



# 3Q 17

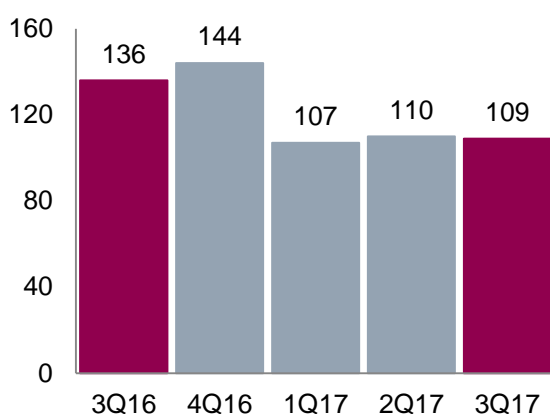
**QUARTERLY REPORT  
OPERA SOFTWARE ASA**



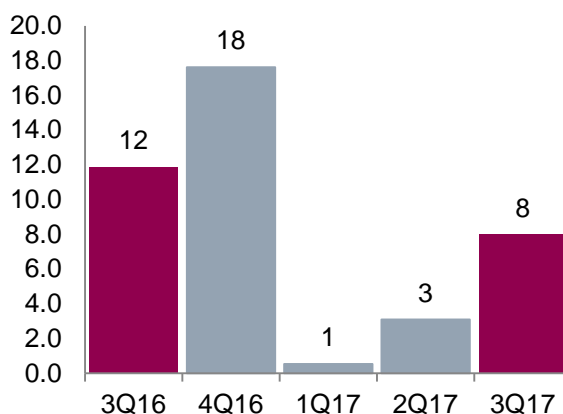
- Revenue was down 20 percent to USD 108.7 million (USD 136.0 million) due to decline in revenue from AdColony. This was partly offset by growth in Bemobi, SurfEasy and Skyfire.
- Adjusted EBITDA\* declined to USD 7.9 million (USD 11.9 million), as a result of lower profit from AdColony.
- Net income was negative USD 0.1 million (negative USD 5.9 million)
- Earnings per share amounted to negative USD 0.00 (negative USD 0.04)

\* For further information regarding Adjusted EBITDA and other alternative performance measures used by Opera, see Note 9 of the interim condensed financial statements

**Revenue (USD million)**



**Adjusted EBITDA (USD million)**



Key figures (USD million)	3Q17	3Q16	YTD 2017	YTD 2016
<b>Revenue*</b>	<b>108.7</b>	<b>136.0</b>	<b>325.6</b>	<b>392.8</b>
AdColony (Mobile Advertising)	90.6	122.1	280.0	355.9
Bemobi (Apps & Games)	13.9	13.7	38.8	35.4
SurfEasy & Skyfire (P&P)	4.7	2.2	8.1	6.0
<b>Adjusted EBITDA</b>	<b>7.9</b>	<b>11.9</b>	<b>11.5</b>	<b>31.5</b>
AdColony (Mobile Advertising)	0.6	8.4	(0.7)	26.4
Bemobi (Apps & Games)	6.8	6.4	17.4	16.1
SurfEasy & Skyfire (P&P)	1.9	(2.1)	(1.0)	(6.5)
Corporate	(1.4)	(0.9)	(4.3)	(4.5)
Items excluded from adjusted EBITDA	(2.8)	(4.3)	(16.0)	(10.6)
<b>EBITDA</b>	<b>5.1</b>	<b>7.6</b>	<b>(4.5)</b>	20.9
EBIT	(3.5)	(3.3)	(33.7)	(13.9)
Net income	(0.1)	(5.9)	(36.5)	(32.2)
EPS (USD)	(0.00)	(0.04)	(0.25)	(0.22)

\* Segment revenue includes intercompany transactions. *In the report below, figures in brackets relate to the corresponding period in 2016. The figures are unaudited.*

## GROUP PERFORMANCE

To provide a better understanding of Opera's underlying performance, the following presentation of operating results excludes certain non-recurring and non-operational items from EBITDA, such as

transaction costs, stock based compensation, restructuring and impairment costs, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis.

## **Development during the quarter**

Revenue was down 20 percent in third quarter 2017 compared to the same period last year, driven by a decline in AdColony, partly offset by growth in Bemobi, Skyfire and SurfEasy. The decrease in revenue in AdColony is mainly due to slower product launches and ramp up of new products.

Total operating costs (including depreciation and stock based compensation costs, but excluding restructuring and impairment costs) were down 20 percent from the corresponding period last year, mainly due to lower publisher costs as well as lower payroll and depreciation and amortization expenses.

Publisher and revenue share cost was USD 65.1 million in the quarter (USD 80.0 million), down 19 percent from the corresponding period last year as a result of lower revenue.

Payroll and related expenses, excluding stock-based compensation expenses, were USD 20.4 million in the quarter (USD 25.8 million), down 21 percent from the corresponding period last year as a result of strict cost control and a reduction in overall headcount, primarily in AdColony.

Stock-based compensation expenses were USD 1.7 million in the quarter (USD 3.0 million), down 44 percent from the corresponding period last year as a result of fewer grants and an increase in terminated options and RSU's.

Depreciation and amortization expenses were USD 8.6 million in the quarter (USD 11.8 million), down 21 percent from the corresponding period last year as intangible assets from prior acquisitions are gradually amortized.

Other operating expenses were USD 15.4 million in the quarter (USD 18.2 million), down 16 percent from the corresponding period last year, linked to lower headcount, fewer offices and overall strict cost control.

Opera recognized a restructuring charge of USD 1.1 million in the quarter primarily linked to salary, offices and legal cost associated with the reorganization and streamlining of the AdColony and Skyfire businesses announced in 2Q17.

## **Adjusted EBITDA and EBITDA**

### Adjusted EBITDA

Adjusted EBITDA was USD 7.9 million in third quarter 2017, down from USD 11.9 million in the corresponding period in 2016, due primarily to weaker performance from AdColony. A total of USD 2.8 million was excluded from adjusted EBITDA, related to restructuring costs and stock-based compensation expenses.

## EBITDA

EBITDA was USD 5.1 million in the third quarter 2017, down from USD 7.6 million in the corresponding period in 2016, due to weaker performance from AdColony and only partly offset by growing EBITDA in our 3 other businesses.

### Net financial items

Opera recognized a net profit from net financial items in the quarter of USD 1.2 million, compared to a loss of USD 10.2 million in corresponding period last year, which was primarily due to FX losses. The net profit stems from revaluation of contingent consideration, and Opera's ownership in Vewd (Opera TV), partly offset by interest expense related to bank loans.

### Net income

Third quarter 2017 net income was negative USD 0.1 million compared to negative USD 5.9 million in the corresponding period last year.

EPS and fully diluted EPS were negative USD 0.00 and USD 0.00, respectively, in third quarter 2017, compared to negative USD 0.04 and USD 0.04, respectively, in third quarter 2016.

### Financial position and cash flow

Opera's net cash flow from operating activities was negative USD 0.5 million in third quarter 2017 compared to negative USD 27.5 million in third quarter 2016.

Cash flow from investment activities amounted to negative USD 11.7 million, vs negative USD 19.1 million from the corresponding quarter last year. Cash outlays from PP&E and capitalized R&D were USD 2.8 million and USD 8.8 million in earn out payments were made in the quarter.

Cash flow from financing activities amounted to negative USD 8.1 million all of which is related to repurchase of own shares.

Cash and cash equivalents at the end of the third quarter 2017 were USD 161.7 million compared to USD 95.4 million in the third quarter 2016.

Opera has a credit facility of USD 150 million and at the end of the third quarter 2017, USD 100 million of this credit facility has been drawn. Net cash was USD 61.7 million at the end of the quarter.

The company's equity was USD 482.8 million at the end of the quarter, corresponding to an equity ratio of 64.5%.

## **Organization**

At the end of third quarter 2017 Opera had 760 full-time employees and equivalents.

## -BUSINESS OVERVIEW

### ADCOLONY (Mobile Advertising)

<i>USD million</i>	<b>3Q 17</b>	<b>3Q 16</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>Revenue*</b>	<b>90.6</b>	<b>120.7</b>	<b>280.0</b>	<b>352.6</b>
Performance	41.0	57.2	127.2	181.2
Brand-Managed IO	33.9	42.3	101.1	117.9
Brand-Performance	6.5	8.6	25.8	21.2
Brand-Programmatic	9.2	12.7	25.9	32.2
<b>Gross Profit</b>	<b>29.4</b>	<b>43.8</b>	<b>99.4</b>	<b>133.3</b>
<b>Adjusted EBITDA</b>	<b>0.6</b>	<b>8.4</b>	<b>(0.7)</b>	<b>26.4</b>
<b>EBITDA</b>	<b>(1.3)</b>	<b>4.3</b>	<b>(13.4)</b>	<b>16.6</b>
<b>EBIT</b>	<b>(8.1)</b>	<b>(1.7)</b>	<b>(33.7)</b>	<b>(2.6)</b>

\* Revenue and gross profit excludes intercompany transactions.

