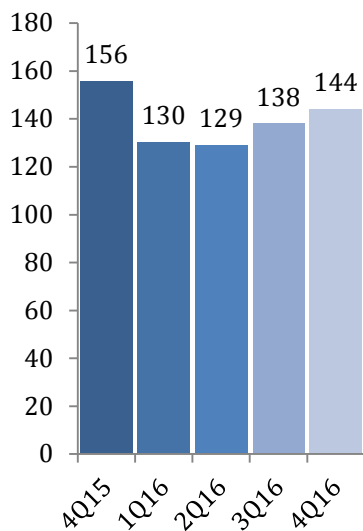




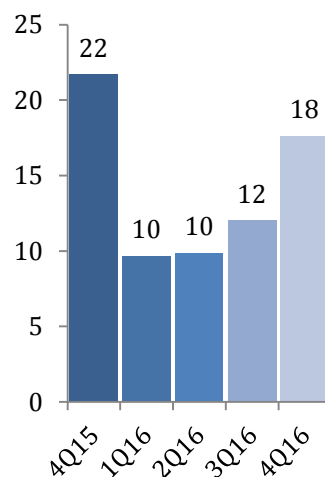
4Q 16

QUARTERLY REPORT

Revenue, Continued Operations (\$ million)



Adjusted EBITDA, Continued Operations (\$ million)



Revenue growth of:

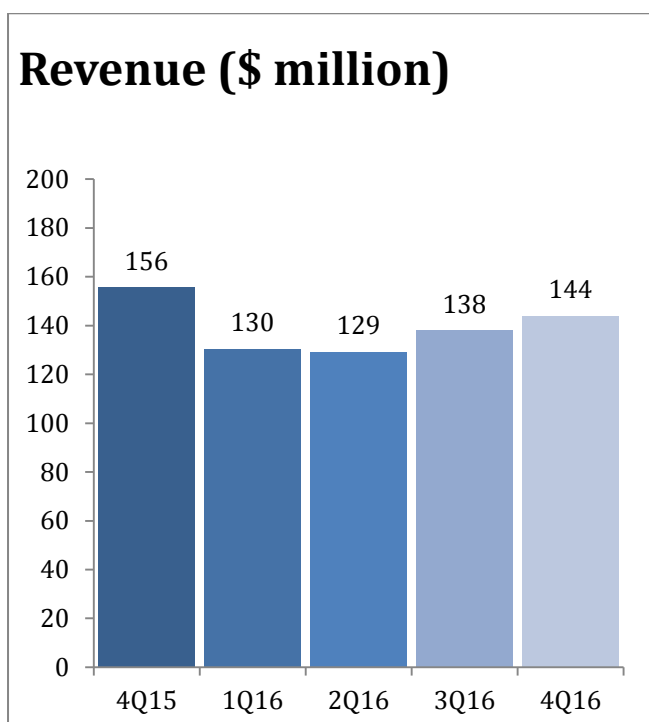
-7%

HIGHLIGHTS

- Executed sale of Consumer and TV business for total gross proceeds of \$655 million
- Mobile Advertising revenue down 12% vs. 4Q15
- Apps & Games revenue up 45% vs. 4Q15
- Performance & Privacy revenue up 124% vs. 4Q15

Note: As of 4Q 2016, Opera reports the TV business Division as "Discontinued Operations". This report therefore addresses the remaining business, i.e., Mobile Advertising, Apps & Games and Performance & Privacy. Revenue is therefore restated for prior quarters.

Revenue was \$143.9 million in 4Q16, down from \$155.6 million in 4Q15, a decrease of 7%. Adjusted EBITDA (excluding one-time costs) was \$17.6 million in 4Q16 compared to \$21.7 million in 4Q15. Normalized EBIT was \$9.2 million in 4Q16 compared to -\$17.9 million in 4Q15. EBIT was -\$17.4 million in 4Q16 compared to 4.8 million in 4Q15.



Mobile Advertising

- Revenue of \$128.3 million, down 12% vs. 4Q15
- Audience reach exceeded 1.5 billion consumers in 4Q16 compared to 1.1 billion in 4Q15

Apps & Games

- Revenue of \$12.8 million, up 45% vs. 4Q15
- Adj. EBITDA margin of 50%
- Launched with 6 operators in 4Q16

Performance & Privacy

- Revenue of \$3.2 million, up 124% vs. 4Q15
- Continued profitable growth for SurfEasy
- Rocket (Skyfire) cost base streamlined

FINANCIAL HIGHLIGHTS

Revenue

Revenue in 4Q16 was \$143.9 million, down 7% from 4Q15, when revenue was \$155.6 million.

Operating costs

Total operating costs (including depreciation and stock based compensation costs, but excluding one-time costs) were \$141.5 million in 4Q16 compared to \$147.6 million in 4Q15, a decrease of 4%.

Publisher and revenue share cost

Publisher and revenue share cost in 4Q16 was \$83.7 million compared to \$90.7 million in 4Q15, a decrease of 8%. Publisher and Revenue share cost decreased in 4Q16 versus 4Q15 primarily due to lower publisher payout costs in Mobile Advertising with revenue being down 12% in 4Q16 compared to 4Q15

Payroll and related expenses

Total payroll and related expenses, excluding stock-based compensation expenses, were \$28.7 million in 4Q16 compared to \$29.4 million in 4Q15, a decrease of 2%.

Stock-based compensation expenses

Total stock-based compensation expenses for 4Q16 were \$2.3 million compared to \$1.6 million in 4Q15. The increase in stock-based compensation expenses compared to 4Q15 was primarily due to the 1Q16 issuance of new RSUs within Mobile Advertising.

Depreciation and amortization

Depreciation and amortization expenses in 4Q16 were \$12.9 million compared to \$12.2 million in 4Q15, an increase of 6%.

Other operating expenses

Other operating expenses in 4Q16 were \$13.8 million compared to \$13.8 million in 4Q15.

One-Time Cost

In 4Q16, Opera recognized restructuring costs of \$19.8 million of which \$19.0 million is an impairment loss, primarily related to our non-US Mobile Advertising assets.

Proceeds from transactions

In 4Q16, Opera executed the sale of the Consumer and TV business for net proceeds of \$618.1 million, adjusted for transaction cost and balance sheet adjustments.

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

Adjusted EBITDA, excluding stock-based compensation expenses and one-time costs, was \$17.6 million compared with \$21.7 million in 4Q15, down 19%. EBITDA was 14.5 million in 4Q16 compared with \$16.9 million in 4Q15. Normalized EBIT was \$9.2 million in 4Q16 compared to \$17.9 million in 4Q15. EBIT was -\$17.4 million in 4Q16 compared to \$4.8 million in 4Q15.

Interest income/expense and FX gains/losses

Net interest expense was \$2.0 million in 4Q16 compared to a net interest income of \$0.2 million in 4Q15. Opera had a foreign exchange gain of \$18.3 million in 4Q16 compared with a gain of \$5.5 million in 4Q15. Interest expense related to adjustments of the net present value of contingent considerations was \$8.1 million in 4Q16 compared to \$7.6 million in 4Q15. FX loss related to contingent considerations associated with acquisitions was \$1.1 million in 4Q16 compared to a loss of \$4.7 million in 4Q15. Revaluation of contingent consideration associated with acquisitions resulted in a loss of \$17.9 million in the quarter.

