	17.3	13.9	27.0
Goodwill	346.6	400.7	389.7
Intangible assets	91.5	142.0	129.7
Property, plant and equipment	9.7	28.3	27.5
Other investments	0.9	0.1	0.1
Other non-current assets	1.1	2.4	2.5
<b>Total non-current assets</b>	<b>467.1</b>	<b>587.4</b>	<b>576.6</b>
Inventories	0.3	0.5	0.3
Accounts receivable	161.1	160.8	197.3
Other receivables	314.1	45.2	34.0
Cash and cash equivalents	73.9	85.0	97.7
Assets held for sale	158.9	0.0	0.0
<b>Total current assets</b>	<b>708.2</b>	<b>291.5</b>	<b>329.3</b>
<b>Total assets</b>	<b>1,175.3</b>	<b>878.9</b>	<b>905.8</b>

(Numbers in \$ million)

	9/30/2016 (Unaudited)	9/30/2015 (Unaudited)	12/31/2015 (Unaudited)
<b>Shareholders' equity and liabilities</b>			
Equity attributable to owners of the company	337.3	373.8	354.9
Non-controlling interests	0.0	0.0	0.0
<b>Total equity</b>	<b>337.3</b>	<b>373.8</b>	<b>354.9</b>
<b>Liabilities</b>			
Deferred tax liability	5.9	0.0	13.2
Financial lease liabilities	0.0	7.2	5.6
Loans and borrowings	250.0	150.0	150.0
Other non-current liabilities	7.3	0.1	0.1
Provisions	32.2	159.0	59.6
<b>Total non-current liabilities</b>	<b>295.5</b>	<b>316.3</b>	<b>228.5</b>
Loans and borrowings	35.0	0.0	0.0
Financial lease liabilities	0.0	6.0	5.7
Accounts payable	33.8	36.1	42.9
Taxes payable	2.2	1.8	14.5
Public duties payable	5.0	4.3	9.8
Deferred revenue	7.4	8.0	8.4
Stock-based compensation liabilities	0.0	0.1	0.1
Other current liabilities	383.0	69.7	96.9
Provisions	40.8	62.7	144.0
Liabilities held for sale	35.4	0.0	0.0
<b>Total current liabilities</b>	<b>542.5</b>	<b>188.8</b>	<b>322.5</b>
<b>Total liabilities</b>	<b>838.0</b>	<b>505.1</b>	<b>551.0</b>
<b>Total equity and liabilities</b>	<b>1,175.3</b>	<b>878.9</b>	<b>905.8</b>



## Consolidated statement of cash flows

(Numbers in \$ million)

	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
<b>Cash flow from operating activities</b>				
Profit (loss) before taxes	(47.8)	(17.3)	(64.3)	(35.3)
Income taxes paid	(2.4)	(7.8)	(12.3)	(22.3)
Depreciation and amortization expense	16.2	15.7	47.7	38.9
Net (gain) loss from disposals of PP&E, intangible assets, and goodwill	(0.1)	0.1	(0.1)	0.1
Net (gain) loss from sale of discontinued operations, net of tax	0.0	0.0	0.0	0.0
Impairment losses on intangible assets and goodwill	0.0	0.0	0.0	0.0
Impairment losses on remeasurement of disposal group	0.0	0.0	0.0	0.0
Changes in inventories, trade receivables, trade and other payables	(6.7)	7.1	(3.1)	(15.5)
Other net finance items	0.0	0.0	(0.6)	0.0
Changes in other operating working capital	10.9	1.1	1.2	10.4
Share of net income (loss) and net (gain) loss from disposal of associated companies	4.9	0.1	4.9	2.7
Share-based remuneration	3.1	0.1	9.8	5.5
Earnout cost and cost for other contingent payments	2.3	22.9	5.0	54.9
FX differences related to changes in balance sheet items	21.9	(1.8)	32.9	(4.6)
<b>Net cash flow from operating activities</b>	<b>2.4</b>	<b>20.1</b>	<b>21.2</b>	<b>34.6</b>
<b>Cash flow from investment activities</b>				
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	0.1	0.0	0.4	0.0
Purchases of property, plant and equipment (PP&E) and intangible assets	(0.8)	(1.3)	(5.1)	(5.5)
Capitalized R&D costs	(6.4)	(3.4)	(14.8)	(11.4)
Purchases of subsidiaries and associated companies, net of cash acquired <sup>1)</sup>	(14.4)	(62.7)	(135.6)	(152.4)
Other investments <sup>2)</sup>	(5.7)	0.0	(5.7)	(3.0)
<b>Net cash flow from investment activities</b>	<b>(27.3)</b>	<b>(67.5)</b>	<b>(160.7)</b>	<b>(172.3)</b>
<b>Cash flow from financing activities</b>				
Proceeds from exercise of treasury shares (incentive program)	0.0	0.0	0.0	1.3
Purchase of treasury shares	0.0	0.0	0.0	0.0
Proceeds from issuance of shares, net (incentive program)	4.4	0.0	6.2	0.0
Proceeds from issuance of shares, net (equity increase)	0.0	0.0	0.0	0.0
Proceeds from loans and borrowings	0.0	0.0	135.0	90.0
Repayments of loans and borrowings	0.0	0.0	0.0	0.0
Payment of finance lease liabilities	(1.3)	(1.3)	(4.0)	(2.0)
Disposal of discontinued operations, net of cash disposed of	0.0	0.0	0.0	0.0
Dividends paid to equity holders of Opera Software ASA	0.0	0.0	0.0	(4.8)
<b>Net cash flow from financing activities</b>	<b>3.0</b>	<b>(1.3)</b>	<b>137.2</b>	<b>84.5</b>
<b>Net change in cash and cash equivalents</b>	<b>(21.9)</b>	<b>(48.7)</b>	<b>(2.2)</b>	<b>(53.2)</b>
Cash and cash equivalents (beginning of period) <sup>3)</sup>	117.3	133.7	97.6	138.2
<b>Cash and cash equivalents</b>	<b>95.4</b>	<b>85.0</b>	<b>95.4</b>	<b>85.0</b>
- of which included in cash and cash equivalents in the balance sheet	73.9		73.9	
- of which included in the assets of the disposal group (assets held for sale)	21.5		21.5	

<sup>1)</sup> In Q3 2016, \$0.0 million (YTD: 0.0) is related to initial payments for the purchase of subsidiaries, and \$14.6 million (YTD: 135.4) is related to earnout payments with cash effect. In Q3 2015, \$42.6 million (YTD: 75.1) was related to initial payments for the purchase of subsidiaries, and \$20.1 million (YTD: 77.3) was related to earnout payments with cash effect.