### **Business Overview**

While the global advertising industry continues to experience a macro shift from traditional to digital channels, with mobile increasing its share rapidly, AdColony is expanding its reach to more than 2 billion mobile users worldwide.

The shift from traditional to digital is fueled by several factors as consumers spend more and more time on mobile devices, engaging with apps and sites. At the same time, mobile advertising is becoming more and more efficient and effective compared to traditional advertising, as it enables better targeting, provides opportunities for more user interaction and provides better measurement capabilities resulting in better return on ad spend.

AdColony is an advertising platform focused on delivering marketing and monetization results for our clients. The technology powers monetization for the most popular, top 1000 global publishers, and it enables marketers to engage with consumers on the most personal and important screens in their lives. AdColony delivers highly interactive and engaging advertising experiences across all formats with particular strength in video and full screen interactive rich media ads. The company has proven to push creative boundaries and be first to market with innovations to lead the mobile ad economy.

### **Financial Overview**

Overall revenue of \$90.6 million was down by 25 percent in the quarter compared to 3Q16. The slow ramp of key products combined with decay from legacy products and business models, as seen in the end of 2016 continued into 2017.

Adjusted EBITDA amounted to USD 0.6 million in the quarter as result of lower revenue and overall lower gross margin. Gross margins have been moving lower as a result of both increased competition for supply and the revenue mix, with ad dollars moving from Brand to Programmatic. In light of the business model shifts that we have seen in 2017, we initiated a restructuring program in AdColony which will have material impact on 2018 costs and is expected to yield over USD 50 million in annualized OPEX savings over the cost level entering 2017.

### Performance

Revenue was down 28% YoY due to increased supply competition from mediation and competitors, slower than expected SDK adoption and lower than expected scale for new ad formats including 'playables'. Revenue was up 3% vs. Q2 as we continue to make progress with SDK distribution and scaling of our new creative formats. CPI pricing was up 8% vs. last year and up 6% vs. last quarter as we continue to improve the quality of our supply and provide positive returns on ad spend for our performance advertising customers. While YoY impressions declined -24% we are seeing supply growth again as Q3 exceeded Q2 by +4.6%.

Gross margin was down in the quarter as we aggressively sought to attract more inventory and better waterfall positions inside existing supply. Exiting 2017 and into 2018, catalysts for growth include access to publisher inventory, scaling of new ad formats (playables, vertical video, interactive video) and overall SDK penetration.

### Brand-Managed IO

Revenue was down 20% YoY due in particular to a shift in our brand partners' spending from Brand Managed IO to Programmatic, and also to uncertainty in the market around key brand needs such as 3rd party viewability measurement in-app versus desktop, which impacted our core mobile video offering. Gross margin was down from 36.5% to 35.2% as brand advertisers move to more transparent, automated and scalable products.

### Brand-Performance

Revenue was down 25% YoY as we continue to move away from our legacy mobile web direct response offering and continue to focus on more scalable app marketing. Gross margin was also down somewhat to 30% from 34% in 3Q16.

### Brand-Programmatic

Revenue was down 27% compared to 3Q16 as a decrease in revenue from our legacy offering (AdMarvel) more than offset over 130% YoY growth in our Private Marketplace offering. Gross margins were up from 36% to 39%.

### **Product update**

Key to success in the remainder of 2017 is the successful launch and ramp of several products.

### SDK

The new SDK enables richer ad units which again fuels higher CPM's as well as being a key differentiator in the market. SDK 3.x is now stable and is in ramping across our key publishers. As of end 3Q17 penetration was at 50%.

### LTV User Score

Additional data on quality users is increasing

eCPI/eCPM. This targets quality users who are most likely to make in-app purchases. Entering 2nd stage of private beta, with initial results very promising.

### Post Install-Event and Granular Pricing

Performance business seeing increased CPI, and increased advertiser buying and optimization capabilities to maximize spend. This also maximizes our ability to drive ROAS by aligning campaign set-up with PIE performance.

### Playables and Vertical Video

Playables and Vertical Video are driving significantly higher engagement rates and pricing, which are positively impacting the Performance business. Continuing to build and scale these new ad formats across a wider range of advertisers.

### Core improvements

Updates drove increased publisher eCPMs, higher advertiser campaign install rates and increased consumer click through rates. We are dedicating increased time and resources to improving Core to increase the efficiency of the Performance business, and minimize the impact of fraud.

### Zone Price Controls

Increased waterfall position delivers better impressions, which will increase revenue in the Performance business. Roll out waterfall configuration advancements to increase waterfall priority and deepen publisher relationships.

## **BEMOBI (Apps & Games)**

<i>USD million</i>	<b>3Q 17</b>	<b>3Q 16</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>Revenue*</b>	13.9	13.7	38.8	35.4
<b>Gross Profit</b>	9.9	8.8	27.7	23.1
<b>Adjusted EBITDA</b>	6.8	6.4	17.4	16.1
<b>EBITDA</b>	6.8	6.4	17.3	15.7
<b>EBIT</b>	5.5	2.9	9.9	5.7

\* Revenue and gross profit excludes intercompany transactions.

## Business Overview

The cornerstone of Opera's Apps & Games offering is Bemobi's AppsClub, a leading subscription-based discovery service for mobile apps in Latin America and beyond. AppsClub offers a unique, "Netflix-style" subscription service for premium Android apps.

Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone users access to unlimited use of premium mobile apps for a small weekly or monthly 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.

In 2017, Bemobi has consolidated its leading position in the subscription-based premium application distribution space within Brazil and across LATAM and Mexico, while expanding into key markets in other parts of the world.

Bemobi is a so-called B2B2C company. Instead of selling directly to a consumer, so-called traditional B2C, Bemobi typically partners with large companies, mostly mobile carriers or in some cases smartphone OEMs. Through partnerships with these companies, Bemobi is able to offer its service to the consumers. Bemobi is ending 3Q17 with close to 50 partnerships with various carriers spread across the world, making it possible to offer subscription-based services providing access to apps and games to over 2 billion consumers.

## Financial Overview

Revenue grew by 2% percent YoY fueled by growth in the international markets. Of the revenue in 3Q17 81 percent came from LATAM while 19 percent came from international markets.

Gross margin for Bemobi is very strong and close to an all-time high in 3Q17 with 70.9%, up from 64.1% in 3Q16.

LATAM subscribers were up from 13.9 million in 3Q16 to 14.5 million in 3Q17. International subscribers were also up from 3.0 million in 3Q16 to 4.0 million in 3Q17, with the total numbers of operators growing from 40 to 56.

Revenue from LATAM was 11.1 million in 3Q17 compared to 11.8 million in 3Q16, while revenue in International was 2.8 million in 3Q17 compared to 1.9 million in 3Q16.

Adjusted EBITDA increased by 41% percent quarter over quarter to USD 6.8 million as revenue growth and expanding margin more than offset the growth in Opex, which is primarily related to our global growth. Substantially all of the profit was earned in LATAM in 3Q17.

In 2017 Bemobi launched Aircel India Apps Club giving Apps Club close to a 100% coverage in the Indian market. There were also new Apps Club launches in Ukraine with Kyivstar and in Indonesia with Axis.

User growth continued in 3Q17 due to optimizations and a more balanced channel mix as we further grow our NDNC portals and our capabilities to acquire subscribers through other third party digital channels.

## Product update

In 3Q17, Bemobi started to bundle some of its key services as an integral part of core telecom data and voice packages in Brazil sold by some of the main carriers in the country. This new distribution model represents an alternative incremental revenue line that helped to drive growth in the country during Q3.

In 2017 Bemobi launched a new version of its games offering with TIM Brazil that adds access to console games (Xbox One and 360) in addition to the existing mobile game catalog. Bemobi also added Disney as a new high-profile key game publisher to all its Apps Club offering in Latam.

Bemobi also expanded its partnership with Truecaller launching a joint subscription service with Oi in Brazil as well as partnered with BT Fit, leading Latam fitness app for a fitness subscription services to be distributed by all carriers in the country.