Profit for the period

4Q16 IFRS Net Income was -\$30.9 million compared to \$4.5 million in 4Q15. Non-IFRS 4Q16 Net Income was \$8.3 million compared to \$14.3 million in 4Q15. The Company's non-IFRS Net Income in 4Q16 excludes the negative effects of \$2.3 million in non-cash stock-based compensation expenses, \$19.8 million in restructuring costs, \$18.3 million in other FX gains and a total of \$35.3 million in acquisition related adjustments.

EPS and fully diluted EPS were (\$0.208 and (\$0.208), respectively, in 4Q16, compared to \$0.031 and \$0.031, respectively, in 4Q15. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.056 and \$0.055, respectively, in 4Q16, compared to \$0.099 and \$0.096, respectively, in 4Q15.

Liquidity and capital resources

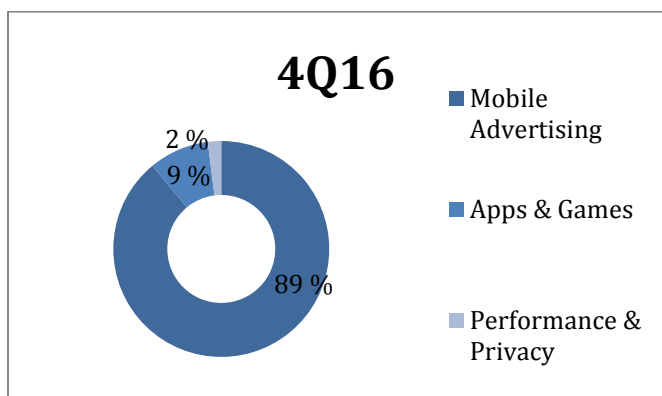
Opera's net cash flow from operating activities was \$9.9 million in 4Q16. Cash and cash equivalents at the end of 4Q16 were \$219.5 million compared to \$85.0 million in 4Q15.

In 4Q16, Opera signed an agreement with DNB Bank ASA to decrease the size of its secured credit facility to \$150 million from \$285 million. As of the end of 4Q16, \$100 million of this credit facility has been drawn.

Organization

At the end of 4Q16, Opera had 905 full-time employees and equivalents.

REVENUE OVERVIEW



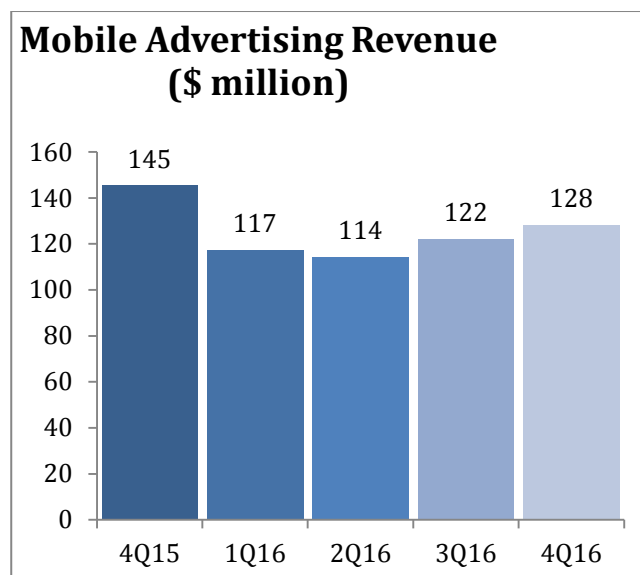
Summary

\$ million	4Q 2016	4Q 2015
Mobile Advertising	128.3	145.4
Apps & Games	12.8	8.8
Privacy & Performance	3.2	1.4
Eliminations	-0.3	0.0
Total Continued Operations*	143.9	155.6

*Excluding Intercompany Revenue

Overall revenue was down 7% in 4Q16 vs 4Q15 with growth from App&Games and Privacy & Performance more than offset by decrease in revenue from Mobile Advertising. The decrease in revenue in Mobile advertising can be attributed (i) Market – Fewer global app launches (Performance); Brand advertising softness in Q4 (ii) Integration/Apollo – Largely underestimated the time/costs of re-organization and tech integration work and (iii) Late execution/Q4 – We were late to market with new 3.0 SDK and our CORE v2 algorithms that resulted in a lack of competitiveness, impacted us in Q4 with a halo effect to our run rate in the first half of 2017.

MOBILE ADVERTISING



Mobile Advertising (\$m)	4Q 2016	4Q 2015
Revenue	128.3	145.4
Gross Profit	48.7	58.4
Adjusted EBITDA	14.0	23.1
EBITDA	11.8	21.9
Normalized EBIT	7.1	23.2
EBIT	-13.8	17.7

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 smartphones with over 2 billion users globally, 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 1.5B unique device 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 with focus on those who are leading the app store 1000, with innovative ad formats 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 artificial intelligence for ad serving that delivers targeted audiences at scale, while being transparent on our data use policies and practices all around the world
- Providing creative expertise via our in house creative agency whose develops purpose built creative campaigns optimized for mobile screens leveraging art,

design and creative to deliver campaigns that helps our clients deliver messaging 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.

Opera offers brand 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 and video ads. 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™ 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 and other desired advertising outcomes for clients looking to acquire new users. We provide performance advertisers with comprehensive real-time targeting, real-time bidding (RTB) and real-time reporting tools on both "cost per install" (CPI) and "cost per action" (CPA) campaigns, to secure a variety of outcomes including customer sign-ups, lead generation and mobile 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 Capital One Bank, Google, Kellogg's, Microsoft, Mars Advertising, McDonalds, Verizon, Starbucks and Unilever. In addition, during 4Q16, 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 technology platform and software development kit (SDK).

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

1. 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.

2. 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.

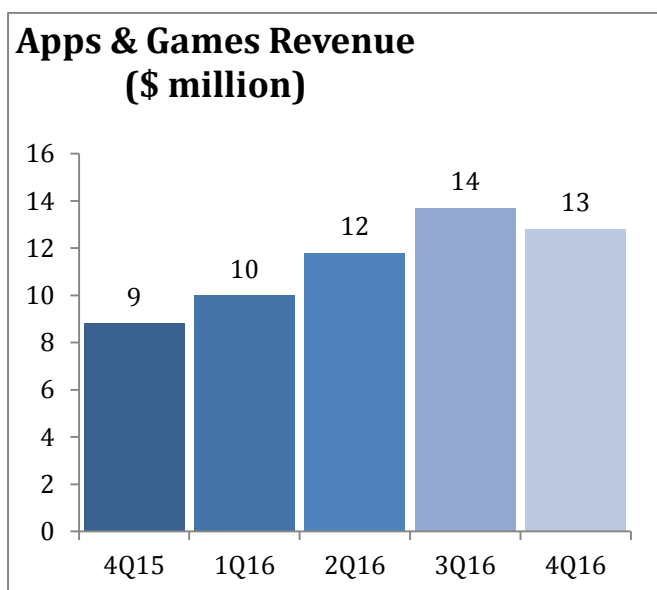
3. Programmatic Offering - In addition to Opera’s more managed service offerings, Opera offers a real-time bidding (RTB) platform that brings advertisers, ad networks and agencies together with mobile publishers and app developers for an efficient, automated media buying and selling experience. Through the programmatic marketplace, 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.

4. 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.

