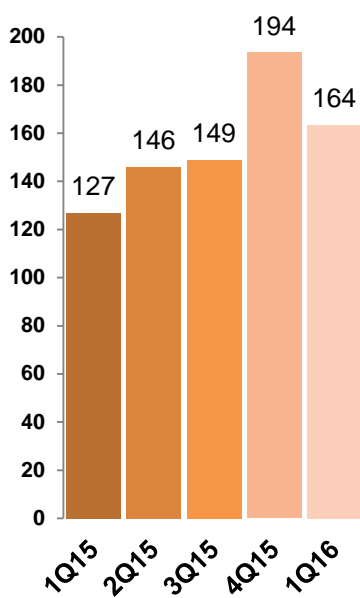




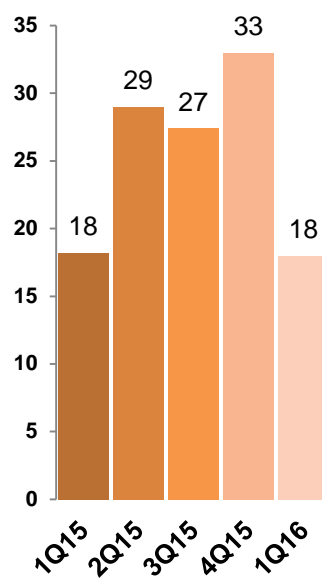
1Q 16

QUARTERLY REPORT

Revenue (\$ million)



Adjusted EBITDA (\$ million)



Revenue growth of:

29%

HIGHLIGHTS

- Mobile Advertising (3rd Party Publishers) revenue up 41% vs. 1Q15
- Consumer (Owned & Operated Properties) revenue up 42% vs. 1Q15 (up 54% on a constant currency basis)
- Tech Licensing revenue down 44% vs. 1Q15



Opera 1Q16 Quarterly Report

Revenue was \$163.5 million in 1Q16, up from \$126.8 million in 1Q15, an increase of 29%. On a constant currency basis, revenue growth was 32% in 1Q16 vs. 1Q15. Adjusted EBITDA (excluding one-time costs) was \$17.9 million in 1Q16 compared to \$18.2 million in 1Q15. EBIT (excluding one-time costs) was -\$0.3 million in 1Q16 compared to \$4.4 million in 1Q15.

OPERATIONAL HIGHLIGHTS

Mobile Advertising (3rd Party Publishers)

- Revenue of \$117.1 million, up 41% vs. 1Q15
- Mobile video advertising revenues comprised 68% of Mobile Advertising revenue in 1Q16 vs. 58% in 1Q15
- Audience reach (3rd Party Publishers) exceeded 1.4 billion consumers in 1Q16 compared to 850 million in 1Q15 (including Opera's O&O audience, audience reach exceeded 1.6 billion in 1Q16 vs 1 billion in 1Q15)
- Announced partnership with Nielsen Catalina Solutions
- Opera/Unacast partnership connects advertisers to global beacon data for the first time

Consumers (Owned and Operated Properties)

- Revenue of \$36.3 million, up 42% vs. 1Q15 (up 54% on

- a constant currency basis vs. 1Q15)
- Mobile browser revenue grew 32% in 1Q16 vs. 1Q15, with solid advertising and search revenue growth
- Opera's Android monthly browser users reached 145 million at the end of 1Q16, up 6% versus the end of 1Q15
- Total Opera mobile consumer browser users reached 278 million at the end of 1Q16, flat versus the end of 1Q15
- The number of downloads generated via the Opera Mobile Store and Opera's other apps and games discovery properties was 450 million in 1Q16 compared to 326 million in 1Q15

- Opera browser nearly doubles load speed by integrating ad-blocking technology directly into the browser engine
- Opera Apps Club launches globally
- Launched better language support, QR-code reader and improved download manager in latest Opera Mini browser for Android
- Desktop users reached 58 million by the end of 1Q16, up 7% versus the end of 1Q15

Tech Licensing

- Revenue of \$10.1 million, down 44% vs. 1Q15
- Opera launched Opera TV 2.0, a managed cloud solution that provides a wide selection of popular OTT content

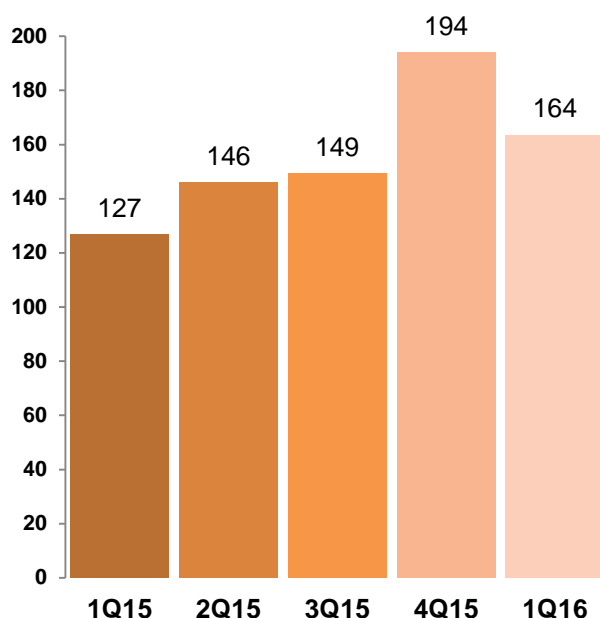
FINANCIAL HIGHLIGHTS

Revenue

Revenue in 1Q16 was \$163.5 million, up 29% from 1Q15, when revenue was \$126.8 million. On a constant currency basis, revenue would have been \$167.4 million, an increase of 32%.