<sup>2)</sup> During Q3, Opera made an investment of \$5.7 million in nHorizon Innovation.

<sup>3)</sup> \$3.1 million (9/30/2015: \$6.7 million) is restricted cash and cash equivalents as of September 30, 2016.



## Consolidated Statement of Changes in Equity

(Numbers in \$ million) - unaudited

	Number of shares	Paid-in capital	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
<b>Equity as of 12/31/2015</b>	<b>145.3</b>	<b>343.8</b>	<b>38.4</b>	<b>(34.7)</b>	<b>13.9</b>	<b>(6.6)</b>	<b>354.9</b>
<b>Comprehensive income (loss)</b>							
Profit (loss)						(60.9)	(60.9)
<b>Other comprehensive income (loss)</b>							
Foreign currency translation differences					27.4		27.4
<b>Total comprehensive income (loss)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>27.4</b>	<b>(60.9)</b>	<b>(33.5)</b>
<b>Contributions by and distributions to owners</b>							
Dividends							0.0
Issuance of ordinary shares related to business combinations							0.0
Issuance of ordinary shares related to incentive program							0.0
Issuance of ordinary shares related to equity increase	2.2	6.2					6.2
Treasury shares purchased							0.0
Treasury shares sold							0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			9.8				9.8
<b>Total contributions by and distributions to owners</b>	<b>2.2</b>	<b>6.2</b>	<b>9.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16.0</b>
<b>Other equity changes</b>							
Other changes						(0.0)	(0.0)
<b>Total other equity changes</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Equity as of 9/30/2016</b>	<b>147.4</b>	<b>350.0</b>	<b>48.2</b>	<b>(34.7)</b>	<b>41.3</b>	<b>(67.5)</b>	<b>337.3</b>
<p>During 3Q 2016, Opera purchased 0 (YTD: 0) own shares, and sold 0 (YTD: 0) own shares for \$0.0 million (YTD: \$0.0 million). As of September 30, 2016, Opera owned 380,584 own shares.</p> <p>During 3Q 2016, Opera issued 1,140,725 (YTD: 2,151,642) ordinary shares related to the incentive program, 0 (YTD: 0) ordinary shares related to business combinations, and 0 (YTD: 0) ordinary shares related to an equity increase.</p>							
<b>Equity as of 12/31/2014</b>	<b>141.7</b>	<b>317.7</b>	<b>30.6</b>	<b>(34.7)</b>	<b>5.5</b>	<b>48.2</b>	<b>367.3</b>
<b>Comprehensive income (loss)</b>							
Profit (loss)						(44.6)	(44.6)
<b>Other comprehensive income (loss)</b>							
Foreign currency translation differences					20.2		20.2
<b>Total comprehensive income (loss)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>20.2</b>	<b>(44.6)</b>	<b>(24.4)</b>
<b>Contributions by and distributions to owners</b>							
Dividends						(4.8)	(4.8)
Issuance of ordinary shares related to business combinations	2.4	29.4					29.4
Issuance of ordinary shares related to incentive program							0.0
Issuance of ordinary shares related to equity increase							0.0
Treasury shares purchased							0.0
Treasury shares sold	1.2			0.0		1.3	1.3
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			5.5				5.5
<b>Total contributions by and distributions to owners</b>	<b>3.6</b>	<b>29.4</b>	<b>5.5</b>	<b>0.0</b>	<b>0.0</b>	<b>(3.5)</b>	<b>31.4</b>
<b>Other equity changes</b>							
Other changes		(0.6)					(0.6)
<b>Total other equity changes</b>		<b>(0.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.6)</b>
<b>Equity as of 9/30/2015</b>	<b>145.3</b>	<b>346.6</b>	<b>36.1</b>	<b>(34.7)</b>	<b>25.8</b>	<b>0.0</b>	<b>373.8</b>



## Notes to the condensed consolidated interim financial statements

### Note 1 - Corporate Information

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Opera ("the Group") consists of Opera Software ASA ("the company") and its subsidiaries. Opera Software ASA is a public limited liability company domiciled in Norway. The condensed consolidated interim financial statements ("interim financial statements") comprise Opera Software ASA and its subsidiaries (together referred to as the "Group"), and the Group's interests in associates.

### Note 2 - Statement of Compliance

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These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The interim financial statements do not include all of the information and disclosures required for a complete set of financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2015. The interim financial statements have not been subject to audit or review.

### Note 3 - Basis of Accounting

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The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's Annual Report for the year ended December 31, 2015.

The interim financial statements are presented in US dollars (USD), unless otherwise stated. As a result of rounding differences, amounts and percentages may not add up to the total.

There were no new standards, interpretations or amendments to published standards that were effective from January 1, 2016 that have significantly affected the interim financial statements for the first half of 2016 and third quarter 2016.

In the interim financial statements for 2016, judgements, estimates and assumptions have been applied that may affect the use of accounting principles, carrying values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2016 and the major sources of uncertainty in the statements are similar to those found in the Group's Annual Report for 2015.