## SURFEASY & SKYFIRE (Performance & Privacy)

<i>USD million</i>	<b>3Q 17</b>	<b>3Q 16</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>Revenue*</b>	4.7	2.2	8.1	6.0
<b>Gross Profit</b>	4.3	2.0	7.4	5.3
<b>Adjusted EBITDA</b>	1.9	(2.1)	(1.0)	(6.5)
<b>EBITDA</b>	1.7	(2.3)	(1.8)	(7.0)
<b>EBIT</b>	1.3	(3.7)	(2.9)	(12.6)

\* Revenue and gross profit excludes intercompany transactions.

## **Business Overview**

### **SURFEASY**

SurfEasy 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 through 3 different business models.

#### (i)SurfEasy Direct

Direct to consumer product leveraging a freemium subscription model that encourages the customers to help promote the product while at the same time deepening their engagement.

#### (ii)Partners and third-party brands

Third party product integrated with antivirus providers, OEMs and credit protection companies. SurfEasy's partner product provides additional customer reach without investing heavily in marketing and sales making it possible to reach additional market segments.

#### (iii)Opera VPN products

In partnership with Opera's consumer division, SurfEasy launched Opera VPN products. This new and exciting partnership has seen a lot of success, creating interesting opportunities going forward. Opera VPN is a mobile product, for iOS and Android, as well as a desktop product. This is a unique mobile product which is not based on a paid-subscription model.

### **SKYFIRE**

Today, typically 60 percent or more of total mobile data consumption is video content, putting pressure on the operator's existing network capacity. Skyfire enables mobile operators to optimize its network performance and quality as data traffic and the consumption of mobile video is exploding among mobile users. The unique technology also enables operators to pursue new business models and revenue streams while benefiting from increased technological flexibility as customer data is optimized.

Rocket Optimizer is Skyfire's flagship product for managing the explosion of mobile video data traffic in mobile operator networks. It is designed for operator deployment and it provides operators with an instant 60 percent boost in bandwidth capacity across smartphones, tablets and laptops. Skyfire has signed distribution agreements with Huawei and Nokia. In particular, Huawei has become a very important partner, and during 2017 a new joint solution with Huawei is being deployed to joint customers.

### **Financial Overview (SURFEASY & SKYFIRE)**

Revenue increased by 108% YoY with solid revenue growth from both Skyfire and SurfEasy. SurfEasy revenues were up over 35% vs 2Q17

and well ahead of plan for the year based on the success of both the Partners and Direct businesses. The Partners Business increased in the quarter, largely due to the market success of one key partner and our participation in related revenue share, along with an expansion of an ongoing services contract. The Direct business also grew due to a pricing and funnel optimization which saw a 60% increase in new customer ARPU, which we expect to see carried forward into 2018.

Revenue from Skyfire is driven almost entirely by new wins and long sales cycles, which makes revenue lumpy in nature. Skyfire had one of these major wins in 3Q17.

At the end of 2Q17, and in light of the current revenue trend, we initiated a substantial cost cutting program in Skyfire which reduced the annual OPEX to around USD 1.5 million. Based on this we expect 2H17 to be profitable for Skyfire.

Gross margin was stable at around 90% in the quarter and both Skyfire and SurfEasy have products with very high gross margins.

Adjusted EBITDA improved in the quarter compared to 3Q16 with cost cutting in Skyfire and revenue growth in SurfEasy and Skyfire.

### **Product update (SURFEASY & SKYFIRE)**

In 3Q17, Skyfire implemented new security features, added support for new encrypted services, and added the basis for stall detection in encrypted video streams.

Skyfire also moved to a new facility, and is in the pre-deployment / testing phase with 3 new European customers.

SurfEasy Direct implemented changes to its onboarding funnel in Q3 that resulted in a 60% improvement in new customer ARPU and an expected 20% increase in customer LTV. This is already showing strong impact on quarterly revenue and we expect this trend to continue through to 2018.

One of SurfEasy's new partners launched their first service offering in Q3 and we are expecting strong growth into 2018. Our pipeline for new partners is strong and we see opportunity to grow and diversify our partner revenue into 2018.

During Q3 efforts to improve overall customer experience focused on expanding the networks ability to avoid firewalling. Significant improvements during Q3 increased our sales from important countries and improved paying customer metrics around the world.

SurfEasy was sold to Symantec after the end of the quarter for an Enterprise value of USD 38.5 million.



## OUTLOOK

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

AdColony operates in a global advertising industry which continues to experience a macro shift in advertising spend from traditional channels to digital online channels. AdColony is well positioned to take advantage of the macro trends and become the highest quality mobile advertising platform in the world. Opera expects AdColony revenue in 2H17 to be slightly lower compared to 1H17. Overall, longer term growth will be driven in particular by our move to more programmatic delivery of ads and new technology which enables additional ad formats and provides the possibility to tap into new markets.

Bemobi operates in a rapid growing market of app subscriptions. It takes advantage of the increased use of mobile phones in emerging markets and the low penetration of credit cards. Opera expects to see revenue growth in Bemobi in 2017 versus 2016, as Bemobi takes the success in Brazil to a global arena.

SurfEasy provides online privacy and anti-firewall consumer software (VPN), both premium and free, with the latter generating revenue from anonymized user information which can provide unique market intelligence. SurfEasy was sold to Symantec after the end of the quarter for an Enterprise value of USD 38.5 million.

Skyfire delivers bandwidth optimization to mobile operators which improve network quality and performance. Skyfire reorganized in 2016 and is positioned to profit from consumers growing demand for high network quality everywhere. Opera aims to make Skyfire profitable in 2017.

Opera's strategic focus is to develop unique and relevant products, and scalable business models which combined should generate revenue growth and margin expansion. With AdColony, Bemobi, and Skyfire, Opera has three scalable businesses for the digital future.

Oslo, November 22, 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](http://www.opera.com).



## Key Financial Figures

Continuing operations (Numbers in \$ million, except earnings per share)	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Revenue	108.7	136.0	325.6	392.8
Gross profit	43.6	56.0	134.6	165.5
Net income	(0.1)	(5.9)	(36.5)	(32.2)
Adjusted EBITDA <sup>1)</sup>	7.9	11.9	11.5	31.5
EBITDA	5.1	7.6	(4.5)	20.9
Normalized EBIT <sup>2)</sup>	2.1	6.0	(6.4)	15.5
EBIT	(3.5)	(3.3)	(33.7)	(13.9)
EPS	(0.00)	(0.04)	(0.25)	(0.22)
EPS, fully diluted	(0.00)	(0.04)	(0.25)	(0.22)
Cash flow from operating activities	3.4	(27.5)	6.0	80.6
Cash flow from investment activities	(11.7)	(19.1)	(46.8)	(146.5)
Cash flow from financing activities	(8.1)	4.4	(23.9)	41.2

Segment information Revenue (Numbers in \$ million)	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
AdColony (Mobile Advertising)	90.6	122.1	280.0	355.9
Bemobi (Apps & Games)	13.9	13.7	38.8	35.4
Surfeasy + Skyfire (Performance & Privacy)	4.7	2.2	8.1	6.0
Corporate Costs	(0.0)	0.0	0.0	0.0
Eliminations	(0.4)	(2.0)	(1.2)	(4.6)
<b>Total Continued Operations <sup>1)</sup></b>	<b>108.7</b>	<b>136.0</b>	<b>325.6</b>	<b>392.8</b>

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

Segment information Adjusted EBITDA <sup>1)</sup> (Numbers in \$ million)	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
AdColony (Mobile Advertising)	0.6	8.4	(0.7)	26.4
Bemobi (Apps & Games)	6.8	6.4	17.4	16.1
Surfeasy + Skyfire (Performance & Privacy)	1.9	(2.1)	(1.0)	(6.5)
Corporate Costs	(1.4)	(0.9)	(4.3)	(4.5)
Eliminations	0.0	(0.0)	0.0	(0.0)
<b>Total Continued Operations (with ICP) <sup>3)</sup></b>	<b>7.9</b>	<b>11.9</b>	<b>11.5</b>	<b>31.5</b>
Eliminations	0.0	(0.0)	0.0	(0.0)
<b>Total Continued Operations (net of ICP)</b>	<b>7.9</b>	<b>11.9</b>	<b>11.5</b>	<b>31.5</b>