Overall, revenues came in above Opera's guidance range for the quarter.

Revenue (\$ million)



Operating costs

Total operating costs (including depreciation and stock based compensation costs, but excluding one-time costs) were \$163.8 million in 1Q16 compared to \$122.4 million in 1Q15, an increase of 34%.

Publisher and revenue share cost

Publisher and revenue share cost in 1Q16 was \$74.6 million compared to \$46.1 million in 1Q15, an increase of 62%, with \$70.7 million related to Publisher cost from Mobile Advertising (3rd Party Publishers) and \$3.9 million related to Revenue Share Cost from Consumers (Owned and Operated Properties). Publisher and Revenue share cost increased in 1Q16 versus 1Q15 primarily due to higher publisher payout costs related to higher revenue from our Mobile Advertising (3rd Party Publishers) business.

Payroll and related expenses

Total payroll and related expenses, excluding stock-based compensation expenses, were \$42.3 million in 1Q16 compared to \$37.7 million in 1Q15, an increase of 12%. Payroll and related expenses increased in 1Q16 versus 1Q15 with headcount growth partly offset by currency tailwind.

Stock-based compensation expenses

Total stock-based compensation expenses for 1Q16 were \$2.7 million compared to \$2.9 million in 1Q15. The decrease in stock-based compensation expenses compared to 1Q15 was primarily due to lower share-price and lower performance attainment of RSU's.

Depreciation and amortization

Depreciation and amortization expenses in 1Q16 were \$15.5 million compared to \$11.0 million in 1Q15, an increase of 41%. Depreciation and amortization costs increased primarily due to higher depreciation costs related to the depreciation of intangible assets from acquisitions consummated in 2014 and 2015.

Other operating expenses

Other operating expenses in 1Q16 were \$28.6 million compared to \$24.8 million in 1Q15, an increase of 15%. Other operating expenses increased in 1Q16 versus 1Q15

primarily due to higher marketing and hosting costs in particular.

One-Time Cost

In 1Q16, Opera recognized restructuring costs of \$2.4 million primarily related to the restructuring of Opera TV and other organizational changes.

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

EBITDA, excluding stock-based compensation expenses and one-time costs, was \$17.9 million compared with \$18.2 million in 1Q15, down 2%. EBITDA (excluding one-time costs) was \$15.2 million in 1Q16 compared with \$15.4 million in 1Q15. EBIT (excluding one-time costs) was -\$0.3 million in 1Q16 compared to \$4.4 million in 1Q15. Overall, Adjusted EBITDA came in at the very high end of Opera's guidance range for the quarter.

Interest income/expense and FX gains/losses

Net interest expense was \$0.8 million in 1Q16 compared to a net interest expense of \$0.9 million in 1Q15. Opera had a foreign exchange loss of \$8.2 million in 1Q16 compared with a gain of \$2.2 million in 1Q15. Interest expense related to adjustments of the net present value of consideration was \$6.3 million in 1Q16 compared to \$6.2 million in 1Q15. FX gains related to contingent earn-out consideration associated with acquisitions were \$3.8 million in 1Q16 compared to \$18.2 million in 1Q15. Revaluation of contingent consideration associated with acquisitions resulted in a loss of \$0.5 million in the quarter.

Profit for the period

1Q16 IFRS Net Income was -\$17.1 million compared to -\$26.2 million in 1Q15. Non-IFRS 1Q16 Net Income was \$6.4 million compared to \$10.9 million in 1Q15. The Company's non-IFRS Net Income in 1Q16 excludes the negative effects of \$2.7 million in non-cash stock-based compensation expenses, \$2.4 million in restructuring costs, \$8.2 million in other FX gains, \$0.2 million gains related to a non-controlling strategic equity interest in a joint venture and a total of \$9.9 million in acquisition related adjustments.

EPS and fully diluted EPS were -\$0.017 and -\$0.017, respectively, in 1Q16, compared to -\$0.184 and -\$0.184, respectively, in 1Q15. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.043 and \$0.042, respectively, in 1Q16, compared to \$0.077 and \$0.075, respectively, in 1Q15.

Liquidity and capital resources

Opera's net cash flow from operating activities was \$11.5 million in 1Q16 compared to -\$16.6 million in 1Q15.

Cash and cash equivalents at the end of 1Q16 were \$124.8 million compared to \$135.1 million in 1Q15.