As more fully described in note 10, the sale of certain parts of the Group's Consumer business was highly probable as of September 30, 2016. Because these components of the Group represented a major line of business, historical results have been restated to reflect the results of operations of the assets to be disposed as discontinued operations





#### Note 4 - Contingent Liabilities and Provisions

##### Valuation techniques and significant unobservable inputs:

Please see note 11 in the 2015 Annual Report for information regarding the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

##### Reconciliation of Level 3 fair values:

The following table shows a reconciliation from the opening balance to the closing balances for Level 3 fair values.

Contingent consideration - Net present value (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
<b>Balance as of 12/31/2015</b>	<b>121.0</b>	<b>53.2</b>	<b>29.3</b>	<b>203.6</b>
Assumed in a business combination				-
Paid	(109.6)	(4.1)	(4.9)	(118.7)
Finance expense - interest	(0.3)	2.1	1.5	3.3
Finance expense (income) - FX	(0.6)	(1.8)	(1.3)	(3.8)
Finance expense (income) - change in likelihood	3.0	0.2	0.3	3.5
Translation differences	3.8	5.5	0.9	10.1
OCI				-
<b>Balance as of 3/31/2016</b>	<b>17.3</b>	<b>55.1</b>	<b>25.7</b>	<b>98.1</b>
Non-current consideration	-	50.1	12.4	62.5
Current consideration	17.3	5.1	13.3	35.6
<b>Balance as of 3/31/2016</b>	<b>17.3</b>	<b>55.1</b>	<b>25.7</b>	<b>98.1</b>
Assumed in a business combination				-
Paid			(7.0)	(7.0)
Finance expense - interest	0.5	1.6	0.4	2.4
Finance expense (income) - FX	0.2	(1.6)	0.4	(1.0)
Finance expense (income) - change in likelihood	-	(4.1)	2.6	(1.5)
Translation differences	(0.2)	5.9	(0.3)	5.4
OCI				-
<b>Balance as of 6/30/2016</b>	<b>17.8</b>	<b>57.0</b>	<b>21.6</b>	<b>96.4</b>
Non-current consideration		50.3	5.8	56.1
Current consideration	17.8	6.7	15.8	40.3
<b>Balance as of 6/30/2016</b>	<b>17.8</b>	<b>57.0</b>	<b>21.6</b>	<b>96.4</b>
Assumed in a business combination				-
Paid		(15.2)	(9.4)	(24.6)
Finance expense - interest	0.5	2.2	0.5	3.2
Finance expense (income) - FX	(0.8)	1.9	(0.1)	0.9
Finance expense (income) - change in likelihood	-	(1.6)	(0.2)	(1.8)
Translation differences	0.8	(2.0)	0.1	(1.1)
OCI				-
<b>Balance as of 9/30/2016</b>	<b>18.3</b>	<b>42.3</b>	<b>12.5</b>	<b>73.0</b>
Non-current consideration		26.3	6.0	32.2
Current consideration	18.3	16.0	6.5	40.8
<b>Balance as of 9/30/2016</b>	<b>18.3</b>	<b>42.3</b>	<b>12.5</b>	<b>73.0</b>



**Note 4 - Contingent Liabilities and Provisions (continued)**

<b>Earnout payments made in 2016</b> (Numbers in \$ million)	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>	<b>Total</b>
<b>With cash flow effect</b>				
Q1	109.6	4.1	0.8	114.6
Q2			6.5	6.5
Q3		5.2	9.4	14.6
Q4				-
<b>Total</b>	<b>109.6</b>	<b>9.2</b>	<b>16.8</b>	<b>135.7</b>
<b>With no cash flow effect (released from escrow)</b>				
Q1			4.1	4.1
Q2			0.5	0.5
Q3		10.0		10.0
Q4				-
<b>Total</b>	<b>-</b>	<b>10.0</b>	<b>4.6</b>	<b>14.6</b>

<b>Estimated payments</b> (Numbers in \$ million)	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>	<b>Total</b>
Oct-16	15.2			15.2
Nov-16		3.5		3.5
Jan-17	3.1			3.1
Apr-17		8.4	7.9	16.3
Sep-17		9.0		9.0
Apr-18		3.4	7.2	10.6
Sep-18		6.2		6.2
Apr-19		7.8		7.8
Sep-19		6.8		6.8
Apr-20		8.6		8.6
<b>Total</b>	<b>18.3</b>	<b>53.7</b>	<b>15.1</b>	<b>87.1</b>

The table above shows the estimated future payments. The expected future payments are estimated by considering the possible scenarios of forecast revenue and EBIT, the amount to be paid under each scenario, and the probability of each scenario.

<b>Estimated maximum payments</b> (Numbers in \$ million)	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>	<b>Total</b>
Oct-16	15.2			15.2
Nov-16		3.5		3.5
Jan-17	3.1			3.1
Apr-17		15.6	7.9	23.5
Sep-17		10.9		10.9
Apr-18		18.4	7.2	25.6
Sep-18		9.8		9.8
Apr-19		12.2		12.2
Sep-19		1.9		1.9
Apr-20		-		-
<b>Total</b>	<b>18.3</b>	<b>72.3</b>	<b>15.1</b>	<b>105.7</b>

Opera has entered into a settlement agreement with the prior shareholders of Adcolony for the FY 2016 earnout. Consequently, the FY 2016 earnout payments have been fixed.

The table above shows the estimated maximum payments, including the estimated "upside". Certain earnout agreements have a payment structure which allow for an "upside" payment, e.g. an additional 50% payment of actual EBIT above target EBIT. Opera has estimated the "upside" payments and included these in the estimated maximum payments. If there is even stronger incremental financial performance, due to the structure of the earnout agreements, the payments can be even higher.



#### Note 4 - Contingent Liabilities and Provisions (continued)

##### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant assumptions (forecast annual revenue and forecast EBIT) would, holding the other assumptions constant <sup>1)</sup>, have the following effects on the net present value and the fair value of the contingent consideration.

<sup>1)</sup> Generally, a change in the annual revenue is accompanied by a directionally similar change in EBIT.