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

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

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

See note 9 for further explanation of alternative performance measures



## Interim condensed financial statements

### Consolidated statement of comprehensive income

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

	Note	3Q 2017 (Unaudited)	3Q 2016 Restated (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 Restated (Unaudited)	% change
<b>Continuing operations</b>							
Revenue	3, 5, 11	108.7	136.0	-20%	325.6	392.8	-17%
<b>Total operating revenue</b>		<b>108.7</b>	136.0	-20%	<b>325.6</b>	392.8	-17%
Publisher and revenue share cost	3, 5, 11	(65.1)	(80.0)	-19%	(191.0)	(227.3)	-16%
Payroll and related expenses <sup>1)</sup>	3, 5, 11	(20.4)	(25.8)	-21%	(73.3)	(81.4)	-10%
Stock-based compensation expenses	3, 5, 11	(1.7)	(3.0)	-44%	(6.6)	(7.0)	-6%
Depreciation and amortization	3, 5, 11	(8.6)	(11.0)	-21%	(29.2)	(34.9)	-16%
Other operating expenses	3, 5, 11	(15.4)	(18.2)	-16%	(49.9)	(52.6)	-5%
<b>Total operating expenses</b>		<b>(111.1)</b>	(138.0)	-20%	<b>(350.0)</b>	(403.2)	-13%
<b>Operating profit (loss), ("EBIT"), excluding restructuring and impairment costs</b>		<b>(2.4)</b>	(2.1)		<b>(24.4)</b>	(10.4)	
Restructuring and impairment cost	13	(1.1)	(1.3)		(9.3)	(3.5)	
<b>Operating profit (loss), ("EBIT")</b>		<b>(3.5)</b>	(3.3)		<b>(33.7)</b>	(13.9)	
Net financial items (loss)	6	1.2	(10.2)		(16.3)	(25.2)	
<b>Profit (loss) before income tax</b>		<b>(2.3)</b>	(13.5)		<b>(50.0)</b>	(39.1)	
Provision for taxes <sup>2)</sup>		2.2	7.6		13.4	6.9	
<b>Profit (loss)</b>		<b>(0.1)</b>	(5.9)		<b>(36.5)</b>	(32.2)	
<b>Discontinuing operations</b>							
Profit (loss) from discontinuing operations, net of tax	10	0.0	(32.6)		0.0	(28.7)	
<b>Profit (loss) from discontinuing operations</b>		<b>0.0</b>	(32.6)		<b>0.0</b>	(28.7)	
<b>Items that may or will be transferred to profit (loss)</b>							
Foreign currency translation differences		6.6	19.3		17.3	27.4	
<b>Total comprehensive income (loss)</b>		<b>6.5</b>	(19.2)		<b>(19.2)</b>	(33.5)	
<b>Earnings per share (profit / loss):</b>							
Basic earnings (loss) per share (USD)		(0.00)	(0.27)		(0.25)	(0.42)	
Diluted earnings (loss) per share (USD)		(0.00)	(0.27)		(0.25)	(0.42)	
Shares used in earnings per share calculation		145,268,420	145,255,501		145,362,982	144,111,359	
Shares used in earnings per share calculation, fully diluted		145,268,420	145,255,501		145,362,982	144,111,359	
<b>Earnings per share (continuing operations):</b>							
Basic earnings (loss) per share (USD)		(0.00)	(0.04)		(0.25)	(0.22)	
Diluted earnings (loss) per share (USD)		(0.00)	(0.04)		(0.25)	(0.22)	
Shares used in earnings per share calculation		145,268,420	145,255,501		145,362,982	144,111,359	
Shares used in earnings per share calculation, fully diluted		145,268,420	145,255,501		145,362,982	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)

	Note	9/30/2017 (Unaudited)	9/30/2016 (Unaudited)	12/31/2016 (Unaudited)
<b>Assets</b>				
Deferred tax assets		32.3	17.3	12.2
Goodwill		326.0	346.6	322.2
Intangible assets		72.7	91.5	83.5
Property, plant and equipment		12.9	9.7	8.1
Other investments		14.1	0.9	8.0
Other non-current assets		0.8	1.1	0.5
<b>Total non-current assets</b>		<b>458.7</b>	<b>467.1</b>	<b>434.5</b>
Inventories		0.2	0.3	0.2
Accounts receivable	8	120.4	161.1	154.6
Other receivables	8	7.7	314.1	28.0
Cash and cash equivalents	7	161.7	73.9	219.5
Assets held for sale	10	0.0	158.9	0.0
<b>Total current assets</b>		<b>290.0</b>	<b>708.2</b>	<b>402.4</b>
<b>Total assets</b>		<b>748.7</b>	<b>1,175.3</b>	<b>836.9</b>

(Numbers in \$ million)

	Note	9/30/2017 (Unaudited)	9/30/2016 (Unaudited)	12/31/2016 (Unaudited)
<b>Shareholders' equity and liabilities</b>				
Equity attributable to owners of the company		482.8	337.3	519.6
Non-controlling interests		0.0	0.0	0.0
<b>Total equity</b>		<b>482.8</b>	<b>337.3</b>	<b>519.6</b>
<b>Liabilities</b>				
Deferred tax liability		8.1	5.9	9.2
Financial lease liabilities		0.0	0.0	0.0
Loans and borrowings	7	0.0	250.0	100.0
Other non-current liabilities		4.1	7.3	2.9
Provisions	4	40.2	32.2	54.3
<b>Total non-current liabilities</b>		<b>52.5</b>	<b>295.5</b>	<b>166.3</b>
Loans and borrowings	7	100.1	35.0	0.5
Financial lease liabilities		0.0	0.0	0.0
Accounts payable		30.5	33.8	36.3
Taxes payable		(4.0)	2.2	(4.0)
Public duties payable		2.2	5.0	7.1
Deferred revenue		6.8	7.4	7.9
Stock-based compensation liabilities		0.1	0.0	0.1
Other current liabilities		61.8	383.0	77.7
Provisions	4	15.9	40.8	25.4
Liabilities held for sale	10	0.0	35.4	0.0
<b>Total current liabilities</b>		<b>213.5</b>	<b>542.5</b>	<b>151.0</b>
<b>Total liabilities</b>		<b>266.0</b>	<b>838.0</b>	<b>317.3</b>
<b>Total equity and liabilities</b>		<b>748.7</b>	<b>1,175.3</b>	<b>836.9</b>



## Consolidated statement of cash flows

(Numbers in \$ million)

	Note	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
<b>Cash flow from operating activities</b>					
Profit (loss) before taxes		(2.3)	(47.8)	(50.0)	(64.3)
Income taxes paid		0.3	(2.4)	(3.8)	(12.3)
Depreciation and amortization expense		8.6	16.2	29.2	47.7
Net (gain) loss from disposals of PP&E, and intangible assets		(0.1)	(0.1)	(0.0)	(0.1)
Changes in inventories, trade receivables, trade and other payables		6.9	(6.7)	24.6	(3.1)
Other net finance items		0.0	0.0	0.0	(0.6)
Changes in other operating working capital		(4.6)	10.9	(7.0)	1.2
Share of net income (loss) and net (gain) loss from disposal of associated companies	6	(0.8)	4.9	(0.2)	4.9
Share-based remuneration		1.6	3.1	5.9	9.8
Earnout cost and cost for other contingent payments	4	(1.2)	2.3	5.2	5.0
FX differences related to changes in balance sheet items		(5.1)	21.9	1.9	32.9
<b>Net cash flow from operating activities</b>		<b>3.4</b>	<b>2.4</b>	<b>6.0</b>	<b>21.2</b>
- of which included in continuing operations		3.4	(27.5)	6.0	80.6
- of which included in discontinuing operations		0.0	29.9	0.0	(59.4)
<b>Cash flow from investment activities</b>					
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets		0.0	0.1	0.0	0.5
Purchases of property, plant and equipment (PP&E) and intangible assets		(0.2)	(0.8)	(10.2)	(5.1)
Capitalized R&D costs		(2.6)	(6.4)	(11.7)	(14.8)
Proceeds from repayment of loans given		0.0	0.0	3.5	0.0
Purchases of subsidiaries and associated companies, net of cash acquired <sup>1)</sup>		(8.8)	(20.1)	(28.4)	(141.2)
<b>Net cash flow from investment activities</b>		<b>(11.7)</b>	<b>(27.3)</b>	<b>(46.8)</b>	<b>(160.6)</b>
- of which included in continuing operations		(11.7)	(19.1)	(46.8)	(146.5)
- of which included in discontinuing operations		0.0	(8.2)	0.0	(14.1)
<b>Cash flow from financing activities</b>					
Proceeds from exercise of treasury shares (incentive program)		0.0	0.0	0.0	1.8
Purchase of treasury shares		(8.1)	0.0	(23.6)	0.0
Proceeds from issuance of shares, net (equity increase)		0.0	0.0	0.0	0.0
Dividends paid to equity holders of Opera Software ASA		0.0	4.4	0.0	4.4
Proceeds from loans and borrowings	7	0.0	0.0	0.0	135.0
Repayments of loans and borrowings	7	0.0	0.0	(0.3)	0.0
Payment of finance lease liabilities		0.0	(1.3)	0.0	(4.0)
<b>Net cash flow from financing activities</b>		<b>(8.1)</b>	<b>3.0</b>	<b>(23.9)</b>	<b>137.2</b>
- of which included in continuing operations		(8.1)	4.4	(23.9)	41.2
- of which included in discontinuing operations		0.0	(1.3)	0.0	96.0
<b>Net change in cash and cash equivalents</b>		<b>(16.3)</b>	<b>(21.9)</b>	<b>(64.7)</b>	<b>(2.2)</b>
Cash and cash equivalents (beginning of period) <sup>4)</sup>		174.7	117.3	219.5	97.6
Effects of exchange rate changes on cash and cash equivalents <sup>3)</sup>		3.3	0.0	6.9	0.0
<b>Cash and cash equivalents</b>		<b>161.7</b>	<b>95.4</b>	<b>161.7</b>	<b>95.4</b>
- of which included in cash and cash equivalents in the balance sheet		161.7	73.9	161.7	73.9
- of which included in the assets of the disposal group (assets held for sale)		0.0	21.5	0.0	21.5
<sup>1)</sup> In Q3 2017, \$0.0 million (YTD: 0.0) is related to initial payments for the purchase of subsidiaries, and \$8.9 million (YTD: 28.4) is related to earnout payments with cash effect.					
<sup>2)</sup> In Q3 2016, \$0.0 million (YTD: 0.0) was related to initial payments for the purchase of subsidiaries, and \$20.1 million (YTD: 141.2) was related to earnout payments with cash effect.					
<sup>4)</sup> \$1.5 million (9/30/2016: \$3.1 million) is restricted cash and cash equivalents as of September 30, 2017.					
<sup>3)</sup> Effects of exchange rate changes on cash and cash equivalents per YTD has been reduced by \$1.7 million.					
<b>Reconciliation of profit (loss) before taxes</b>					
Profit (loss) before income taxes		(2.3)	(13.5)	(50.0)	(39.1)
Profit (loss) from discontinuing operations, net of tax		0.0	(32.6)	0.0	(28.7)
Provision for taxes, discontinued operations		0.0	(1.7)	0.0	3.5
<b>Profit (loss) before taxes, as presented in the statement of cash flows above</b>		<b>(2.3)</b>	<b>(47.8)</b>	<b>(50.0)</b>	<b>(64.3)</b>