5. 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;

6. Ad Mediation capabilities - ad performance optimization, transparency and control over ad network traffic from over 120 ad sources around the world;

APPS & GAMES

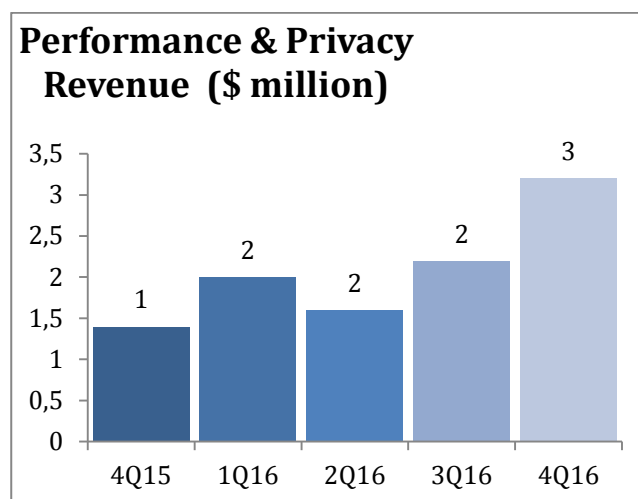


Apps & Games (\$m)	4Q 2016	4Q 2015
Revenue	12.8	8.8
Gross Profit	8.4	5.4
Adjusted EBITDA	6.4	1.9
EBITDA	6.3	1.8
Normalized EBIT	5.9	1.7
EBIT	0.4	-1.5

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.

PERFORMANCE & PRIVACY



Privacy & Performance (\$m)	4Q 2016	4Q 2015
Revenue	3.2	1.4
Gross Profit	3.0	1.1
Adjusted EBITDA	-0.8	-2.3
EBITDA	-0.7	-2.4
Normalized EBIT	-0.8	-6.0
EBIT	-1.0	-7.2

Privacy (SurfEasy)

Opera's SurfEasy product provides simple to use solutions to help consumers protect their online privacy, security and freedom. SurfEasy's popular VPN Applications encrypt the data "in and out" of a consumer's iOS, Android, Mac or PC device.

The SurfEasy business consists of three primary profit centers:

- 1) SurfEasy Direct: The sale of SurfEasy branded VPN applications direct to end users. During 2016 revenues for SurfEasy Direct grew an average of 3% monthly with growth coming from improved subscriber funnel management and the launch of a new \$99/year subscription package which has grown to be over 20% of new paid plan subscriber mix.
- 2) Partners: SurfEasy's VPN network and client side SDK's power branded solutions for third parties. During 2016 SurfEasy expanded its partners through the development and launch of mobile VPN solutions for one of the world's largest consumer internet security companies. In addition to one-time development fees the ongoing revenue share relationship is expected to grow significantly into 2017 and beyond. With increased consumer demand for online privacy solutions we see strong continued growth working with new and existing partners.
- 3) Embedded Products: One of the key motivations for the acquisition of SurfEasy was to deploy embedded VPN solutions to differentiate Opera Consumer products. To the end, in 2016 SurfEasy's VPN Solution was embedded into the Opera Desktop Browser making Opera the first web browser with native VPN functionality. In addition, two new standalone Opera branded VPN solutions were launched for iOS and Android. Opera Embedded VPN solutions has grown to 4M MAU since its launch during the summer.

Going forward our focus will be on rebranding and monetizing the Opera VPN solutions for iOS and Android. One of the most exciting monetization opportunities is the sale of anonymized usage information which can provide unique market intelligence on the mobile ecosystem. SurfEasy has made significant progress on the development of infrastructure and business development in this area and expect it to become a material profit center over the next 18 months.

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 this year. 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 optimize encrypted (HTTPS, QUIC, or DRM-protected) and unencrypted (HTTP) video traffic while minimizing 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.

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 revenue growth from this business in 2017 compared to 2016, driven in particular by new technology which enables additional ad formats and lets us tap into new markets.

Opera expects to see solid growth in its Apps & Games business in 2017 vs. 2016, as Bemobi takes the success in Brazil to a global arena. 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 used 2016 to reorganize and focus the business for profitability.

Oslo, February 27, 2017
The Board of Directors
Opera Software ASA

Audun Iversen
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.

Key Financial Figures

Continuing operations (Numbers in \$ million, except earnings per share)	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
Revenue	143.9	155.6	536.7	454.2
Gross profit	60.2	64.9	225.6	207.6
Net income	(30.9)	4.5	(63.1)	(53.7)
Adjusted EBITDA ¹⁾	17.6	21.7	49.1	53.8
EBITDA	14.5	16.9	35.4	40.5
Normalized EBIT	9.2	17.9	25.5	39.5
EBIT	(17.4)	4.8	(31.4)	0.5
EPS	(0.208)	0.031	(0.431)	(0.372)
EPS, fully diluted	(0.208)	0.031	(0.431)	(0.372)
Non-IFRS Net income	8.3	14.3	45.1	41.3
Non-IFRS EPS	0.056	0.099	0.308	0.287
Non-IFRS EPS, fully diluted	0.055	0.096	0.302	0.279
Cash flow from operating activities	9.9		42.4	
Cash flow from investment activities	(25.4)		(171.8)	
Cash flow from financing activities ²⁾	(448.5)		(307.4)	
Segment information	4Q 2016	4Q 2015	YTD 2016	YTD 2015
Adjusted EBITDA ¹⁾	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Mobile Advertising	14.0	23.1	40.4	54.9
Apps & Games	6.4	1.9	22.5	8.7
Privacy & Performance	(0.8)	(2.3)	(7.2)	(3.4)
Corporate Costs	(2.0)	(1.0)	(6.5)	(4.4)
Eliminations	0.0	0.0	0.0	0.0
Total Continued Operations (with ICP) ³⁾	17.6	21.7	49.1	55.9
Eliminations	0.0	(0.0)	(0.0)	(2.1)
Total Continued Operations (net of ICP)	17.6	21.7	49.1	53.8

¹⁾ excluding restructuring costs and stock-based compensation expenses

²⁾ \$609.7 million is related to settlements between continued and discontinued operations in connection with the acquisition of the Consumer business.

³⁾ 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)