Effect on Net present value (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial
Annual revenue (10% increase)	N/A	3.9	0.6
Annual revenue (10% decrease)	N/A	(13.8)	(4.0)
EBIT (5% increase)	N/A	1.8	0.3
EBIT (5% decrease)	N/A	(5.2)	(1.5)

Effect on Fair value (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial
Annual revenue (10% increase)	N/A	5.2	0.7
Annual revenue (10% decrease)	N/A	(16.8)	(4.5)
EBIT (5% increase)	N/A	2.3	0.3
EBIT (5% decrease)	N/A	(6.0)	(1.6)

## Note 5 - Financial Risk

The majority of the financial risk that the Group is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. Please note that some revenue numbers are impacted by changes in local currencies which are the basis for invoicing of customers. These effects are not specified below (except for CIS).

Revenue by currency	3Q 2016	%	YTD 2016	%
<i>(Numbers in \$ million)</i>				
USD	115.6	81.5%	339.2	82.1%
BRL	11.2	7.9%	29.6	7.2%
EUR	3.3	2.3%	12.3	3.0%
GBP	2.8	2.0%	8.6	2.1%
TRY	1.8	1.2%	6.7	1.6%
Other	7.0	5.0%	16.7	4.0%
<b>Total</b>	<b>141.8</b>	<b>100.0%</b>	<b>413.1</b>	<b>100.0%</b>

Operating expenses by currency <sup>1)</sup>	3Q 2016	%	YTD 2016	%
<i>(Numbers in \$ million)</i>				
USD	113.2	79.6%	329.2	79.2%
BRL	7.5	5.2%	20.9	5.0%
EUR	4.9	3.5%	17.6	4.2%
GBP	4.4	3.1%	12.7	3.1%
NOK	3.3	2.3%	8.3	2.0%
Other	9.0	6.3%	27.1	6.5%
<b>Total</b>	<b>142.3</b>	<b>100.0%</b>	<b>415.9</b>	<b>100.0%</b>

<sup>1)</sup> The operating expenses by currency are excluding restructuring costs.

The impact on revenue and expenses for this quarter using comparative quarter constant foreign exchange rate is shown below. Please note that some revenue numbers are impacted by changes in local currencies which are the basis for invoicing of customers. These effects are included in the specification below.

### Revenues and expenses for the current quarter recalculated on a constant currency basis:

	Recalculated with 3Q 2015 rates	FX effect using 3Q 2015 rates	Recalculated with 2Q 2016 rates	FX effect using 2Q 2016 rates
<i>(Numbers in \$ million)</i>				
Revenue	141.7	(0.0)	141.3	(0.5)
Expenses	145.7	3.4	145.3	3.1

## Note 6 - Financial Items

Financial items	3Q 2016	3Q 2015	YTD 2016	YTD 2015
<i>(Numbers in \$ million)</i>				
Other interest income (expense), net	(1.0)	0.1	(1.1)	0.4
Interest expense related to contingent consideration	(1.0)	(5.5)	(16.1)	(17.9)
FX gains (losses) related to contingent consideration, net	0.9	(17.5)	15.4	(29.3)
Other FX gains (losses), net	(9.9)	(5.4)	(18.3)	(5.3)
Revaluation of contingent consideration	0.2	0.1	(5.7)	(7.7)
Share of profit (loss) from associated companies	0.0	0.0	0.0	0.0
<b>Net financial gain (loss)</b>	<b>(10.8)</b>	<b>(28.2)</b>	<b>(25.8)</b>	<b>(59.8)</b>

## Note 7 - Liquidity Risk

### Credit facility

In Q1 2016, Opera drew an additional \$100 million of its secured credit facility of \$250 million. During Q1 2016 Opera signed an agreement with DNB Bank ASA to increase its secured credit facility of \$250 million (of which \$60 million was a 3 year term loan and \$190 million was a Revolving Credit Facility) by \$35 million to a total of \$285 million, split between a term loan of \$60 million and a Revolving Credit Facility of \$225 million. The credit facility amount will automatically reduce to the original amount of \$250 million at December 31, 2016. \$35 million is therefore classified as current loans and borrowings as at 9/30/2016. As at 9/30/2016, \$285 million has been drawn.

The Revolving Credit facility of \$190 million and the 3 year term loan of \$60 million are payable in March 2018. There are no installment payments due before maturity.

## Note 8 - Accounts Receivable and Other Receivables

*(Numbers in \$ million)*

Accounts receivable and other receivables	9/30/2016 (Unaudited)	9/30/2015 (Unaudited)
Accounts receivable	110.7	103.0
Unbilled revenue	50.4	57.9
Other receivables	314.1	45.2
<b>Total</b>	<b>475.2</b>	<b>206.1</b>

Accounts receivable represent the part of receivables that is invoiced to customers but not yet paid. Unbilled revenue is revenue recognized in the quarter which was not invoiced to the customers at quarter end and which will be invoiced to customers in a subsequent period.

Other receivables consists of prepayments, non-trade receivables, and escrow payments related to acquisitions. As of September 30, 2016, \$8.9 million was recognized as escrow payments related to acquisitions in the statement of financial position and \$307.0 million is related to deposit for the proposed sale of the consumer business. The amount of \$307.0 million is also recognized as other current liabilities.



## Note 9 - Alternative performance measures

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Opera discloses alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Opera believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Opera's business operations and to improve comparability between periods

### Alternative performance measures:

#### *Adjusted EBITDA (Non-IFRS EBITDA):*

EBITDA excluding stock-based compensation expenses and restructuring costs.

#### *Normalized EBIT:*

EBIT excluding amortization of acquired intangible assets.

#### *EBIT:*

Earnings before interest. This is presented both including and excluding restructuring costs in the Consolidated statement of comprehensive income.

See below for a reconciliation of EBIT to Adjusted EBITDA, and EBIT to Normalized EBIT for all periods presented.