## 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 12/31/2016</b>	<b>147.7</b>	<b>348.5</b>	<b>49.1</b>	<b>(34.7)</b>	<b>(2.5)</b>	<b>159.2</b>	<b>519.6</b>
<b>Comprehensive income (loss)</b>							
Profit (loss)						(36.5)	(36.5)
<b>Other comprehensive income (loss)</b>							
Foreign currency translation differences					17.3		17.3
<b>Total comprehensive income (loss)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>17.3</b>	<b>(36.5)</b>	<b>(19.2)</b>
<b>Contributions by and distributions to owners</b>							
Dividends						(0.0)	(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							0.0
Treasury shares purchased	(5.8)	(0.1)		(23.5)			(23.6)
Treasury shares sold	0.4			0.0			0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			5.9				5.9
<b>Total contributions by and distributions to owners</b>	<b>(5.4)</b>	<b>(0.1)</b>	<b>5.9</b>	<b>(23.5)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(17.6)</b>
<b>Other equity changes</b>							
Other changes			(0.0)			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 9/30/2017</b>	<b>142.4</b>	<b>348.4</b>	<b>55.0</b>	<b>(58.2)</b>	<b>14.8</b>	<b>122.7</b>	<b>482.8</b>
<p>During 3Q 2017, Opera purchased 2,668,205 (YTD: 5,799,443) own shares for \$8.1 million (YTD: \$23.6 million), and sold 443,205 (YTD: 443,205) own shares. As of September 30, 2017, Opera owned 7,120,000 own shares.</p> <p>During 3Q 2017, Opera issued 0 (YTD: 0) 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 12/31/2015</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					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			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)	(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>



## 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, 2016. 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 consolidated financial statements for the year ended December 31, 2016.

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, 2017 that have significantly affected the interim financial statements for the first 9 months of 2017.

In the interim financial statements for 2017, 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 2017 and the major sources of uncertainty in the statements are similar to those found in the Group's consolidated financial statements for 2016.

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.

Opera is in the process of evaluating any potential impact of IFRS 15 Revenue from Contracts with Customers (effective from January 1, 2018), 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 during fourth quarter 2017.

IFRS 9 Financial Instruments - Classification and Measurement is effective from January 1, 2018. The adoption of IFRS 9 is not expected to have a significant impact on the classification and measurement of the Group's financial assets and liabilities.

IFRS 16 Leasing is effective from January 1, 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 2016 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
Non-current consideration	-	48.1	6.2	54.3
Current consideration	3.1	15.7	6.6	25.4
<b>Balance as of 12/31/2016</b>	<b>3.1</b>	<b>63.8</b>	<b>12.8</b>	<b>79.7</b>
Assumed in a business combination	-	-	-	-
Paid	(3.1)	(9.1)	(2.4)	(14.6)
Finance expense (income) - FX	-	(0.6)	(0.1)	(0.8)
Finance expense - interest	-	2.1	0.5	2.6
Finance expense (income) - change in likelihood	-	0.5	0.7	1.2
Translation differences	0.0	2.4	0.1	2.5
OCI	-	-	-	-
<b>Balance as of 3/31/2017</b>	<b>0.0</b>	<b>58.9</b>	<b>11.6</b>	<b>70.6</b>
Assumed in a business combination	-	-	-	-
Paid	-	(1.8)	(6.6)	(8.3)
Finance expense (income) - FX	-	2.8	(0.4)	2.4
Finance expense - interest	-	1.9	0.1	2.0
Finance expense (income) - change in likelihood	-	(0.9)	(0.2)	(1.1)
Translation differences	-	(2.7)	0.4	(2.4)
OCI	-	-	-	-
<b>Balance as of 6/30/2017</b>	<b>0.0</b>	<b>58.2</b>	<b>5.1</b>	<b>63.3</b>
Assumed in a business combination	-	-	-	-
Paid	-	(8.9)	-	(8.9)
Finance expense (income) - FX	-	(0.6)	(0.2)	(0.8)
Finance expense - interest	-	0.7	0.2	0.9
Finance expense (income) - change in likelihood	-	(1.3)	-	(1.3)
Translation differences	-	2.7	0.2	2.9
OCI	-	-	-	-
<b>Balance as of 9/30/2017</b>	<b>0.0</b>	<b>50.9</b>	<b>5.3</b>	<b>56.1</b>
Non-current consideration	-	40.2	-	40.2
Current consideration	-	10.6	5.3	15.9
<b>Balance as of 9/30/2017</b>	<b>-</b>	<b>50.9</b>	<b>5.3</b>	<b>56.1</b>
<b>Earnout payments made in 2017</b> (Numbers in \$ million)	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>	<b>Total</b>
<b>With cash flow effect</b>				
Q1	3.1	9.1	-	12.2
Q2	-	1.8	5.6	7.3
Q3	-	8.9	-	8.9
Q4	-	-	-	-
<b>Total</b>	<b>3.1</b>	<b>19.8</b>	<b>5.6</b>	<b>28.4</b>
<b>With no cash flow effect (released from escrow)</b>				
Q1	-	-	2.4	2.4
Q2	-	-	1.0	1.0
Q3	-	-	-	-
Q4	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.4</b>	<b>3.4</b>
<b>Estimated payments</b> (Numbers in \$ million)	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>	<b>Total</b>
Apr-18	-	11.3	5.6	16.9
Sep-18	-	10.2	-	10.2
Apr-19	-	14.1	-	14.1
Sep-19	-	12.9	-	12.9
Apr-20	-	13.3	-	13.3
<b>Total</b>	<b>-</b>	<b>61.8</b>	<b>5.6</b>	<b>67.4</b>

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





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

<b>Contractual maximum payments</b> <i>(Numbers in \$ million)</i>	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>	<b>Total</b>
Apr-18		21.7	5.6	<b>27.3</b>
Sep-18		10.8		<b>10.8</b>
Apr-19		18.3		<b>18.3</b>
Sep-19		13.6		<b>13.6</b>
Apr-20		3.1		<b>3.1</b>
<b>Total</b>	<b>-</b>	<b>67.5</b>	<b>5.6</b>	<b>73.1</b>

Following the signing in 2016 of an amendment to the earnout agreement with the former shareholders of Bemobi, the contractual maximum payments are capped at an agreed amount.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant assumptions (discount rate, forecast annual and half-yearly revenue and forecast EBITDA) would, holding the other assumptions constant <sup>1)</sup>, have the following effects on the net present value of the contingent consideration, and on the estimated payments.