In 1Q16, Opera signed an agreement with DNB Bank ASA to increase the size of its secured credit facility to \$285 million from \$250 million. In 1Q16 Opera made a draw-down of \$135 million on the facility in order to fund the AdColony earn-out payment. As of the end of 1Q16, \$285 million of this credit facility has been drawn.

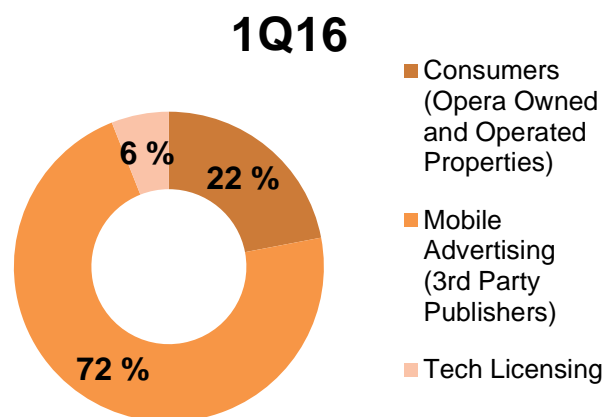
Opera's total cash balance was impacted positively by net cash flow from operating activities, an increased draw from the DNB loan facility and negatively by cash outlays related to acquisitions, investments in research and development and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were \$2.4 million in 1Q16 versus \$2.0 million in 1Q15. Capitalized R&D costs were \$3.2 million in 1Q16 versus \$4.7 million in 1Q15. Cash flow related to acquisitions were \$114.6 million in

1Q16, of which the vast majority relates to earn-out payment for AdColony.

Organization

At the end of 1Q16, Opera had 1,669 full-time employees and equivalents compared to 1,529 at the end of 1Q15.

REVENUE OVERVIEW



Summary

Revenue was \$163.5 million in 1Q16 compared to \$126.8 million in 1Q15, an increase of 29%.

Customer Type (\$ million)

	1Q16	1Q15
Consumers (Opera Owned and Operated properties)	36.3	25.5
Mobile Advertising (3 rd Party Publishers)	117.1	83.2
Tech Licensing	10.1	18.1
Total Revenue	163.5	126.8

Compared to 1Q15, 1Q16 saw revenue growth from Mobile Advertising (3rd Party Publishers) and from Consumers (Opera Owned and Operated properties) and a decrease in revenue from Tech Licensing.

Revenue from Mobile Advertising (3rd Party Publishers) grew 41% compared to 1Q15 to reach \$117.1 million.

Revenue growth was driven primarily by increased revenue from premium and performance advertisers and "app-install" driven spend primarily from the mobile gaming sector. Total mobile video advertising revenue was 68% of total Mobile Advertising (3rd Party Publishers) revenue in 1Q16 compared to 58% in 1Q15, with the vast majority of this mobile video advertising being powered by AdColony's Instant Play HD mobile video advertising platform. Overall, Mobile Advertising (3rd Party Publishers) revenues came in slightly above expectations for the quarter, driven by strength in both performance and brand advertisers.

Revenue from Consumers (Opera Owned and Operated ("O&O") Properties) was up 42% (up 54% on a constant currency basis) vs. 1Q15 at \$25.5 million. Based on 1Q15 foreign exchange rates, 1Q16 Consumer O&O revenue would have been \$39.3 million. Mobile browser revenue grew to \$8.8 million in 1Q16, up 32% versus 1Q15, with

solid advertising and search revenue growth. Revenue from our Desktop browser product was up in 1Q16 vs. 1Q15 despite a weaker Ruble and Euro compared to the USD, driven by both user and ARPU growth. Operator co-brand revenue was down in 1Q16 vs 1Q15, primarily due to the weaker Ruble and Euro compared to the USD and lower ARPU per operator user and a decrease in total users. Revenue from Apps and Games was up significantly compared to 1Q15, fueled by revenue from Bemobi, which was acquired in August 2015. Revenue from Performance and Privacy applications emanates primarily from our SurfEasy mobile privacy and VPN product.

Revenue from Tech Licensing was \$10.1 million in the quarter, down 44% compared to 1Q15, with solid YoY growth from Device OEMs offset by lower other licensing revenue versus 1Q15.

Overall, Consumer O&O and Tech Licensing revenue came in broadly in line with expectations for the quarter.

CONSUMER (OWNED AND OPERATED PROPERTIES)

Opera is a leading global Internet brand, with more than 350 million monthly active users of its consumer products today, up from 100 million at the end of 2009. Opera's success with its consumer products has emanated from competitive strengths along three major dimensions: ease of use, data savings and download speed, with the latter two dimensions driven by the Company's core web and video compression expertise and IP.

While a significant portion of Opera's emphasis has been on growing its consumer user base, the Company is highly focused going forward on not only expanding its user base even further, but also on increasing revenue generated per user and growing total revenue streams from its burgeoning consumer user base.