#### *Revenues and expenses on a constant currency basis.*

Revenues and expenses for the current quarter are re-calculated, on a constant currency basis, using last year's and prior quarter's average FX rates.

See note 5 for a reconciliation of IFRS revenues to Revenue on a constant currency basis showing the impact of the currency effect

#### *Non-IFRS Net income:*

This measure comprises IFRS profit/loss (profit/loss from the Consolidated statement of comprehensive income) excluding the following items:

- Stock-based compensation expenses
- Impairment of acquired intangible assets
- Depreciation of acquired intangible assets
- Restructuring costs
- Interest expense related to contingent considerations (earnout provisions)
- FX expense related to contingent considerations (earnout provisions)
- Non-cash FX expense/income
- Gains/losses on non-controlling strategic equity interest (joint venture)
- Expense/income related to revaluation of contingent considerations (earnout provisions)
- Tax adjustments relating to the items above

See below for a reconciliation of IFRS profit/loss to Non-IFRS profit/loss.

#### *Non-IFRS EPS:*

Non-IFRS Earnings per share is calculated by dividing the Non-IFRS Net income as described above by the weighted ordinary shares in issue during the period.





**Note 9 - Alternative performance measures (continued)**

(Numbers in \$ million, except earnings per share)

<b>IFRS to Non-IFRS Reconciliations</b>	<b>3Q 2016</b> (Unaudited)	<b>3Q 2015</b> (Unaudited)	<b>YTD 2016</b> (Unaudited)	<b>YTD 2015</b> (Unaudited)
<b>IFRS profit (loss) from continuing operations</b>	<b>(5.2)</b>	<b>(29.0)</b>	<b>(31.3)</b>	<b>(46.4)</b>
Non-cash stock-based compensation expenses	3.0	1.0	7.1	5.3
Impairment of intangible assets	0.0	0.0	0.0	0.0
Acquisition-related adjustment - depreciation of acquired intangible assets	8.8	9.2	27.5	22.4
<b>Items excluded from operating expenses</b>	<b>11.9</b>	<b>10.3</b>	<b>34.5</b>	<b>27.7</b>
Non-operations related costs	3.2	1.8	7.7	3.4
<b>Items excluded from restructuring costs</b>	<b>3.2</b>	<b>1.8</b>	<b>7.7</b>	<b>3.4</b>
Acquisition-related adjustment - non-cash Interest expense <sup>1)</sup>	1.0	5.5	16.1	17.9
Acquisition-related adjustment - non-cash FX (gains) losses <sup>1)</sup>	(0.9)	17.5	(15.4)	29.3
Other FX (gains) losses, net	9.9	5.4	18.3	5.3
(Gain) losses on non-controlling strategic equity interest	0.0	0.0	0.0	0.0
Acquisition-related adjustment - revaluation <sup>1)</sup>	(0.2)	(0.1)	5.7	7.7
<b>Items excluded from net financial items</b>	<b>9.8</b>	<b>28.3</b>	<b>24.7</b>	<b>60.2</b>
Acquisition-related adjustment - non-cash income taxes	(2.5)	(2.4)	(7.8)	(6.0)
<b>Items excluded from provision for taxes</b>	<b>(2.5)</b>	<b>(2.4)</b>	<b>(7.8)</b>	<b>(6.0)</b>
<b>Non-IFRS Profit (loss) from continuing operations</b>	<b>17.2</b>	<b>9.0</b>	<b>27.8</b>	<b>38.9</b>
Non-IFRS Basic earnings per share (USD)	0.117	0.062	0.190	0.270
Non-IFRS Diluted earnings per share (USD)	0.116	0.060	0.189	0.263
Shares used in earnings per share calculation	146,551,599	145,255,501	146,094,577	144,111,359
Shares used in earnings per share calculation, fully diluted	147,606,235	149,208,913	147,221,787	148,002,380
<sup>1)</sup> Related to contingent consideration				
<b>Reconciliation of EBIT to Adjusted EBITDA</b> (Numbers in \$ million)	<b>3Q 2016</b> (Unaudited)	<b>3Q 2015</b> (Unaudited)	<b>YTD 2016</b> (Unaudited)	<b>YTD 2015</b> (Unaudited)
<b>Operating profit ("EBIT") including restructuring costs</b>	<b>(3.6)</b>	<b>(1.3)</b>	<b>(10.5)</b>	<b>7.5</b>
Restructuring costs	3.2	1.8	7.7	3.4
Stock-based compensation expenses	3.0	1.0	7.1	5.3
Depreciation, amortization, and impairment expenses	11.6	11.5	36.2	28.7
<b>Adjusted EBITDA</b>	<b>14.2</b>	<b>13.1</b>	<b>40.5</b>	<b>44.9</b>
<b>Reconciliation of EBIT to Normalized EBIT</b> (Numbers in \$ million)	<b>3Q 2016</b> (Unaudited)	<b>3Q 2015</b> (Unaudited)	<b>YTD 2016</b> (Unaudited)	<b>YTD 2015</b> (Unaudited)
<b>Operating profit ("EBIT") including restructuring costs</b>	<b>(3.6)</b>	<b>(1.3)</b>	<b>(10.5)</b>	<b>7.5</b>
Amortization of acquired intangible assets	8.8	9.2	27.5	22.4
<b>Normalized EBIT</b>	<b>5.2</b>	<b>7.9</b>	<b>17.0</b>	<b>30.0</b>



## Note 10 - Discontinued operations

In July 2016, Opera entered into a share purchase agreement with Golden Brick Capital Private Equity Fund I L.P. to sell certain parts of Opera's consumer business. As of 30 September 2016, the sale was considered highly probable and the remaining condition was the required approval from CFIUS (Committee on Foreign Investment in the United States). The transaction was subsequently closed on 3 November 2016. See note 14 for further information regarding the transaction. Accordingly, the parts of the Consumer business to be sold are presented as discontinued operations in the consolidated statement of comprehensive income and comparative periods are restated. In the consolidated statement of financial position the assets and liabilities of the Consumer business to be sold are presented as assets held for sale. See note 11 for presentation of the assets and liabilities of the disposal group held for sale.