	4Q 2016	4Q 2015	%	YTD 2016	YTD 2015	%
	(Unaudited)	Restated (Unaudited)	change	Restated (Unaudited)	Restated (Unaudited)	change
Continuing operations						
Revenue	143.9	155.6	-8%	536.7	454.2	18%
Total operating revenue	143.9	155.6	-8%	536.7	454.2	18%
Publisher and revenue share cost	83.7	90.7	-8%	311.1	246.6	26%
Payroll and related expenses ¹⁾	28.7	29.4	-2%	110.1	102.9	7%
Stock-based compensation expenses	2.3	1.6	50%	9.4	6.7	39%
Depreciation and amortization	12.9	12.2	6%	47.0	40.0	18%
Other operating expenses	13.8	13.8	0%	66.4	50.9	31%
Total operating expenses	141.5	147.6	-4%	543.9	447.1	22%
Operating profit (loss), ("EBIT"), excluding restructuring costs	2.4	8.0		(7.2)	7.1	
Restructuring and impairment cost	19.8	3.2		24.1	6.6	
Operating profit (loss), ("EBIT")	(17.4)	4.8		(31.4)	0.5	
Net financial items (loss)	(10.1)	2.2		(35.3)	(57.6)	
Profit (loss) before income tax	(27.5)	7.0		(66.6)	(57.1)	
Provision for taxes ²⁾	3.4	2.5		(3.5)	(3.4)	
Profit (loss) from continuing operations	(30.9)	4.5		(63.1)	(53.7)	
Discontinuing operations						
Profit (loss) from discontinuing operations, net of tax	506.3	(11.0)		467.0	2.4	
Profit (loss) from discontinuing operations	506.3	(11.0)		467.0	2.4	
Items that may or will be transferred to profit (loss)						
Foreign currency translation differences - continuing operations	(35.4)	2.6		(16.4)	8.3	
Discontinuing operations - reclassified to profit and loss	11.9	0.0		22.6	0.0	
Total comprehensive income (loss)	452.0	(4.0)		410.0	(42.9)	
Earnings per share (group numbers):						
Basic earnings (loss) per share (USD)	3.211	(0.118)		2.755	(0.310)	
Diluted earnings (loss) per share (USD)	3.154	(0.118)		2.705	(0.310)	
Shares used in earnings per share calculation	148,036,567	145,255,501		146,587,577	144,111,359	
Shares used in earnings per share calculation, fully diluted	150,730,525	145,255,501		149,292,689	144,111,359	
Earnings per share (continuing operations):						
Basic earnings (loss) per share (USD)	(0.208)	0.031		(0.431)	(0.372)	
Diluted earnings (loss) per share (USD)	(0.208)	0.031		(0.431)	(0.372)	
Shares used in earnings per share calculation	148,036,567	145,255,501		146,587,577	144,111,359	
Shares used in earnings per share calculation, fully diluted	150,730,525	145,255,501		149,292,689	144,111,359	

¹⁾ Payroll and related expenses excludes stock-based compensation expenses.

²⁾ 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)

	12/31/2016 (Unaudited)	12/31/2015 (Unaudited)
Assets		
Deferred tax assets	12.2	27.0
Goodwill	322.2	389.7
Intangible assets	83.5	129.7
Property, plant and equipment	8.1	27.5
Other investments	8.0	0.1
Other non-current assets	0.5	2.5
Total non-current assets	434.5	576.6
Inventories	0.2	0.3
Accounts receivable	154.6	197.3
Other receivables	25.3	34.0
Cash and cash equivalents	219.5	97.7
Assets held for sale	11.4	0.0
Total current assets	411.0	329.3
Total assets	845.5	905.8

(Numbers in \$ million)

	12/31/2016 (Unaudited)	12/31/2015 (Unaudited)
Shareholders' equity and liabilities		
Equity attributable to owners of the company	519.6	354.9
Non-controlling interests	0.0	0.0
Total equity	519.6	354.9
Liabilities		
Deferred tax liability	9.2	13.2
Financial lease liabilities	0.0	5.6
Loans and borrowings	100.0	150.0
Other non-current liabilities	2.9	0.1
Provisions	54.3	59.6
Total non-current liabilities	166.3	228.5
Loans and borrowings	0.5	0.0
Financial lease liabilities	0.0	5.7
Accounts payable	36.3	42.9
Taxes payable	4.6	14.5
Public duties payable	7.1	9.8
Deferred revenue	7.9	8.4
Stock-based compensation liabilities	0.1	0.1
Other current liabilities	77.7	96.9
Provisions	25.4	144.0
Liabilities held for sale	0.0	0.0
Total current liabilities	159.6	322.5
Total liabilities	325.9	551.0
Total equity and liabilities	845.5	905.8



Consolidated statement of cash flows

(Numbers in \$ million)

	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
Cash flow from operating activities				
Profit (loss) before taxes	495.7	6.5	431.4	(28.8)
Income taxes paid	(1.0)	(3.9)	(13.3)	(26.2)
Depreciation and amortization expense	11.7	15.4	58.7	54.2
Net (gain) loss from disposals of PP&E, and intangible assets	0.0	(0.1)	(0.1)	(0.1)
Net (gain) loss from sale of discontinued operations, net of tax	(510.7)	0.0	(510.7)	0.0
Impairment losses on intangible assets and goodwill	20.2	0.0	21.1	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	2.7	(29.6)	(0.4)	(45.1)
Other net finance items	0.8	0.0	0.2	0.0
Changes in other operating working capital	3.8	29.2	4.9	39.6
Share of net income (loss) and net (gain) loss from disposal of associated companies	0.1	(0.3)	5.0	2.4
Share-based remuneration	0.9	2.3	10.7	7.8
Earnout cost and cost for other contingent payments	25.7	3.5	30.8	58.4
FX differences related to changes in balance sheet items	(68.0)	(1.5)	(35.1)	(6.2)
Net cash flow from operating activities	(18.1)	21.4	3.1	56.0
- of which included in continuing operations	9.9	21.4	42.4	56.0
- of which included in discontinuing operations	(28.0)		(39.3)	
Cash flow from investment activities				
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	0.0	0.2	0.4	0.2
Purchases of property, plant and equipment (PP&E) and intangible assets	(1.2)	(2.0)	(6.3)	(7.5)
Capitalized R&D costs	(4.4)	(4.6)	(19.2)	(16.0)
Proceeds from disposal of subsidiaries and associated companies, net of cash disposed ¹⁾	618.1	0.0	618.1	0.0
Purchases of subsidiaries and associated companies, net of cash acquired ¹⁾	(15.2)	(0.6)	(150.8)	(153.0)
Loans to related parties	(5.5)	0.0	(5.5)	0.0
Other investments ²⁾	0.0	(0.0)	(5.7)	(3.0)
Net cash flow from investment activities	591.7	(7.0)	431.1	(179.2)
- of which included in continuing operations	(25.4)	(7.0)	(171.8)	(179.2)
- of which included in discontinuing operations	617.2		602.9	
Cash flow from financing activities				
Proceeds from exercise of treasury shares (incentive program)	0.0	0.0	0.0	1.3
Purchase of treasury shares	(6.7)	0.0	(6.7)	0.0
Proceeds from issuance of shares, net (incentive program)	5.1	0.0	11.3	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	(186.4)	0.0	(186.4)	0.0
Payment of finance lease liabilities	(1.0)	(1.7)	(5.0)	(3.7)
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	(260.6)	0.0	(260.6)	(4.8)
Net cash flow from financing activities	(449.5)	(1.7)	(312.3)	82.8
- of which included in continuing operations	(448.5)	(1.7)	(307.4)	82.8
- of which included in discontinuing operations	(1.0)		(5.0)	
Net change in cash and cash equivalents	124.1	12.7	121.8	(40.5)
Cash and cash equivalents (beginning of period) ³⁾	95.4	85.0	97.6	138.2
Cash and cash equivalents	219.5	97.7	219.5	97.7
- of which included in cash and cash equivalents in the balance sheet	219.5		219.5	
- of which included in the assets of the disposal group (assets held for sale)	0.0		0.0	

¹⁾ In Q4 2016, \$0.0 million (YTD: 0.0) is related to initial payments for the purchase of subsidiaries, and \$15.2 million (YTD: 150.8) is related to earnout payments with cash effect. In Q4 2015, \$0.6 million (YTD: 75.8) was related to initial payments for the purchase of subsidiaries, and \$0.0 million (YTD: 77.3) was related to earnout payments with cash effect.

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

³⁾ \$2.9 million (12/31/2015:\$8.2 million) is restricted cash and cash equivalents as of December 31, 2016.