The primary driver of Consumer (Owned & Operated Properties) revenue today is search and mobile advertising. This trend is expected to continue going forward, not only from a growing user base, but also via the expansion of Opera's owned and operated publisher properties associated with the mobile browser, an increase in the amount of time spent within these properties and a greater mix of mobile advertising towards more engaging, more targeted and, therefore, higher revenue yielding ad units.

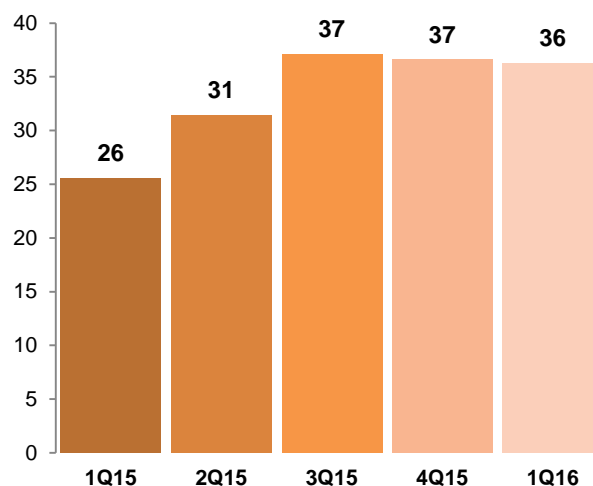
In 2015, Opera launched a new strategy to increase its consumer revenue streams even further, by launching new consumer products and services, which both capitalize on Opera's significant browser user base and strong distribution and brand assets and move the Company beyond the browser into new and fast growing revenue categories.

The two primary new consumer focus areas are "Apps and Games" and "Performance and Privacy Apps". While these are relatively new consumer focus areas for the Company, Opera is determined to make these more meaningful revenue contributors in the longer-term.

In addition, while ease of use, data savings and speed have been core elements of Opera's competitive differentiation in the browser market, with the acquisition of SurfEasy, Opera intends to further differentiate its products by integrating SurfEasy's privacy, VPN and security offerings across Opera's portfolio of consumer products.

Consumer (O&O) Revenue Breakdown (\$ million)	1Q16	1Q15
Mobile Browser	8.8	6.7
Apps and Games	10.0	0.6
Performance and Privacy Apps	1.7	0.2
Operator Co-brand Solutions	3.2	7.7
Desktop Browser	12.6	10.4
Total Revenue	36.3	25.5

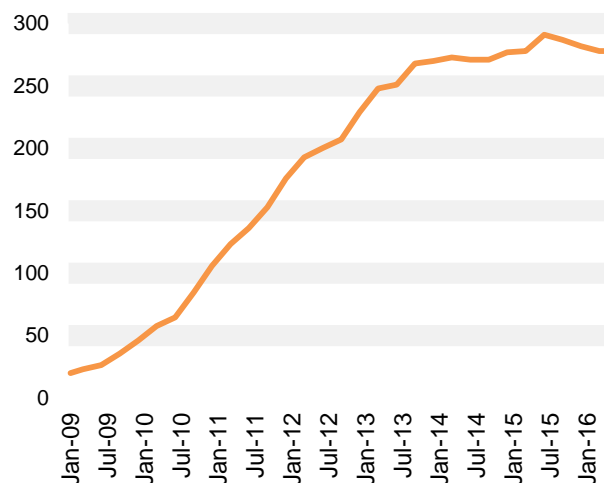
Consumer (O&O) Revenue (\$ million)



Mobile Browser

Opera continues to maintain its position as a global leading mobile consumer company. In March 2016, 278 million unique users worldwide browsed the Web using Opera's mobile browser products. Of this 278 million, Opera had more than 50 million users in India, more than 26 million in Indonesia, and more than 25 million in Russia/CIS. Overall, Opera's user base exceeds 1 million in as many as 43 countries around the world, giving it important critical mass to build stronger local monetization partnerships and business alliances.

Active Monthly Opera Mobile Browser Users (millions)



Opera's success across all mobile platforms is primarily driven by Opera Mini. Opera Mini caters to mobile browser user needs when they feel constrained by limited or expensive data plans or face congested or poor operator

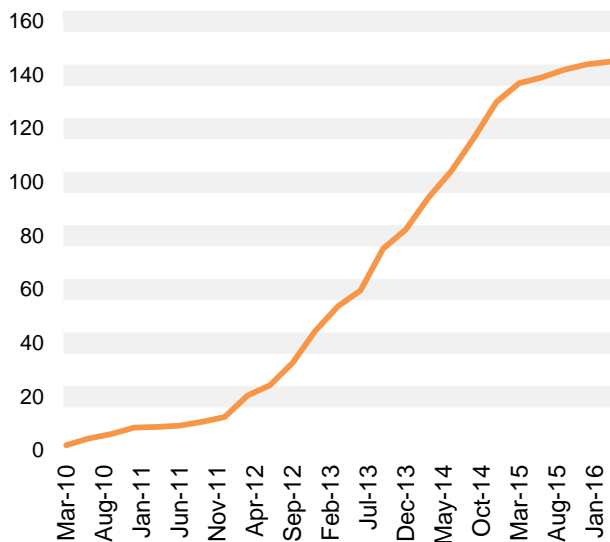
network conditions. Opera's success with Opera Mini emanates from five major sources:

- **Speed:** Opera Mini is faster than the competition, because it compresses up to 90 per cent of the data used by a normal full Web browser due to its unique proxy browsing technology
- **Savings:** Opera Mini is much cheaper for consumers – because 90 per cent compression translates to around a 10x multiplication of the value of a data plan
- **Ubiquity:** Opera works on the vast majority of mobile devices in the market today, supporting more than 3,000 different mobile phone models
- **Ease of Use:** Opera believes its user interface design and rendering quality are superior to the competition.
- **Lower battery consumption:** A test performed by Cigniti across a range of devices with different battery capacities showed that Opera Mini on average consumed 14% less battery than other mobile browsers.

From a platform standpoint, Opera has put a significant focus on growing its user base on Android, both via Opera Mini and "Opera for Android", Opera's high end smartphone browser.

In March 2016, the number of Opera users on Android reached 145 million, up 6% versus 1Q15. This makes Opera one of the leading third party browser applications on the Android platform.

Active Monthly Android Browser Users (millions)



The primary driver of Opera Android installations is organic, from Opera users who have moved from feature phones to smartphones and generally from Opera's strong brand recognition in its key geographic markets. Moreover, OEM distribution is also an important source of users, with nearly 30% of Opera's new users on the Android platform coming from Opera's strong OEM distribution channel relationships, such as with Micromax. Going forward, as Opera moves into new application categories, and as its App and Games platform expands, the Company expects more users to come to its own ecosystem via cross promotion within the Opera family of consumer products and services.

Overall, Opera's extensive and burgeoning mobile user base has put the Company in an enviable position to both

develop and expand its owned and operated properties and become a major global mobile publisher. These owned and operated properties include the Speed Dial page, the Smartpage, and the Discover page. As Opera has expanded its mobile publisher properties, Opera has been able to increase usage of and user engagement with its mobile products, which, in turn, has led to higher ARPU (average revenue per user) via mobile advertising and mobile search over time.

While Speed Dial contracts are currently the single biggest driver of mobile advertising revenue and mobile search revenue keeps trending upwards for the Opera mobile browser, the Company is putting significant emphasis on expanding its mobile content discovery offerings with an increasing focus on more personalized and targeted content, including video.

The key objective of this new content strategy is to increase engagement with Opera's browser products, where Opera becomes more of a "daily habit" and destination site for the discovery and consumption of content, commerce and other services within Opera's browser publisher properties. Opera believes that its rich, first party consumer data asset puts it in a unique position to deliver personalized content experiences to its users, which in turn should lead to greater time spent within the Opera publisher properties, and larger browser revenue streams from mobile advertising in particular.

A total of 23.4 billion ad requests were generated from Opera's owned and operated properties, a decrease of 29% compared to 1Q15. The decrease in ad requests year over year reflects an intentional strategic focus on increasing the quality of ads and revenue yield per ad request.

Ultimately, Opera has created a large and growing mobile audience, and as a result of Opera's first-party user data, the Company has become an increasingly attractive channel for advertisers and app developers as they seek to reach the Company's large and diverse audience base.

In 1Q16 Opera launched better language support, QR-code reader and improved download manager in latest Opera Mini browser for Android. Many countries, and especially highly populated countries like India, Indonesia, Nigeria and South Africa, have a population that uses several native languages. This presents a challenge for global game and app developers, as millions of users often face using services in a second language. While other companies are getting up to speed in this area, as seen by the recent global release of Netflix in 130 new countries, Opera has always faced this challenge head on, aiming to provide our products in our users preferred languages. The improved language support in Opera Mini for Android maintains this tradition. According to a study by McKinsey, language capabilities are one of the biggest barriers for internet adoption, causing unfamiliarity with or discomfort in using digital technologies, something that is especially widespread in emerging markets, where Opera Mini has most of its Android user base of over 100 million people.

In 1Q16 Opera for computers is launched an integrated ad-blocking feature in its newest developer version. Once enabled, the ad-blocking feature speeds up webpage load times by as much as 90%, compared to browsing with the option disabled. The integrated ad-blocking technology also gives on average a 40% faster browsing experience compared to third-party ad-blocking extensions. The improved performance is possible since the filtering happens at the web-engine level, where the browser can fully control the loading process of the webpage - something extensions can't do.

Since the ad-blocking feature, available in the developer version of Opera for computers, is fully integrated with the

browser, no additional download of extensions or plug-ins is necessary. While browsing, users can easily choose to enable ad-blocking by selecting the dialog option. In addition to the simple on-off button, the ad-blocking feature comes with a benchmark, so users, web developers and publishers can see how much ads and tracking software affect page-loading times. Users can also monitor their browsing by the day, week and total number of blocked ads.

Apps and Games

Over the course of the last 3 years, Opera has established a leading position in the Apps and Games discovery and download ecosystem.