### Income statement

(Numbers in \$ million, except earnings per share)

	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
<b>Discontinuing operations</b>						
Revenue	26.2	35.9	-27%	81.3	100.8	-19%
Operating expenses	25.3	25.5	-1%	76.6	81.2	-6%
<b>Operating profit ("EBIT"), excluding restructuring costs</b>	<b>0.9</b>	10.5		<b>4.7</b>	19.6	
Restructuring costs	8.3	0.2		8.8	3.5	
<b>Operating profit ("EBIT")</b>	<b>(7.4)</b>	10.3		<b>(4.2)</b>	16.1	
Net financial items (loss)	(25.9)	1.9		(23.9)	0.8	
<b>Profit (loss) before income tax</b>	<b>(33.3)</b>	12.2		<b>(28.0)</b>	16.9	
Provision for taxes <sup>2)</sup>	(0.0)	0.4		1.6	15.2	
<b>Profit (loss) from discontinuing operations</b>	<b>(33.3)</b>	11.9		<b>(29.7)</b>	1.7	
<b>Earnings per share (discontinued operations):</b>						
Basic earnings (loss) per share (USD)	(0.227)	0.082		(0.203)	0.012	
Diluted earnings (loss) per share (USD)	(0.227)	0.079		(0.203)	0.012	
Shares used in earnings per share calculation	146,551,599	145,255,501		146,094,577	144,111,359	
Shares used in earnings per share calculation, fully diluted	146,551,599	149,208,913		146,094,577	148,002,380	

<sup>1)</sup> Payroll and related expenses excludes stock-based compensation expenses.

<sup>2)</sup> The quarterly and YTD provision for taxes is based on an estimated tax rate for the Group.

### Cash flow information

	3Q 2016 (Unaudited)	YTD 2016 (Unaudited)
Cash flow from operating activities	7.3	10.1
Cash flow from investment activities <sup>1)</sup>	(29.2)	(34.9)
Cash flow from financing activities	(1.3)	(4.0)

<sup>1)</sup> \$21.6 million is related to settlements between continued and discontinued operations in connection with the acquisition of the Consumer business.



## Note 11 - Disposal group held for sale

The assets and liabilities of the Consumer business to be sold are presented as discontinued operations in the consolidated statement of comprehensive income and comparative periods are restated. In the statement of financial position the assets and liabilities to be sold are presented as a disposal group held for sale. Please see notes 10 and 14 for additional information regarding the transaction.

### Assets and liabilities of disposal group held for sale

As of September 30, 2016, the disposal group was presented at fair value less costs to sell and comprised the following assets and liabilities:

(Numbers in \$ million)

	9/30/2016 (Unaudited)
Deferred tax assets	11.6
Goodwill	53.9
Intangible assets	21.2
Property, plant and equipment	15.9
Other investments	0.0
Other non-current assets	1.4
Inventories	0.0
Accounts receivable	28.1
Other receivables	5.2
Cash and cash equivalents	21.5
<b>Assets held for sale</b>	<b>158.9</b>
Deferred tax liability	0.0
Financial lease liabilities	6.0
Loans and borrowings	0.0
Other non-current liabilities	1.0
Provisions - non-current	0.0
Loans and borrowings	0.0
Financial lease liabilities	1.9
Accounts payable	2.8
Taxes payable	3.8
Public duties payable	4.7
Deferred revenue	4.6
Stock-based compensation liabilities	0.1
Other current liabilities	10.4
Provisions - current	0.0
<b>Liabilities held for sale</b>	<b>35.4</b>



## Note 12 - Segments

As of 30 September 2016, the sale of parts of the Group's Consumer business was considered highly probable. This process has led to certain changes in the Group's internal reporting processes, such that four business units are now reported to Management. Therefore, these business units are presented as segments in this report, and are expected to be presented in this way in future periods.

See below for further information regarding segments.

(Numbers in \$ million)

Revenue	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	122.1	96.8	26%	355.9	274.5	30%
Apps & Games	13.7	7.5	81%	35.4	15.5	128%
Opera TV	5.8	8.4	-30%	20.3	23.0	-12%
Privacy & Performance	2.2	1.4	62%	6.0	10.8	-44%
Corporate Costs	0.0	0.0	0%	0.0	0.0	0%
Eliminations	(0.2)	0.0	0%	1.6	0.0	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>143.6</b>	<b>114.1</b>	<b>26%</b>	<b>419.3</b>	<b>323.8</b>	<b>30%</b>

<sup>1)</sup> Including intercompany postings (ICP) against discontinued operations

Gross profit	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	45.2	40.6	11%	137.0	121.6	13%
Apps & Games	8.8	5.4	62%	23.1	12.8	81%
Opera TV	5.8	8.1	-28%	20.3	22.2	-9%
Privacy & Performance	2.0	1.2	72%	5.3	10.4	-49%
Corporate Costs	0.0	0.0	0%	0.0	0.0	0%
Eliminations	0.0	0.0	0%	(0.0)	0.0	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>61.8</b>	<b>55.3</b>	<b>12%</b>	<b>185.8</b>	<b>167.0</b>	<b>11%</b>

<sup>1)</sup> Including intercompany postings (ICP) against discontinued operations.

Adjusted EBITDA <sup>2)</sup>	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	8.4	10.1	-16%	26.4	31.8	-17%
Apps & Games	6.4	2.8	133%	16.1	6.9	135%
Opera TV	2.3	4.6	-51%	9.0	12.8	-29%
Privacy & Performance	(2.1)	(2.6)	-18%	(6.5)	(1.1)	487%
Corporate Costs	(0.9)	(1.1)	-25%	(4.5)	(3.4)	34%
Eliminations	0.0	0.0	0%	(0.0)	0.0	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>14.2</b>	<b>13.8</b>	<b>3%</b>	<b>40.5</b>	<b>46.9</b>	<b>-14%</b>

<sup>1)</sup> Including intercompany postings (ICP) against discontinued operations.