<sup>1)</sup> A change in the annual and half-yearly revenue is assumed to lead to a directionally similar change in EBITDA.

<b>Effect on Net present value</b> <i>(Numbers in \$ million)</i>	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>
Discount rate (increase by 200 basis points)	N/A	(1.4)	(0.1)
Discount rate (decrease by 200 basis points)	N/A	1.5	0.1
Revenue (20% increase)	N/A	8.3	0.6
Revenue (20% decrease)	N/A	(10.7)	(4.3)
Revenue (10% increase)	N/A	5.0	0.3
Revenue (10% decrease)	N/A	(5.4)	(4.3)
EBITDA (10% increase)	N/A	6.5	0.2
EBITDA (10% decrease)	N/A	(7.1)	(0.4)
EBITDA (5% increase)	N/A	3.5	0.1
EBITDA (5% decrease)	N/A	(3.5)	(0.2)

<b>Effect on Estimated payments</b> <i>(Numbers in \$ million)</i>	<b>AdColony</b>	<b>Bemobi</b>	<b>Individually immaterial</b>
Discount rate (increase by 200 basis points)	N/A	N/A	N/A
Discount rate (decrease by 200 basis points)	N/A	N/A	N/A
Revenue (20% increase)	N/A	10.6	0.6
Revenue (20% decrease)	N/A	(13.5)	(4.9)
Revenue (10% increase)	N/A	6.3	0.3
Revenue (10% decrease)	N/A	(6.7)	(4.9)
EBITDA (10% increase)	N/A	8.2	0.2
EBITDA (10% decrease)	N/A	(8.9)	(0.5)
EBITDA (5% increase)	N/A	4.5	0.1
EBITDA (5% decrease)	N/A	(4.5)	(0.2)

## 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.

Revenue by currency	3Q 2017	%		YTD 2017	%
<i>(Numbers in \$ million)</i>					
USD	85.9	79.0%	USD	260.7	80.1%
BRL	10.7	9.9%	BRL	30.8	9.4%
TRY	2.8	2.6%	TRY	7.8	2.4%
CAD	1.7	1.6%	GBP	4.0	1.2%
EUR	1.3	1.2%	CAD	3.8	1.2%
Other	6.3	5.8%	Other	18.5	5.7%
<b>Total</b>	<b>108.7</b>	<b>100.0%</b>	<b>Total</b>	<b>325.6</b>	<b>100.0%</b>

Operating expenses by currency <sup>1)</sup>	3Q 2017	%		YTD 2017	%
<i>(Numbers in \$ million)</i>					
USD	(89.0)	80.1%	USD	(276.4)	79.0%
BRL	(5.9)	5.3%	BRL	(20.8)	6.0%
EUR	(3.0)	2.7%	GBP	(9.6)	2.7%
TRY	(2.7)	2.4%	EUR	(8.5)	2.4%
Other	(10.5)	9.4%	Other	(34.6)	9.9%
<b>Total</b>	<b>(111.1)</b>	<b>100.0%</b>	<b>Total</b>	<b>(350.0)</b>	<b>100.0%</b>

<sup>1)</sup> Operating expenses by currency excludes restructuring and impairment costs.

The impact on revenue and expenses for this quarter using comparative quarter constant foreign exchange rates 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 2016 rates	FX effect using 3Q 2016 rates	Recalculated with 2Q 2017 rates	FX effect using 1Q 2017 rates
<i>(Numbers in \$ million)</i>				
Revenue	108.5	(0.2)	108.1	(0.6)
Expenses	(111.6)	(0.5)	(110.9)	0.2



## Note 6 - Financial Items

Financial items	3Q 2017	3Q 2016	YTD 2017	YTD 2016
<i>(Numbers in \$ million)</i>				
Other interest income (expense), net	(0.6)	(1.0)	(1.9)	(1.1)
Interest expense related to contingent consideration	(0.9)	(1.0)	(5.5)	(16.1)
FX gains (losses) related to contingent consideration, net	0.8	0.9	(0.9)	15.4
Other FX gains (losses), net	(0.1)	(9.3)	(9.5)	(17.6)
Revaluation of contingent consideration	1.3	0.2	1.2	(5.7)
Share of profit (loss) from associated companies	0.8	0.0	0.3	0.0
<b>Net financial gain (loss)</b>	<b>1.2</b>	<b>(10.2)</b>	<b>(16.3)</b>	<b>(25.2)</b>

## Note 7 - Liquidity Risk

### Credit facility

In November 2016, Opera signed an agreement with DNB Bank ASA for a secured credit facility of \$150 million (of which \$100 million is a term loan and \$50 million is a Revolving Credit Facility). As at September 30, 2017, \$100 million is outstanding. The revolving facility is undrawn, whilst the term loan is fully outstanding.

The facility is primarily secured through a pledge in shares in Bemobi Holding AS, AdColony Holding AS, and Performance and Privacy Ireland Ltd, as well as charges over trade receivables in the parent company.

The loan and credit facility have the following covenants: i) the Leverage Ratio to be below 2.00:1. ii) the Equity Ratio to hold the minimum level of 30%. The Group is compliant as of September 30, 2017.

The Revolving Credit facility of \$50 million and the term loan of \$100 million are payable in March 2018, and bear an interest rate of LIBOR + 1.75% p.a. There is no utilization fee. On the undrawn portion of the facility, a commitment fee of 0.79 % p.a. will be paid. There are no installment payments due before maturity.

## Note 8 - Accounts Receivable and Other Receivables

Accounts receivable and other receivables	9/30/2017	9/30/2016
<i>(Numbers in \$ million)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Accounts receivable	84.0	110.7
Unbilled revenue	36.4	50.4
Other receivables	7.7	314.1
<b>Total</b>	<b>128.1</b>	<b>475.2</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 net working capital and net debt adjustments related to the sale of the TV business, non-trade receivables, escrow payments and prepayments related to acquisitions. As of September 30, 2017, \$3.0 million consisted of net working capital and net debt adjustments related to the sale of the TV business, \$1.0 million (9/30/2016: 8.9) was related to escrow payments in connection with acquisitions.



## 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, financial 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.

EBITDA and EBIT terms are presented as they are commonly used by investors and financial analysts. Certain items are excluded in the alternative performance measures Adjusted EBITDA and Normalized EBIT to provide enhanced insight into the underlying financial performance of the business operations and to improve comparability between different periods.

### Alternative performance measures:

#### Gross profit:

This comprises revenues minus publisher and revenue share cost.

#### EBITDA:

This is short for Earnings before financial items, taxes, depreciation and amortization. EBITDA corresponds to Operating profit (loss), ("EBIT") in the Consolidated statement of comprehensive income excluding depreciation and amortization.

#### Adjusted EBITDA:

This represents EBITDA excluding stock-based compensation expenses, restructuring and impairment costs. Adjusted EBITDA corresponds, therefore, to Operating profit (loss), ("EBIT") in the Consolidated statement of comprehensive income excluding depreciation and amortization, stock-based compensation expenses, restructuring and impairment costs.

#### EBIT:

This is short for Earnings before financial items. This is presented both including and excluding restructuring and impairment costs in the Consolidated statement of comprehensive income. In the KPIs section of this report and the reconciliation below, EBIT represents earnings before financial items including restructuring and impairment costs, and corresponds to Operating profit (loss), ("EBIT") in the Consolidated statement of comprehensive income.

#### Normalized EBIT:

This represents EBIT excluding restructuring and impairment costs, and amortization of acquired intangible assets.

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 further information regarding Revenue on a constant currency basis, showing the impact of the currency effect.