Today, via the Opera Mobile Store, Opera drives the installation of over 500 million apps quarterly, making it the 3rd largest app discovery service in the world. The Opera Mobile Store currently offers over 300,000 applications from 40,000 mobile app developers.

Opera provides, in partnership with operators such as MTS, TIM, and Telkomsel, a subscription offering (also known as the Opera Mobile Subscription Store) for end users that allows users to download high quality applications for a low weekly subscription price. Since then, Opera has rolled out this offering in six markets globally, has acquired over 750,000 active subscribers, and has over 2,000 premium developers participating in the program.

In 1Q15, Opera announced the Opera Gaming Network (OGN). OGN is a new mobile consumer strategic initiative which will enable Opera to increase its participation in the mobile games ecosystem and grow its consumer revenue streams, capitalizing on three core Opera assets which make OGN possible: (i) strong distribution and app discovery assets, including the Opera Mobile Store, significant Opera mobile O&O publisher traffic and 30+ OEM relationships, (ii) ad monetization capabilities via the Opera Mediaworks ad platforms and (iii) operator relationships, whose relationships enable payments, a central element to driving in-app purchases/mCommerce in an app environment. As part of OGN, Opera will create the Opera "GameInsidr" service, which allows active gamers to become part of a gaming community. This community of active gaming users will extend and become part of the existing community of over 250 million unique users that interact with the Opera Mobile Store on a monthly basis.

With a strong community of active gamers and users looking to discover new games and applications, the OGN solution is ideal for mobile app developers who want to focus exclusively on app development and want to outsource everything else (i.e., user acquisition and monetization), and for mobile app developers who want to focus on certain geographies and want a partner to manage the rest of the world from a user acquisition and monetization standpoint.

In 3Q15, Opera announced the acquisition of 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.

Following the acquisition, Bemobi has consolidated its leading position in the subscription-based premium

application distribution space within Brazil, and has expanded in key markets in LATAM including Mexico. In 2H 2015, Opera's global sales team has added Bemobi's solution to its portfolio of products and has started bringing these products to Opera's key markets. Additionally, the Bemobi team has started bringing several Opera products to its Apps & Games portfolio and its broader Consumer product portfolio to the Brazilian market. The early positive response to this market outreach gives us confidence that we will realize the anticipated synergies from the Bemobi acquisition during in 2016.

Opera's Apps & Games business provides a comprehensive distribution and monetization service for premium, freemium and free application developers. Bemobi's strength in distribution and monetization of premium applications complements the distribution strength of Opera's app discovery services – the third largest app discovery service globally – and Opera's in-app ad monetization strength for freemium and free applications. This best of breed comprehensive service meets the varied needs of end users within Opera's key markets and makes Opera a critical partner for app developers, mobile operators and handset manufacturers seeking to participate more effectively in the mobile application ecosystem.

In 1Q16 Opera launched globally its unique, "Netflix-style" subscription service for premium Android apps. The Opera Apps Club brings value to carriers, developers and users by offering an alternative distribution and monetization model for apps based on an unlimited "all you can download" subscription offer, payable through operators' billing systems. In this way, Opera Apps Club is able to reach a wider audience of mobile users who would otherwise not have access to premium mobile apps, especially in emerging markets, where credit-card and debit-card penetration remains low.

Opera Apps Club can be highly customized for each mobile operator's audience, focusing on games or apps from hundreds of developers worldwide, as the operator requires. With over six million active subscribers, Opera Apps Club provides an effective channel for app developers, through which they can get their apps discovered and monetized across the globe. For carriers, it provides a highly engaging and relevant service they can offer to their users, as well as increased revenue over time.

In 1Q16, the number of downloads generated via the Opera Mobile Store and Opera's other apps and games discovery properties was 450 million compared to 369 million in 1Q15.

Performance and Privacy Apps

Based on consumer surveys, the Opera user base cares deeply about the following: Speed, Privacy/Security, and Data Savings.

Capitalizing on Opera user base and user base preferences, Opera recently launched two mobile apps: Opera Max and SurfEasy. Opera Max provides speed and data savings and SurfEasy brings privacy to the entire device. These two product offerings provide the core of Opera's new Performance and Privacy mobile application product group.

Opera Max is a free, data-savings and data-management app that extends a consumer's data plan. With Opera Max, a consumer can easily manage his/her data by monitoring daily data usage by application and limiting data-hogging apps to Wi-Fi only. Opera Max also enables consumers to get up to 50% more out of their data plan by compressing videos, photos, media and more on around 300,000 Android apps without any noticeable loss of user experience quality.

Opera Max is the first app of its kind to compress mobile video, the single largest driver of mobile data traffic today. Consumers not only benefit from the data savings, but Opera Max also significantly reduces video buffering and stalling, driving a much better user experience.

In 2015, Opera Max was the first to offer data savings for music and video apps. Music lovers are able to listen to their favorite streaming music apps on the go while using less mobile data. One month after introducing video savings for YouTube and Netflix apps, Opera Max, in its latest version, now offers data saving on music apps including YouTube Music, Pandora, Slacker Radio, Gaana and Saavn. This means users of these apps can enjoy data savings of up to 50% with Opera Max.