<sup>2)</sup> excluding restructuring costs and stock-based compensation expenses.

See note 9 for a reconciliation of Adjusted EBITDA to EBIT

EBITDA	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	4.3	9.3	-54%	16.6	27.5	-40%
Apps & Games	6.4	2.7	133%	15.7	6.4	145%
Opera TV	2.3	4.6	-51%	8.9	12.7	-29%
Privacy & Performance	(2.3)	(2.8)	-18%	(7.0)	(2.0)	251%
Corporate Costs	(2.7)	(3.0)	-10%	(8.5)	(6.3)	35%
Eliminations	0.0	0.0	0%	(0.0)	0.0	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>8.0</b>	<b>10.9</b>	<b>-27%</b>	<b>25.8</b>	<b>38.3</b>	<b>-33%</b>

<sup>1)</sup> Including intercompany postings (ICP) against discontinued operations.



## Note 12 - Segments (continued)

Normalized EBIT <sup>2)</sup>	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	2.8	7.7	-64%	12.1	23.0	-47%
Apps & Games	6.1	2.7	130%	15.0	6.4	135%
Opera TV	1.6	4.3	-63%	7.6	11.9	-36%
Privacy & Performance	(2.6)	(3.1)	-16%	(9.2)	(2.9)	223%
Corporate Costs	(2.7)	(3.0)	-8%	(8.5)	(6.3)	36%
Eliminations	0.0	0.0	0%	(0.0)	0.0	0%
<b>Total Continued Operations<sup>1)</sup></b>	<b>5.2</b>	<b>8.6</b>	<b>-40%</b>	<b>17.0</b>	<b>32.0</b>	<b>-47%</b>

<sup>1)</sup> Including intercompany postings (ICP) against discontinued operations.

<sup>2)</sup> excluding amortization of acquired intangible assets

EBIT	3Q 2016 (Unaudited)	3Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	(1.7)	2.1	-180%	(2.6)	7.8	-134%
Apps & Games	2.9	0.2	1176%	5.7	2.8	101%
Opera TV	1.6	4.3	-63%	7.6	11.8	-35%
Privacy & Performance	(3.7)	(4.3)	-15%	(12.6)	(6.5)	95%
Corporate Costs	(2.7)	(3.0)	-8%	(8.5)	(6.3)	36%
Eliminations	0.0	0.0	0%	(0.0)	0.0	0%
<b>Total Continued Operations<sup>1)</sup></b>	<b>(3.6)</b>	<b>(0.7)</b>	<b>459%</b>	<b>(10.5)</b>	<b>9.6</b>	<b>-209%</b>

<sup>1)</sup> Including intercompany postings (ICP) against discontinued operations

### Mobile Advertising

Mobile Advertising revenue is primarily comprised of revenue based on the activity of mobile users viewing ads through 3rd Party Publishers, such as developer applications and mobile websites. Revenue is recognized when Opera's advertising services are delivered based on the specific terms of the advertising contract, which are commonly based on the number of ads delivered, or views, clicks or actions by users on mobile advertisements.

### Apps & Games

Apps & Games revenue is primarily comprised of: i) Subscription revenue when a user purchases a subscription from Bemobi's mobile-app discovery service, (ii) Opera-branded Opera Mobile Store (OMS), when a user purchases a premium application, and (iii) Subscription revenue when a user purchases a subscription from a "co-branded" mobile store, or a white-label operator-controlled version of the mobile store, which is also known as the Opera Mobile Subscription Store.

### Opera TV

Opera TV revenue is primarily comprised of license fees from Opera TV's Software Development Kit (SDK), and revenue from the Opera TV Store, an HTML5-based app store for connected TVs, set-top boxes and media players.

### Privacy & Performance

Performance and Privacy Apps revenue is primarily comprised of i) subscription revenue generated by Opera's VPN service for smartphones, tablets, and computers, and ii) license fees from Rocket Optimizer™

### Corporate Costs

Corporate costs comprise primarily i) costs related to personnel working in functions that serve the Group as a whole, including CEO/Board of Directors, corporate finance and accounting, legal, HR and IT, and ii) legal and other costs related to business combinations and the strategic review process



**Note 12 - Segments (continued)**

Segment Figures QTR	Continued Operations (incl. ICP) (Unaudited)	Discontinued Operations (incl. ICP) (Unaudited)	Eliminations (ICP) (Unaudited)	Total Group (net of ICP) (Unaudited)	Continued Operations (net of ICP) (Unaudited)	Discontinued Operations (net of ICP) (Unaudited)
Revenue	143.6	26.3	(1.9)	168.0	141.8	26.2
Gross profit	61.8	25.4	(0.0)	87.2	61.8	25.4
Adjusted EBITDA	14.2	5.4	(0.0)	19.6	14.2	5.4
EBITDA	8.0	(2.8)	(0.0)	5.2	8.0	(2.8)
EBIT excluding amortization on acquisitions	5.2	(7.0)	(0.0)	(1.8)	5.2	(7.0)
EBIT	(3.6)	(7.4)	(0.0)	(11.0)	(3.6)	(7.4)

Segment Figures YTD	Continued Operations (incl. ICP) (Unaudited)	Discontinued Operations (incl. ICP) (Unaudited)	Eliminations (ICP) (Unaudited)	Total Group (net of ICP) (Unaudited)	Continued Operations (net of ICP) (Unaudited)	Discontinued Operations (net of ICP) (Unaudited)
Revenue	419.3	81.3	(6.3)	494.4	413.1	81.3
Gross profit	185.8	79.6	-	265.4	185.8	79.6
Adjusted EBITDA	40.5	17.3	(0.0)	57.7	40.5	17.3
EBITDA	25.8	7.4	(0.0)	33.1	25.7	7.3
EBIT excluding amortization on acquisitions	17.0	(3.0)	(0.0)	13.9	17.0	(3.1)
EBIT	(10.5)	(4.2)	(0.0)	(14.6)	(10.5)	(4.2)