⁴⁾ During Q4 2016, Opera sold the Consumer and TV businesses for \$618.1 million (net of cash disposed).



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
Equity as of 12/31/2015	145.3	343.8	38.4	(34.7)	13.9	(6.6)	354.9
Comprehensive income (loss)							
Profit (loss)						403.8	403.8
Other comprehensive income (loss)							
Foreign currency translation differences					6.2		6.2
Total comprehensive income (loss)		0.0	0.0	0.0	6.2	403.8	410.0
Contributions by and distributions to owners							
Dividends						(260.6)	(260.6)
Issuance of ordinary shares related to business combinations							0.0
Issuance of ordinary shares related to incentive program	3.8	11.3					11.3
Issuance of ordinary shares related to equity increase							0.0
Treasury shares purchased	(1.4)	(6.7)					(6.7)
Treasury shares sold							0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			10.7				10.7
Total contributions by and distributions to owners	2.5	4.6	10.7	0.0	0.0	(260.6)	(245.3)
Other equity changes							
Other changes						(0.0)	(0.0)
Total other equity changes		0.0	0.0	0.0	0.0	(0.0)	(0.0)
Equity as of 12/31/2016	147.7	348.5	49.1	(34.7)	20.1	136.7	519.6
<p>During 4Q 2016, Opera purchased 1,383,178 (YTD: 1,383,178) own shares, and sold 0 (YTD: 0) own shares for \$6.7 million (YTD: \$6.7 million). As of December 31, 2016, Opera owned 1,763,762 own shares.</p> <p>During 4Q 2016, Opera issued 1,689,702 (YTD: 3,841,344) 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>							
Equity as of 12/31/2014	141.7	317.7	30.6	(34.7)	5.5	48.2	367.3
Comprehensive income (loss)							
Profit (loss)						(51.2)	(51.2)
Other comprehensive income (loss)							
Foreign currency translation differences					8.3		8.3
Total comprehensive income (loss)		0.0	0.0	0.0	8.3	(51.2)	(42.9)
Contributions by and distributions to owners							
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		(3.1)					(3.1)
Share-based payment transactions			7.8				7.8
Total contributions by and distributions to owners	3.6	26.3	7.8	0.0	0.0	(3.5)	30.6
Other equity changes							
Other changes		(0.2)					(0.2)
Total other equity changes		(0.2)	0.0	0.0	0.0	0.0	(0.2)
Equity as of 12/31/2015	145.3	343.8	38.4	(34.7)	13.9	(6.6)	354.9



Notes to the condensed consolidated interim financial statements

Note 1 - Corporate Information

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

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

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, third and fourth quarters of 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.

The sale of substantially all of the Group's Consumer business was completed as of November 3, 2016. Further, the Group sold a majority stake in its TV business on December 19, 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 that have been disposed as discontinued operations. See note 10 for further information regarding these transactions.

Opera is in process of evaluating any potential impact of IFRS 15 on its revenue recognition policies. In particular, the assessment of whether Opera is acting as the principle or agent in our transactions with advertisers in determining whether revenues are recognized on gross or net basis. For the vast majority of revenue streams, Opera expects it will continue to recognize revenue on a gross basis due to the Company having primary responsibility to provide specified goods or services, assuming inventory risk, and having discretion to establish prices, however this assessment is not finalized. Opera expects to complete its analysis in the second half of 2017.

IFRS 16 Leasing is effective from 2019. The new standard for leasing will significantly change how the group accounts for its lease contracts for offices and other assets currently accounted for as operating leases. Under IFRS 16, an on-balance sheet model that is similar to current financial leases accounting will be applied to all lease contracts, only leases for small items such as PC's and office equipment will be exempt. Opera has started an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Group will recognize new assets and liabilities for its operating leases of office facilities.



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
Balance as of 12/31/2015	121.0	53.2	29.3	203.6
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				-
Balance as of 3/31/2016	17.3	55.1	25.7	98.1
Non-current consideration	-	50.1	12.4	62.5
Current consideration	17.3	5.1	13.3	35.6
Balance as of 3/31/2016	17.3	55.1	25.7	98.1
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				-
Balance as of 6/30/2016	17.8	57.0	21.6	96.4
Non-current consideration	-	50.3	5.8	56.1
Current consideration	17.8	6.7	15.8	40.3
Balance as of 6/30/2016	17.8	57.0	21.6	96.4
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				-
Balance as of 9/30/2016	18.3	42.3	12.5	73.0
Non-current consideration	-	26.3	6.0	32.2
Current consideration	18.3	16.0	6.5	40.8
Balance as of 9/30/2016	18.3	42.3	12.5	73.0
Assumed in a business combination				-
Paid	(15.2)	(3.5)	-	(18.7)
Finance expense - interest	-	1.9	0.3	2.2
Finance expense (income) - FX	0.6	0.0	0.5	1.1
Finance expense (income) - change in likelihood	-	22.3	0.0	22.4
Translation differences	(0.6)	0.8	(0.6)	(0.4)
OCI				-
Balance as of 12/31/2016	3.1	63.8	12.8	79.7
Non-current consideration	-	48.1	6.2	54.3
Current consideration	3.1	15.7	6.6	25.4
Balance as of 12/31/2016	3.1	63.8	12.8	79.7



Note 4 - Contingent Liabilities and Provisions (continued)

Earnout payments made in 2016 (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
With cash flow effect				
Q1	109.6	4.1	0.8	114.6
Q2			6.5	6.5
Q3		5.2	9.4	14.6
Q4	15.2			15.2
Total	124.9	9.2	16.8	150.9
With no cash flow effect (released from escrow)				
Q1			4.1	4.1
Q2				-
Q3		10.0		10.0
Q4		3.5		3.5
Total	-	13.5	4.1	17.6

Estimated payments (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
Jan-17	3.1			3.1
Feb-17				
Apr-17		8.9	7.9	16.8
Sep-17		7.8		7.8
Apr-18		12.0	7.2	19.2
Sep-18		9.7		9.7
Apr-19		14.4		14.4
Sep-19		12.3		12.3
Apr-20		16.1		16.1
Total	3.1	81.3	15.1	99.4

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.

Contractual maximum payments (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
Jan-17	3.1			3.1
Feb-17				-
Apr-17		10.3	7.9	18.2
Sep-17		7.8		7.8
Apr-18		16.7	7.2	23.9
Sep-18		10.4		10.4
Apr-19		18.2		18.2
Sep-19		13.1		13.1
Apr-20		10.7		10.7
Total	3.1	87.3	15.1	105.4

Bemobi earnout amendment

In Q4 2016, Opera signed an amendment to the earnout agreement with the former shareholders of Bemobi. The amendment adjusts the "Synergy Earnout" part of the original agreement to more comprehensively cover the entire International Apps & Games business, as opposed to limiting it only to the "Synergy Revenue (revenue from Bemobi subscription offering outside of LATAM) and EBITDA", and to expand it through 2019, and is now referred to as the "International Earnout". No change has been made to the "Standalone (LATAM)" portion of the Earnout. The maximum achievement for this portion of the Earnout remains at \$18 million as per the original agreement. The International Earnout will be calculated and paid on an annual, calendar year, basis. The background for this amendment is that Opera and the former shareholders of Bemobi agree that it makes commercial sense to transform the Synergy Earnout to more comprehensively cover the international (outside LATAM) part of the Apps & Games segment, and to expand it through 2019. The former shareholders will be incentivized to further the success of the entire Apps & Games segment rather than simply the success of the Bemobi subscription offering. The maximum contractual remaining payment for the total earnout is \$87.3 million.