According to the report from Next Big Sound, 1 trillion audio streams were played in the first six months of 2015. That averages out to 140 streams for every single human on the planet. Usage of streaming-music apps has increased substantially, with the growing adoption of smartphones, especially in emerging markets. However, listening to streaming music or online radio for 9 hours would take 1 GB of data. It could easily burn through users' data plans if they were streaming through mobile networks.

Opera Max uses streaming audio optimization powered by Rocket Optimizer, which manages streaming audio traffic in the same way that it optimizes video traffic. It supports both MP3 and MP4 stream formats, and it can also convert streams to the more efficient AAC+ codec, which is able to deliver high audio quality over a low bitrate connection to any compatible device.

Opera Max's Smart Alerts automatically identify apps that use a lot of data in the background. Opera Max then notifies you about how to manage these data-hungry apps, giving you an easy, two-tap way to block apps from using your mobile data. Opera Max triggers Smart Alerts when it detects excessive background data usage of over 10 MB per week. These alerts will show up inside Opera Max as a card in the "Data usage timeline", a card in "App management" and in the OS notification bar, to help better manage background data consumption. The user will also get a pop-up when Opera Max detects heavy, rapid background data usage.

As of the end of 1Q16, 14 OEMs, including Samsung and Xiaomi, have embedded Opera's data-management app, Opera Max, on their smartphones. With the new partnerships with Asian OEMs - Acer, Hisense and TWZ, Opera now expects more than 100 million Android phones to be shipped with integrated Opera Max by 2017. Opera is working with manufacturers around the world, including Acer, Cherry Mobile, Evercoss, Fly, Hisense, Mobiistar, Micromax, Oppo, Prestigio, Samsung, Symphony, Tecno, TWZ and Xiaomi.

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 all of the data "in and out" of a consumer's iOS, Android, Mac or PC device.

The impetus behind Opera's SurfEasy product line is three-fold: (i) Opera wanted to respond to its consumer base, which was seeking stronger privacy and security solutions (without being well educated about where they could find such solutions), (ii) Opera believes that it can drive even greater differentiation of its consumer products via a "security" positioning, filling what Opera perceives as an "uncontested" positioning angle in the browser marketplace today outside China, and (iii) Opera is excited about the size and growth profile of the security and privacy market in general, as Opera seeks new markets for further revenue growth.

SurfEasy's solution works as follows. When data is sent from a device without encryption, it's a lot like sending a postcard. All of the information being transmitted is easily read, stored and even modified by anyone handling it. In the case of a postcard, this may be a simple message of "wish you were here", but the data in and out of a consumer's smartphone or computer is much more personal and sensitive. Using SurfEasy is a lot like taking that postcard, putting it in a secure envelope, then putting that envelope in a private armored car - it's a lot more secure.

SurfEasy works by installing an application on a consumer's device, which then creates an encrypted tunnel between the device and SurfEasy's Global Private Network. All of the data "in and out" of the device is sent through the encrypted tunnel ensuring no one can monitor, access or restrict a consumer's activity. SurfEasy's applications have been installed on over 10 million devices around the world.

SurfEasy offers its service direct to consumers as a freemium subscription. Users are given 500mb of free encrypted bandwidth per month and encouraged to earn more by referring friends, adding additional devices and deepening their engagement with the service. Users that want unlimited bandwidth can subscribe to monthly or annual rate plans that range from \$2.99 to \$4.99 per month or \$29.99 to \$49.99 per year. This model has allowed SurfEasy to generate strong organic customer growth by becoming one of the top ranked and highest reviewed privacy and security applications in the AppStore, while generating a small but steadily growing monthly recurring revenue base. Opera and SurfEasy are also actively working on launching an "Ad-supported" model, where consumers can get free use of the service in exchange for watching mobile advertising.

In addition to its direct to consumer model, SurfEasy is designed for partners and can be deployed to meet the needs of third parties looking to expand their services to meet the growing demand for data privacy and security solutions. SurfEasy currently powers a Wi-Fi security application for a leading Anti-Virus provider and offers solutions suitable for wireless carriers, OEM's and other companies that Opera currently services. Opera sees several growing trends from demand for consumer privacy solutions to securing wireless carrier Wi-Fi network offloads, driving increased demand and an active business development funnel.

As part of Opera, SurfEasy is now among the most reputable names in the consumer VPN market. Under the Opera umbrella, SurfEasy is the only provider of this type of service backed by a publicly traded company. In addition to strengthening SurfEasy's brand, Opera's global proxy network, which currently serves over 350 million users, brings a cost structure advantage to a business model where the largest cost to serve is network bandwidth. Opera Software technology such as Opera Max, which improves network speed and performance through compression and optimization of video and data, enables differentiated features and a higher quality of service for SurfEasy's customers. Opera also enables new subscriber monetization solutions for SurfEasy to better serve the large portion of its customers who do not wish to subscribe to a paid service.