Reconciliation of Gross profit (Numbers in \$ million)	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Total operating revenue	108.7	136.0	325.6	392.8
Publisher and revenue share cost	(65.1)	(80.0)	(191.0)	(227.3)
<b>Gross profit</b>	<b>43.6</b>	<b>56.0</b>	<b>134.6</b>	<b>165.5</b>

Reconciliation of Operating profit (loss) to Adjusted EBITDA (Numbers in \$ million)	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Operating profit (loss), ("EBIT")	(3.5)	(3.3)	(33.7)	(13.9)
Depreciation, amortization, and impairment expenses	8.6	11.0	29.2	34.9
<b>EBITDA</b>	<b>5.1</b>	<b>7.6</b>	<b>(4.5)</b>	<b>20.9</b>
Restructuring and impairment costs	1.1	1.3	9.3	3.5
Stock-based compensation expenses	1.7	3.0	6.6	7.0
<b>Adjusted EBITDA</b>	<b>7.9</b>	<b>11.9</b>	<b>11.5</b>	<b>31.5</b>

Reconciliation of Operating profit (loss) to Normalized EBIT (Numbers in \$ million)	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Operating profit (loss), ("EBIT")	(3.5)	(3.3)	(33.7)	(13.9)
Restructuring and impairment costs	1.1	1.3	9.3	3.5
Amortization of acquired intangible assets	4.5	8.1	18.0	25.9
<b>Normalized EBIT</b>	<b>2.1</b>	<b>6.0</b>	<b>(6.4)</b>	<b>15.5</b>



## Note 10 - Discontinued operations

### Sale of Consumer business

On November 4, 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") was 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.

### 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"). The gain on the sale of the Transaction includes a receivable for a net working capital adjustment as defined per the SPA.

Accordingly, the Consumer and TV businesses are presented separately as discontinued operations in the consolidated statement of comprehensive income and comparative periods are restated.

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

Results of discontinued operations	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
Revenue	0.0	32.0	0%	0.0	101.6	0%
Operating expenses	0.0	(29.5)	0%	0.0	(89.3)	0%
<b>Operating profit ("EBIT"), excluding restructuring costs</b>	<b>0.0</b>	<b>2.5</b>		<b>0.0</b>	<b>12.3</b>	
Restructuring and impairment costs	0.0	(10.2)		0.0	(13.0)	
<b>Operating profit ("EBIT")</b>	<b>0.0</b>	<b>(7.7)</b>		<b>0.0</b>	<b>(0.7)</b>	
Net financial items (loss)	0.0	(26.6)		0.0	(24.5)	
Net (gain) loss from sale of discontinued operations, net of tax	0.0	(0.0)		0.0	(0.0)	
<b>Profit (loss) before income tax</b>	<b>0.0</b>	<b>(34.3)</b>		<b>0.0</b>	<b>(25.2)</b>	
Provision for taxes <sup>2)</sup>	0.0	1.7		0.0	(3.5)	
<b>Profit (loss) from discontinued operations</b>	<b>0.0</b>	<b>(32.6)</b>		<b>0.0</b>	<b>(28.7)</b>	
<b>Earnings per share (discontinued operations):</b>						
Basic earnings (loss) per share (USD)	0.00	(0.22)		0.00	(0.20)	
Diluted earnings (loss) per share (USD)	0.00	(0.22)		0.00	(0.20)	
Shares used in earnings per share calculation	145,268,420	145,255,501		145,362,982	144,111,359	
Shares used in earnings per share calculation, fully diluted	145,268,420	145,255,501		145,362,982	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.

### Cash flow information

	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Cash flow from operating activities	-	29.9	-	(59.4)
Cash flow from investment activities	-	(8.2)	-	(14.1)
Cash flow from financing activities	-	(1.3)	-	96.0



## Note 10 - Discontinued operations (continued)

### Disposal group held for sale

The assets and liabilities of the Consumer business that were sold were presented as discontinued operations in the consolidated statement of comprehensive income in 2016. In the statement of financial position the assets and liabilities sold were presented as a disposal group held for sale as of 9/30/2016.

### 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>

### Final purchase price adjustment

A final purchase price adjustment of the sale of the Consumer business will be completed during Q4 2017. This is expected to result in a repayment to the Buyer in the range of \$0-\$5 million. However, due to uncertainty related to certain factors, and lack of visibility in the Consumer business, Opera considers the best estimate not to recognize a provision in the statement of financial position as at 9/30/2017.



## Note 11 - Segments

(Numbers in \$ million)

Revenue	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	90.6	122.1	-26%	280.0	355.9	-21%
Bemobi (Apps & Games)	13.9	13.7	2%	38.8	35.4	10%
Surfeasy + Skyfire (Performance & Privacy)	4.7	2.2	108%	8.1	6.0	34%
Corporate Costs	(0.0)	0.0	N/A	0.0	0.0	N/A
Eliminations	(0.4)	(2.0)	0%	(1.2)	(4.6)	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>108.7</b>	<b>136.0</b>	<b>-20%</b>	<b>325.6</b>	<b>392.8</b>	<b>-17%</b>

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

Gross profit	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	29.4	45.2	-35%	99.4	137.0	-27%
Bemobi (Apps & Games)	9.9	8.8	13%	27.7	23.1	20%
Surfeasy + Skyfire (Performance & Privacy)	4.3	2.0	117%	7.4	5.3	40%
Corporate Costs	0.0	0.0	N/A	0.1	0.0	N/A
Eliminations	0.0	(0.0)	0%	0.0	0.0	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>43.6</b>	<b>56.0</b>	<b>-22%</b>	<b>134.6</b>	<b>165.5</b>	<b>-19%</b>

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

Adjusted EBITDA <sup>2)</sup>	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	0.6	8.4	-93%	(0.7)	26.4	-102%
Bemobi (Apps & Games)	6.8	6.4	5%	17.4	16.1	8%
Surfeasy + Skyfire (Performance & Privacy)	1.9	(2.1)	-187%	(1.0)	(6.5)	-85%
Corporate Costs	(1.4)	(0.9)	63%	(4.3)	(4.5)	-4%
Eliminations	0.0	(0.0)	0%	0.0	(0.0)	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>7.9</b>	<b>11.9</b>	<b>-34%</b>	<b>11.5</b>	<b>31.5</b>	<b>-64%</b>

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

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

EBITDA	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	(1.3)	4.3	-131%	(13.4)	16.6	-181%
Bemobi (Apps & Games)	6.8	6.4	7%	17.3	15.7	10%
Surfeasy + Skyfire (Performance & Privacy)	1.7	(2.3)	-176%	(1.8)	(7.0)	-74%
Corporate Costs	(2.1)	(0.8)	167%	(6.5)	(4.3)	50%
Eliminations	0.0	(0.0)	0%	0.0	(0.0)	0%
<b>Total Continued Operations <sup>1)</sup></b>	<b>5.1</b>	<b>7.6</b>	<b>-33%</b>	<b>(4.5)</b>	<b>20.9</b>	<b>-121%</b>

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





**Note 11 - Segments (continued)**

<b>Normalized EBIT<sup>2)</sup></b>	<b>3Q 2017</b>	<b>3Q 2016</b>	<b>%</b>	<b>YTD 2017</b>	<b>YTD 2016</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>change</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>change</b>
AdColony (Mobile Advertising)	<b>(4.5)</b>	4.1	-209%	<b>(15.2)</b>	15.3	-199%
Bemobi (Apps & Games)	<b>6.8</b>	5.4	27%	<b>16.3</b>	13.0	26%
Surfeasy + Skyfire (Performance & Privacy)	<b>1.6</b>	(2.6)	-162%	<b>(1.6)</b>	(8.2)	-80%
Corporate Costs	<b>(1.9)</b>	(0.9)	103%	<b>(5.9)</b>	(4.6)	28%
Eliminations	<b>(0.0)</b>	(0.0)	0%	<b>(0.0)</b>	(0.0)	0%
<b>Total Continued Operations<sup>1)</sup></b>	<b>2.1</b>	6.0	-65%	<b>(6.4)</b>	15.5	-141%

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

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

<b>EBIT</b>	<b>3Q 2017</b>	<b>3Q 2016</b>	<b>%</b>	<b>YTD 2017</b>	<b>YTD 2016</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>change</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>change</b>
AdColony (Mobile Advertising)	<b>(8.1)</b>	(1.7)	378%	<b>(33.7)</b>	(2.6)	1174%
Bemobi (Apps & Games)	<b>5.5</b>	2.9	93%	<b>9.9</b>	5.7	75%
Surfeasy + Skyfire (Performance & Privacy)	<b>1.3</b>	(3.7)	-135%	<b>(2.9)</b>	(12.6)	-77%
Corporate Costs	<b>(2.3)</b>	(0.8)	171%	<b>(7.0)</b>	(4.4)	59%
Eliminations	<b>(0.0)</b>	(0.0)	0%	<b>(0.0)</b>	(0.0)	0%
<b>Total Continued Operations<sup>1)</sup></b>	<b>(3.5)</b>	(3.3)	6%	<b>(33.7)</b>	(13.9)	142%

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

For further information regarding the alternative performance measures above, see Note 9.

**AdColony (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.

**Bemobi (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.

**Surfeasy + Skyfire (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 of 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 restructuring processes.