AdColony settlement

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.



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 ¹⁾, have the following effects on the net present value and the fair value of the contingent consideration.

¹⁾ 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
Revenue (10% increase)	N/A	5.0	0.2
Revenue (10% decrease)	N/A	(5.2)	(4.2)
EBIT (5% increase)	N/A	3.2	0.3
EBIT (5% decrease)	N/A	(13.0)	(1.5)

Effect on Fair value (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial
Revenue (10% increase)	N/A	6.4	0.2
Revenue (10% decrease)	N/A	(6.6)	(4.8)
EBIT (5% increase)	N/A	4.1	0.3
EBIT (5% decrease)	N/A	(17.1)	(1.5)

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	4Q 2016	%		YTD 2016	%
<i>(Numbers in \$ million)</i>					
USD	117.2	81.5%	USD	444.1	82.7%
BRL	10.8	7.5%	BRL	40.4	7.5%
GBP	3.2	2.2%	GBP	11.7	2.2%
TRY	3.2	2.2%	TRY	9.8	1.8%
EUR	1.7	1.2%	EUR	6.7	1.2%
Other	7.9	5.5%	Other	23.9	4.5%
Total	143.9	100.0%	Total	536.7	100.0%

Operating expenses by currency ¹⁾	4Q 2016	%		YTD 2016	%
<i>(Numbers in \$ million)</i>					
USD	89.0	62.9%	USD	410.9	75.5%
GBP	13.0	9.2%	BRL	29.2	5.4%
BRL	8.3	5.8%	GBP	25.7	4.7%
EUR	8.1	5.7%	EUR	25.1	4.6%
UYU	5.9	4.2%	TRY	11.7	2.1%
Other	17.2	12.2%	Other	41.4	7.6%
Total	141.5	100.0%	Total	543.9	100.0%

¹⁾ 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 4Q 2015 rates	FX effect using 4Q 2015 rates	Recalculated with 3Q 2016 rates	FX effect using 3Q 2016 rates
<i>(Numbers in \$ million)</i>				
Revenue	144.1	0.2	144.9	1.0
Expenses	166.9	25.4	166.1	24.6



Note 6 - Financial Items

Financial items	4Q 2016	4Q 2015	YTD 2016	YTD 2015
<i>(Numbers in \$ million)</i>				
Other interest income (expense), net	(2.0)	0.2	(3.1)	0.6
Interest expense related to contingent consideration	(8.1)	(7.6)	(24.2)	(25.5)
FX gains (losses) related to contingent consideration, net	(1.1)	(4.7)	14.3	(34.1)
Other FX gains (losses), net	18.3	5.5	0.7	0.2
Revaluation of contingent consideration	(17.2)	8.9	(22.8)	1.2
Share of profit (loss) from associated companies	(0.1)	0.0	(0.1)	0.0
Net financial gain (loss)	(10.1)	2.2	(35.3)	(57.6)

Note 7 - Liquidity Risk

Credit facility

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. As at 9/30/2016, \$285 million had been drawn.

During Q4 2016, Opera paid down \$185 million of the total credit facility of \$285 million, and signed an agreement with DNB Bank ASA reducing the secured credit facility to \$150 million (of which \$100 million is a term loan and \$50 million is a Revolving Credit Facility). As at 12/31/2016, \$100 million is outstanding. The revolving facility is undrawn, whilst the term loan is fully outstanding.

The loan and credit facility have the following covenants: A) i) the Leverage Ratio to be below 2.00:1. B) the Equity Ratio to hold the minimum level of 30%. The Group is compliant as at December 31, 2016.

The Revolving Credit facility of \$50 million and the term loan of \$100 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	12/31/2016 (Unaudited)	12/31/2015 (Unaudited)
Accounts receivable	106.2	124.2
Unbilled revenue	48.4	73.1
Other receivables	25.3	34.0
Total	179.9	231.3

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 December 31, 2016, \$5.4 million was recognized as escrow payments related to acquisitions in the statement of financial position, and \$5.5 million was a loan to related parties.



Note 9 - Alternative performance measures

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:

EBITDA:

Earnings before financial items, taxes, depreciation and amortization

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 financial items. 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)

IFRS to Non-IFRS Reconciliations	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
IFRS profit (loss) from continuing operations	(30.9)	4.5	(63.1)	(53.7)
Non-cash stock-based compensation expenses	2.3	1.6	9.4	6.7
Acquisition-related adjustment - depreciation of acquired intangible assets	6.8	9.9	32.7	32.3
Items excluded from operating expenses	9.2	11.5	42.1	39.0
Non-operations related costs	19.8	3.2	24.1	6.6
Items excluded from restructuring costs	19.8	3.2	24.1	6.6
Acquisition-related adjustment - non-cash Interest expense ¹⁾	8.1	7.6	24.2	25.5
Acquisition-related adjustment - non-cash FX (gains) losses ¹⁾	1.1	4.7	(14.3)	34.1
Other FX (gains) losses, net	(18.3)	(5.5)	(0.7)	(0.2)
(Gain) losses on non-controlling strategic equity interest	0.1	(0.0)	0.1	0.0
Acquisition-related adjustment - revaluation ¹⁾	17.2	(8.9)	22.8	(1.2)
Items excluded from net financial items	8.1	(2.0)	32.1	58.2
Acquisition-related adjustment - non-cash income taxes	2.1	(2.8)	9.9	(8.9)
Items excluded from provision for taxes	2.1	(2.8)	9.9	(8.9)
Non-IFRS Profit (loss) from continuing operations	8.3	14.3	45.1	41.3
Non-IFRS Basic earnings per share (USD)	0.056	0.099	0.308	0.287
Non-IFRS Diluted earnings per share (USD)	0.055	0.096	0.302	0.279
Shares used in earnings per share calculation	148,036,567	145,255,501	146,587,577	144,111,359
Shares used in earnings per share calculation, fully diluted	150,730,525	149,208,913	149,292,689	148,002,380
¹⁾ Related to contingent consideration				
Reconciliation of EBIT to Adjusted EBITDA (Numbers in \$ million)	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
Operating profit ("EBIT") including restructuring costs	(17.4)	4.8	(31.4)	0.5
Restructuring costs	19.8	3.2	24.1	6.6
Stock-based compensation expenses	2.3	1.6	9.4	6.7
Depreciation, amortization, and impairment expenses	12.9	12.2	47.0	40.0
Adjusted EBITDA	17.6	21.7	49.1	53.8
Reconciliation of EBIT to Normalized EBIT (Numbers in \$ million)	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
Operating profit ("EBIT") including restructuring costs	(17.4)	4.8	(31.4)	0.5
Restructuring costs	19.8	3.2	24.1	6.6
Amortization of acquired intangible assets	6.8	9.9	32.7	32.3
Normalized EBIT	9.2	17.9	25.5	39.5



Note 10 - Discontinued operations

Sale of Consumer business

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") for 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) that was not to be released on the closing of the transaction, was released in subsequent installments in December 2016, following the completion of the reorganization of the Consumer Business. Opera recognized a gain of \$439.7 million on the Transaction which will not be taxable.