Segment revenue QTR	MW (Unaudited)	Apps & Games (Unaudited)	TV (Unaudited)	Privacy & Performance (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
External revenue	120.6	13.7	5.8	1.7	-	-	141.8
Intercompany revenue	1.5	(0.0)	(0.0)	0.6	-	(0.2)	1.9
<b>Total Continued Operations</b>	<b>122.1</b>	<b>13.7</b>	<b>5.8</b>	<b>2.2</b>	<b>0.0</b>	<b>(0.2)</b>	<b>143.6</b>

Segment revenue YTD	MW (Unaudited)	Apps & Games (Unaudited)	TV (Unaudited)	Privacy & Performance (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
External revenue	352.2	35.4	20.3	5.2	-	-	413.1
Intercompany revenue	3.8	(0.0)	(0.0)	0.8	-	1.6	6.2
<b>Total Continued Operations</b>	<b>355.9</b>	<b>35.4</b>	<b>20.3</b>	<b>6.0</b>	<b>0.0</b>	<b>1.6</b>	<b>419.3</b>





**Note 13 - Restructuring costs**

During 3Q 2016, Opera recognized restructuring costs in connection with a strategic cost reduction that will better align costs with revenues, and for legal and other costs related to business combinations.

*(Numbers in \$ million)*

<b>RESTRUCTURING COSTS</b>	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>YTD 2016</b>	<b>YTD 2015</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salary restructuring cost	5.7	0.0	8.1	0.5
Option restructuring cost	0.0	0.0	(0.2)	0.0
Office restructuring cost	0.0	0.0	0.0	0.0
Impairment cost	0.0	0.0	0.0	0.0
Legal and other costs related to business combinations	4.9	1.8	7.1	2.9
Other restructuring cost	0.0	0.0	0.1	0.0
<b>Total</b>	<b>10.6</b>	<b>1.8</b>	<b>15.1</b>	<b>3.4</b>



## Note 14 - Events after the Reporting Date

On 17 July 2016, Opera and Golden Brick Capital Private Equity Fund I L.P., which is backed by the affiliates of the partners of the Offeror (Kunlun Tech Limited, Future Holding L.P., Keeneyes Future Holding Inc, Qifei International Development Co. Limited and Golden Brick Capital Private Equity Fund I L.P. collectively, the "Consortium"), entered into a share purchase agreement for a private transaction, in which the Consortium will acquire certain parts of Opera's consumer business.

Per the 17 July share purchase agreement, the following product categories of Opera would be included in the Transaction:

- Mobile Browser, including Operator Co-brand solutions
- Desktop Browser
- Performance and Privacy Apps
- Opera's technology licensing business outside of Opera TV
- Opera's 29.09% ownership in the Chinese joint venture nHorizon

Opera's consumer business will be reorganized into a separate company structure. For clarity, the following product categories were not included in the Transaction as agreed on 17 July:

- Opera Mediaworks
- Opera Apps & Games (including Bemobi)
- Opera TV

All related assets, employees, rights, and obligations, as well as support teams such as OEM and online distribution, IT and hosting, consumer marketing and PR, as well as certain related legal, finance and HR resources are also included (collectively, the "Consumer Business").

Opera's CEO, Lars Boilesen, will serve as CEO for both Opera and the Consumer Business during a transitional period. After this, Boilesen will no longer hold the role as CEO for the Consumer Business, and will be solely dedicated to Opera.

The agreed purchase price was USD 600 million on an enterprise value basis, subject to customary adjustments for NIBD and working capital at closing. Closing of the Transaction was expected to take place during the second half of 3Q 2016. An initial payment of USD 100 million was made to an escrow account on 18 July 2016. On 3 August 2016, the Transaction was approved by the general meeting of the shareholders of Beijing Kunlun Tech Co. Ltd, whereby the closing condition related to such approval stipulated in the Agreement has been satisfied. On 8 August 2016, Opera successfully completed the required steps of its corporate reorganization resulting in the triggering of the second prepayment by the Consortium of the purchase price of the Transaction amounting to USD 200 million. A final payment of USD 300 million, plus/minus the closing adjustments, would be payable at the time of closing.

### *Amendment to the Agreement on 15 August 2016:*

On 15 August 2016, Opera and the Consortium signed an amendment to the Agreement whereby it has been agreed that Opera will retain the Skyfire and SurfEasy product categories in exchange for a reduction of the previously agreed enterprise value from USD 600 million to USD 575 million. In relation thereto, the parties have also agreed to continue the cooperation between the consumer product categories to be acquired and SurfEasy, and Opera will license related Skyfire compression technology for use in the consumer apps to the Consortium. The parties also have agreed that should required regulatory approval not be obtained by 30 September 2016, and provided that the part of the reorganization that is to take place prior to closing has been completed by that date, the Consortium shall make a third prepayment of USD 275 million (amended from 300 million in the initial agreement due to the Amendment as described above), thus the escrow will be funded with the full enterprise value of the Transaction at that time.

On 31 October 2016, the parties announced that the Transaction had been reviewed by the Committee on Foreign Investment in the United States, which concluded that there were no unresolved concerns.

On 4 November 2016, Opera announced that the transaction between Opera Software ASA and Golden Brick Capital Private Equity Fund I L.P. (the "Buyer") on the sale and purchase of Opera's consumer business for \$575 million (the "Transaction") has been successfully closed.

\$38 million of the amount held in escrow (\$575 million) is not to be released at closing, but in one or more subsequent installments tied to the completion of the reorganization of the Consumer Business.