**Note 11 - Segments (continued)**

Segment Figures 3Q 2017	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	108.7	-	-	108.7	108.7	-
Gross profit	43.6	-	-	43.6	43.6	-
Adjusted EBITDA	7.9	-	-	7.9	7.9	-
EBITDA	5.1	-	-	5.1	5.1	-
Normalized EBIT	2.1	-	-	2.1	2.1	-
EBIT	(3.5)	-	-	(3.5)	(3.5)	-

Segment Figures 3Q 2016 Restated	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	136.0	32.0	-	168.0	136.0	32.0
Gross profit	56.0	31.3	-	87.2	56.0	31.3
Adjusted EBITDA	11.9	7.7	-	19.6	11.9	7.7
EBITDA	7.6	(2.4)	-	5.2	7.6	(2.4)
Normalized EBIT	6.0	3.7	-	9.7	6.0	3.7
EBIT	(3.3)	(7.7)	-	(11.0)	(3.3)	(7.7)

Segment Figures YTD 2017	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	325.6	-	-	325.6	325.6	-
Gross profit	134.6	-	-	134.6	134.6	-
Adjusted EBITDA	11.5	-	-	11.5	11.5	-
EBITDA	(4.5)	-	-	(4.5)	(4.5)	-
Normalized EBIT	(6.4)	-	-	(6.4)	(6.4)	-
EBIT	(33.7)	-	-	(33.7)	(33.7)	-

Segment Figures YTD 2016 Restated	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	392.8	101.6	-	494.4	392.8	101.6
Gross profit	165.5	99.9	-	265.4	165.5	99.9
Adjusted EBITDA	31.5	26.3	-	57.8	31.5	26.3
EBITDA	20.9	12.2	-	33.1	20.9	12.2
Normalized EBIT	15.5	15.0	-	30.5	15.5	15.0
EBIT	(13.9)	(0.7)	-	(14.6)	(13.9)	(0.7)

**Note 11 - Segments (continued)**

	AdColony (Mobile Advertising) (Unaudited)	Bemobi (Apps & Games) (Unaudited)	Surfeasy + Skyfire (P&P) (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
<b>Segment revenue</b>						
<b>3Q 2017</b>						
External revenue	90.6	13.9	4.3	(0.0)	-	108.7
Intercompany revenue	-	-	0.4	-	(0.4)	(0.0)
<b>Total Continued Operations</b>	<b>90.6</b>	<b>13.9</b>	<b>4.7</b>	<b>(0.0)</b>	<b>(0.4)</b>	<b>108.7</b>

	AdColony (Mobile Advertising) (Unaudited)	Bemobi (Apps & Games) (Unaudited)	Surfeasy + Skyfire (P&P) (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
<b>Segment revenue</b>						
<b>3Q 2016 Restated</b>						
External revenue	120.6	13.7	1.7	-	-	136.0
Intercompany revenue	1.5	-	0.6	-	(2.0)	0.0
<b>Total Continued Operations</b>	<b>122.1</b>	<b>13.7</b>	<b>2.2</b>	<b>0.0</b>	<b>(2.0)</b>	<b>136.0</b>

	AdColony (Mobile Advertising) (Unaudited)	Bemobi (Apps & Games) (Unaudited)	Surfeasy + Skyfire (P&P) (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
<b>Segment revenue</b>						
<b>YTD 2017</b>						
External revenue	279.9	38.8	6.9	0.0	-	325.6
Intercompany revenue	0.0	-	1.2	-	(1.2)	(0.0)
<b>Total Continued Operations</b>	<b>280.0</b>	<b>38.8</b>	<b>8.1</b>	<b>0.0</b>	<b>(1.2)</b>	<b>325.6</b>

	AdColony (Mobile Advertising) (Unaudited)	Bemobi (Apps & Games) (Unaudited)	Surfeasy + Skyfire (P&P) (Unaudited)	Corporate Costs (Unaudited)	Eliminations (Unaudited)	Total Continued Operations (Unaudited)
<b>Segment revenue</b>						
<b>YTD 2016 Restated</b>						
External revenue	352.2	35.4	5.2	-	-	392.8
Intercompany revenue	3.8	-	0.8	-	(4.6)	0.0
<b>Total Continued Operations</b>	<b>355.9</b>	<b>35.4</b>	<b>6.0</b>	<b>0.0</b>	<b>(4.6)</b>	<b>392.8</b>



## Note 12 - Investment in Associated Companies

Opera finalized an agreement on December 19, 2016 to sell its TV business ("Opera TV") for \$80 million and an approximately 27% equity interest in Last Lion Ltd, through preferred shares, which indirectly owns Opera TV (the "Transaction") with Last Lion Holdco AS (the "Buyer").

(Numbers in \$ million)

Information regarding Last Lion Holdings Ltd	3Q 2017 (Unaudited)	YTD 2017 (Unaudited)
Revenue	16.4	27.2
EBIT	9.1	9.9
Net profit (loss)	2.8	0.9
Assets		134.6
Non-current liabilities		86.0
Current liabilities		9.3
Equity		30.0
Opera's share of equity		8.1
The investment in Last Lion Holdings LTD is recognized using the equity method.		
<b>Balance as of 12/31/2016</b>		<b>7.9</b>
Investment during the fiscal year		0.0
FX adjustment		0.0
Share of the profit (loss)		0.2
Elimination		0.0
<b>Balance as of 9/30/2017</b>		<b>8.1</b>

## Note 13 - Restructuring costs

During 2017, 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 and restructuring processes.

(Numbers in \$ million)

Restructuring costs	3Q 2017 (Unaudited)	3Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Salary restructuring cost	(0.2)	(1.3)	(4.9)	(3.7)
Option restructuring cost	0.0	0.0	0.0	0.2
Office restructuring cost	(0.6)	0.0	(3.2)	0.0
Impairment cost	0.0	0.0	0.0	0.0
Legal and other costs related to business combinations	(0.4)	0.0	(1.1)	0.0
Other restructuring cost	0.0	(0.0)	(0.1)	(0.1)
<b>Total</b>	<b>(1.1)</b>	<b>(1.3)</b>	<b>(9.3)</b>	<b>(3.5)</b>



## Note 14 - 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](http://www.oslobors.no)).

### Discontinued operations - SurfEasy

Opera Software ASA entered 6 November 2017 into an agreement to sell its SurfEasy business to Symantec Corporation (NASDAQ: SYMC) ("Symantec"), the world's leading cyber security company (the "Transaction"). Closing of the Transaction took place simultaneously with the entering into of the agreement and all conditions for completion have therefore been fulfilled.

SurfEasy, one of Opera's four subsidiaries, is an online privacy and security company providing easy-to-use desktop and mobile VPN solutions to help consumers protect their online privacy and security.

Transaction and financial highlights:

- The Transaction values SurfEasy to an enterprise value of USD 38.5m
  - The Transaction has customary net working capital and net debt adjustment mechanisms
  - Purchase price consists of an all cash consideration, of which 85% is paid to Opera at closing. The remaining 15% will be held in escrow for up to 15 months
  - SurfEasy will be excluded from Opera's financials as of 6 November 2017
- Carnegie acted as financial advisor, and Hogan Lovells acted as legal advisor to Opera in relation to the Transaction.

*(Numbers in \$ million)*

Effect of disposal on the financial position of the Group	11/6/2017 (Unaudited)
<b>Estimated net asset and liabilities</b>	<b>2.1</b>
Estimated banker fees and other fees	(0.9)
Consideration put in escrow, estimated to be satisfied in cash	5.5
Estimated consideration, to be satisfied in cash (incl. NWC adjustment)	30.9
<b>Estimated net profit</b>	<b>33.4</b>

*(Numbers in \$ million)*

Key Financial Figures	3Q 2017 (Unaudited)	YTD 2017 (Unaudited)	11/6/2017 (Unaudited)
<b>Discontinued operations - SurfEasy</b>			
Revenue	2.6	5.8	6.9
Gross profit	2.2	5.1	6.0
Net income	0.3	(0.2)	(2.1)
Adjusted EBITDA	0.6	0.9	(0.8)
EBITDA	0.6	0.6	(1.0)
Normalized EBIT	0.4	0.2	(1.7)
EBIT	0.2	(0.4)	(2.2)

### Restructuring

In light of the business model shifts that we have seen in 2017, we initiated an additional restructuring program in AdColony which will have material impact on 2018 costs and is expected to yield \$25-30 million in annualized OPEX savings over the cost level exiting 1H17. Expected restructuring cost is estimated to be around \$6 million combined for 4Q17 and 1Q18.