Sale of TV business

Opera finalized an agreement on December 19, 2016 to sell its TV business ("Opera TV") for \$80 million and an approximately 27% equity interest through preferred shares in Last Lion Ltd. which will indirectly own Opera TV (the "Transaction"). Opera recognized a gain of \$71.0 million on the Transaction which will not be taxable. See note 12 for further information.

Accordingly, the Consumer and TV businesses are presented separately as discontinued operations in the consolidated statement of comprehensive income and comparative periods are restated. The net profit recognized in the comprehensive income in Q4 were \$509.3 million.

Results of discontinued operations

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

	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Revenue	19.9	37.9	-47%	121.5	161.7	-25%
Operating expenses	14.8	31.4	-53%	104.1	123.8	-16%
Operating profit ("EBIT"), excluding restructuring costs	5.1	6.5		17.4	37.9	
Restructuring costs	2.8	0.3		15.8	3.8	
Operating profit ("EBIT")	2.3	6.2		1.6	34.1	
Net financial items (loss)	10.2	(6.6)		(14.3)	(5.8)	
Net (gain) loss from sale of discontinued operations, net of tax	510.7	0.0		510.7	0.0	
Profit (loss) before income tax	523.2	(0.4)		498.0	28.3	
Provision for taxes ²⁾	5.0	10.6		8.5	25.8	
Profit (loss) from discontinued operations	518.2	(11.0)		489.5	2.4	
Items that may or will be transferred to profit (loss)						
Discontinuing operations - reclassified to profit and loss	(11.9)	0.0		(22.6)	0.0	
Total comprehensive income (loss)	506.3	(11.0)		467.0	2.4	

Earnings per share (discontinued operations):

Basic earnings (loss) per share (USD)	3.501	(0.076)		3.339	0.017	
Diluted earnings (loss) per share (USD)	3.438	(0.076)		3.279	0.017	
Shares used in earnings per share calculation	148,036,567	145,255,501		146,587,577	144,111,359	
Shares used in earnings per share calculation, fully diluted	150,730,525	149,208,913		149,292,689	148,002,380	

¹⁾ Payroll and related expenses excludes stock-based compensation expenses.

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

Cash flow information

	4Q 2016 (Unaudited)	YTD 2016 (Unaudited)
Cash flow from operating activities	(28.0)	(39.3)
Cash flow from investment activities ¹⁾	617.2	602.9
Cash flow from financing activities	(1.0)	(5.0)

¹⁾ \$22.2 million is related to settlements between continued and discontinued operations in connection with the acquisition of the Consumer business.



Note 10 - Discontinued operations (continued)**Effect of disposal on the financial position of the Group***(Numbers in \$ million)*

Deferred tax assets	22.7
Goodwill	57.4
Intangible assets	22.6
Property, plant and equipment	15.2
Other investments	0.0
Other non-current assets	7.4
Inventories	0.0
Accounts receivable	43.4
Other receivables	5.7
Cash and cash equivalents	22.2
Assets of the disposed group	196.6
Deferred tax liability	0.0
Financial lease liabilities	4.9
Loans and borrowings	0.0
Other non-current liabilities	0.1
Provisions - non-current	0.0
Loans and borrowings	0.0
Financial lease liabilities	1.9
Accounts payable	12.3
Taxes payable	19.8
Public duties payable	5.5
Deferred revenue	7.7
Stock-based compensation liabilities	0.0
Other current liabilities	11.5
Provisions - current	0.0
Liabilities of the disposed group	63.7
Net asset and liabilities	132.9
Banker fees and other fees	(14.0)
Consideration received, satisfied in non-cash	17.4
Consideration received, satisfied in cash	640.3
Net profit	510.7
Consideration received, satisfied in cash	640.3
Cash and cash equivalents disposed of	22.2
Net cash inflows	618.1

Note 11 - Segments

(Numbers in \$ million)

Revenue	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	128.3	145.4	-12%	484.2	419.9	15%
Apps & Games	12.8	8.8	45%	48.2	24.3	98%
Performance & Privacy	3.2	1.4	124%	9.2	12.3	-25%
Corporate Costs	(0.0)	0.0	-100%	(0.0)	0.0	-100%
Eliminations	(0.3)	0.0	0%	(0.3)	0.0	0%
Total Continued Operations ¹⁾	144.0	155.6	-7%	541.3	456.4	19%

¹⁾ Including intercompany postings (ICP) against discontinued operations

Gross profit	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	48.7	58.4	-17%	185.8	180.1	3%
Apps & Games	8.4	5.4	57%	31.6	18.2	74%
Performance & Privacy	3.0	1.1	171%	8.3	11.5	-28%
Corporate Costs	0.0	0.0	546%	0.0	0.0	546%
Eliminations	0.0	0.0	0%	0.0	0.0	0%
Total Continued Operations ¹⁾	60.2	64.9	-7%	225.6	209.8	8%

¹⁾ Including intercompany postings (ICP) against discontinued operations.

Adjusted EBITDA ²⁾	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	14.0	23.1	-40%	40.4	54.9	-27%
Apps & Games	6.4	1.9	238%	22.5	8.7	157%
Performance & Privacy	(0.8)	(2.3)	-67%	(7.2)	(3.4)	115%
Corporate Costs	(2.0)	(1.0)	95%	(6.5)	(4.4)	48%
Eliminations	0.0	0.0	0%	0.0	0.0	0%
Total Continued Operations ¹⁾	17.6	21.7	-19%	49.1	55.9	-12%

¹⁾ Including intercompany postings (ICP) against discontinued operations.

²⁾ excluding restructuring costs and stock-based compensation expenses.
See note 9 for a reconciliation of Adjusted EBITDA to EBIT

EBITDA	4Q 2016 (Unaudited)	4Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Mobile Advertising	11.8	21.9	-46%	28.3	49.3	-43%
Apps & Games	6.3	1.8	255%	22.0	8.2	169%
Performance & Privacy	(0.7)	(2.4)	-71%	(7.7)	(4.8)	62%
Corporate Costs	(4.5)	(4.3)	6%	(13.0)	(10.5)	23%
Eliminations	0.0	0.0	0%	0.0	0.0	0%
Total Continued Operations ¹⁾	12.9	16.9	-24%	29.7	42.2	-30%

¹⁾ Including intercompany postings (ICP) against discontinued operations.



Note 11 - Segments (continued)

Normalized EBIT²⁾	4Q 2016	4Q 2015	%	YTD 2016	YTD 2015	%
	(Unaudited)	(Unaudited)	change	(Unaudited)	(Unaudited)	change
Mobile Advertising	7.1	23.2	-69%	23.3	46.3	-50%
Apps & Games	5.9	1.7	252%	18.9	8.0	135%
Performance & Privacy	(0.8)	(6.0)	-87%	(9.0)	(8.5)	6%
Corporate Costs	(3.1)	(1.0)	198%	(7.6)	(4.4)	74%
Eliminations	0.0	0.0	0%	0.0	0.0	0%
Total Continued Operations¹⁾	9.2	17.8	-48%	25.5	41.4	-38%

¹⁾ Including intercompany postings (ICP) against discontinued operations.

²⁾ excluding amortization of acquired intangible assets

EBIT	4Q 2016	4Q 2015	%	YTD 2016	YTD 2015	%
	(Unaudited)	(Unaudited)	change	(Unaudited)	(Unaudited)	change
Mobile Advertising	(13.8)	17.7	-178%	(16.4)	25.4	-165%
Apps & Games	0.4	(1.5)	-128%	6.1	1.3	353%
Performance & Privacy	(1.0)	(7.2)	-86%	(13.6)	(14.0)	-3%
Corporate Costs	(5.9)	(4.3)	39%	(14.5)	(10.5)	37%
Eliminations	0.0	0.0	0%	0.0	0.0	0%
Total Continued Operations¹⁾	(20.3)	4.8	-525%	(38.4)	2.3	-1796%

¹⁾ 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.

Performance & Privacy

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 11 - 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	144.0	19.8	0.1	163.9	143.9	19.9
Gross profit	60.2	20.1	(0.0)	80.3	60.2	20.1
Adjusted EBITDA	17.6	4.1	0.0	21.8	17.6	4.1
EBITDA	12.9	5.2	0.0	18.1	14.5	3.6
Normalized EBIT	9.2	5.1	0.0	14.3	9.2	5.1
EBIT	(20.3)	5.1	0.0	(15.1)	(18.6)	3.5

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	541.3	121.4	(4.5)	658.2	536.7	121.5
Gross profit	225.6	120.0	-	345.7	225.6	120.0
Adjusted EBITDA	49.1	30.4	-	79.5	49.1	30.4
EBITDA	29.7	21.5	-	51.2	35.4	15.8
Normalized EBIT	25.5	16.7	-	42.2	25.5	16.7
EBIT	(38.4)	8.6	-	(29.8)	(31.4)	1.6

Segment revenue QTR	MW (Unaudited)	Apps & Games (Unaudited)	Privacy & Performance (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
External revenue	128.2	12.8	2.9	-	-	143.9
Intercompany revenue	0.1	0.0	0.3	(0.0)	(0.3)	0.1
Total Continued Operations	128.3	12.8	3.2	(0.0)	(0.3)	144.0

Segment revenue YTD	MW (Unaudited)	Apps & Games (Unaudited)	Privacy & Performance (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
External revenue	480.4	48.2	8.2	-	-	536.7
Intercompany revenue	3.8	0.0	1.1	(0.0)	(0.3)	4.6
Total Continued Operations	484.2	48.2	9.2	(0.0)	(0.3)	541.3



Note 12 - Investment in Associated Companies

As part of the sale of the TV business, Opera will remain as a minority shareholder of the ultimate parent company of Opera TV AS, Last Lion Holdings Ltd, a UK incorporated company. Following the sale, and an adjustment for the management option program, Opera has retained preferred shares equivalent to 27% of the common equity of Last Lion Holdings Ltd.

(Numbers in \$ million)

Information regarding Last Lion Holdings Ltd	4Q 2016 (Unaudited)	YTD 2016 (Unaudited)
Revenue	12.5	32.8
EBIT	3.3	3.3
Net profit (loss)	1.4	6.5

The numbers above reflect the restated and proforma FY 2016 numbers for the TV business before Last Lion Holdings Ltd acquired a majority stake in the business. The activity from December 19, 2016 to December 31, 2016 is not significant.

Assets	129.1
Non-current liabilities	85.1
Current liabilities	9.6
Equity	34.5
Opera's share of equity	7.9

The investment in Last Lion Holdings LTD is recognized using the equity method.

Opera has recognized the following fair value amount as Other investments in the statement of financial position:

Investment during the fiscal year	9.6
FX adjustment	-
Share of the profit (loss)	(0.1)
Elimination	-
Balance as of 12/31/2016	9.5



Note 13 - Restructuring costs

During 4Q 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)

RESTRUCTURING COSTS	4Q 2016	4Q 2015	YTD 2016	YTD 2015
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salary restructuring cost	0.8	1.7	4.5	2.1
Option restructuring cost	0.0	0.0	(0.2)	0.0
Office restructuring cost	0.0	0.0	0.0	0.0
Impairment cost	19.0	0.0	19.8	0.0
Legal and other costs related to business combinations	0.0	1.6	0.0	4.4
Other restructuring cost	0.0	0.0	0.1	0.0
Total	19.8	3.2	24.1	6.6



Note 14 - Impairment testing

Goodwill acquired through business combinations has been allocated to individual cash-generating units as presented in the reconciliation in the 2015 Annual report. Opera has carried out impairment testing as of December 31, 2016, according to IAS 36. Based on the impairment testing, the Group recognized the following impairment losses in Q4.

(Numbers in \$ million)	Impairment loss
Goodwill in the non-US part of the Mobile Advertising segment	14.5
Intangible assets in the non-US part of the Mobile Advertising segment	1.4
Goodwill in the Apps & Games segment (non-Bemobi)	3.1
Total	19.0

The impairment loss is primarily a consequence of lower growth expectations in parts of the non-US Mobile Advertising business, and an expected decrease in Apps & Games revenue generated from the Opera Mobile Store (OMS) platform that serves feature phones, combined with the expected shift in contribution from the OMS platform to the Bemobi platform that serves smart phones. This is reflected in a nominal long term growth rate of -50%, as per the table below.

Discounted cash flow models are applied to determine the value in use for the cash-generating units with goodwill. Management has projected cash flows based on financial forecasts and strategy plans covering a three or four year period. Beyond the explicit forecast period, the cash flows are extrapolated using constant nominal growth rates.

Key assumptions

Key assumptions used in the calculation of value in use are Revenue and EBITDA growth rates, Nominal growth rate in terminal value, and discount rates. For the parts of the non-US Mobile Advertising business where impairment losses have been recognised, the following key assumptions were used in determining the value in use:

	Range, in %	
	Non-US Mobile Advertising	Apps & Games (non-Bemobi)
Revenue growth (average) ¹	22.5	42.0
EBITDA Margin ²	19.9 points	7.5 points
Discount rate after tax	10.5 - 21.6	9.9
Discount rate before tax	13.6 - 31.7	11.3
Nominal growth rate in terminal value	2.0	(50.0)

¹ Represents the compound annual growth rate during 2017-2019 (until the terminal year).

² Represents the average percentage point increase in EBITDA margin during 2017-2019.

US Mobile Advertising business (Mobile Advertising segment)

Goodwill and intangible assets relating to the US Mobile Advertising business represents approximately 90% of the total recognized goodwill and intangible assets in the Mobile Advertising segment (prior to the impairment loss recognized in Q4).

For this combined business the following changes in forecasts and key assumptions, in isolation, would result in the value in use amount being approximately equal to the carrying amount. Any changes beyond those described below may, therefore, lead to an impairment loss:

- Increase in 500 basis points in the discount rate after tax
- Decrease in 35% in projected future cash flows for the 3 year forecast period

Bemobi (Apps & Games segment)

Goodwill and intangible assets relating to the Bemobi business represents approximately 98% of the total recognized goodwill and intangible assets related to the Apps & Games segment (prior to the impairment loss recognized in Q4).

For this combined business the following changes in forecasts and key assumptions, in isolation, would result in the value in use amount being approximately equal to the carrying amount. Any changes beyond those described below may, therefore, lead to an impairment loss:

- Increase in 300 points in the discount rate after tax
- Decrease in 25% in projected future cash flows for the 3 year forecast period



Note 15 - Events after the Reporting Date

No events have occurred after the reporting date that would require the interim financial statements to be adjusted.

For announcements of new contracts and other information, please also see announcements published on the Oslo Stock Exchange website (www.oslobors.no).