Opera works with many device OEMs worldwide and Opera Max and SurfEasy are both well positioned to help OEMs differentiate their offerings in a crowded market. Opera is in discussions with many OEMs today about distribution of these products, either as separate or fully integrated product offering. Opera already has positive momentum with OEMs for Opera Max distribution, with OEM distribution partnership agreements signed with the likes of Evercoss, Fly, Symphony and Micromax.

Operator Co-brand Solutions

Opera is a trusted partner for operators globally and the Opera-Operator co-branded solution is at the heart of Opera's operator offering.

Via co-branded versions of Opera Mini, Operators are able to offer their mass market subscribers content compression, fast Internet download speeds, convenient access to operator portal services, enabling them to drive incremental revenue and lower priced data plans and data packages, capitalizing on the up to 90% data compression that Opera's cloud service enables.

Co-brand revenue is driven by active users of the product on the mobile operator's network and can also include revenue share on data, advertising and m-Commerce.

At the end of 1Q16, Opera had active agreements with 25 operators worldwide (a total of 50+ agreements when including all subsidiaries of global frame agreements signed), including 11 out of the top 30 operators worldwide, which have approximately 2.2 billion subscribers combined, or around 30% of the total global subscriber base.

Desktop Browser

Today, the desktop browser is a more powerful platform than ever. This is seen most saliently with the clear dominance of Web applications over desktop-centric computing. This trend is no more pronounced than with social networking, where Facebook, for example, has around 1 billion desktop users.

Since the first public release in 1995, Opera has continuously delivered browser innovation to desktop PCs. Opera's desktop browser provides its users with a safe, efficient, personalizable and enjoyable browsing experience.

With the growing sales of premium ultrabooks and convertibles (mobile PCs with detachable keyboard), Opera is going to focus more on differentiating its desktop product to fulfill the needs of this segment. Additionally Opera wants to respond to its consumer base seeking stronger privacy and security solutions by building-into the browser technologies like VPN, better password management and similar to differentiate the product via "privacy & security" positioning, which is what Opera identifies as an "uncontested" positioning angle in the browser marketplace outside China.

Russia/CIS continues to account for close to 40% of Opera's desktop user base, which puts Opera in an attractive position vis-a-vis search and eCommerce partners, such as Google, Yandex and Booking.com, in this region. Overall, Opera's desktop user base exceeds 1 million in 10 countries around the world, including Russia, Ukraine, Brazil, India, Mexico, Germany and the United States.

Opera's monetization strategy for its desktop browser revolves predominantly around search, which comes pre-configured on all of the Company's desktop versions. Google and Yandex are Opera's key strategic search partners and provide the majority of the Company's desktop monetization. These partnerships are supplemented by local search partnerships in certain markets, such as Japan, and China, where Opera works with Yahoo! Japan and Baidu respectively. In addition, Opera continues the partnership with e-commerce players such as Amazon.com (USA, Germany, Japan), Booking.com (64 countries), and Ozon (Russia) to further enhance the product's ARPU.

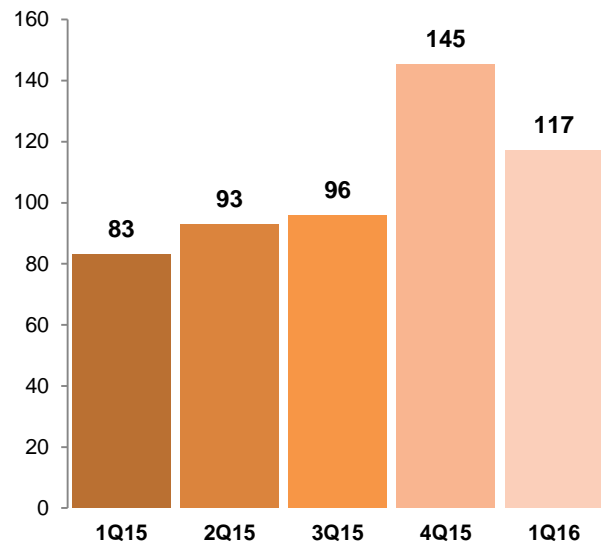
In March 2016, the number of Desktop users was

approximately 58 million, up 7% versus 1Q15. Revenue from Desktop was up 21% in 1Q16 versus 1Q15, driven primarily by higher search revenue. On a constant currency basis, desktop revenue would have been approximately \$14.1 million in 1Q16, up 36% versus 1Q15.

MOBILE ADVERTISING – 3rd PARTY

PUBLISHERS

Mobile Advertising Revenue (3rd Party Publishers)* (\$ million)



* Refers to advertising revenue which is served on Opera's network of third party publishers. Advertising revenue which is served on Opera's owned and operated properties is reported under "Consumers – Opera Owned and Operated Properties".

Market Overview

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

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

intuitive, engaging and personalized content experiences "in-app", capitalizing on native operating system software development kits which facilitate the full harnessing of a mobile device's processing capabilities and functionality.

Opera's Role in the Advertising Landscape

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

Our 1.4B user reach and SDK footprint in the top 1000 apps is the strongest among all independent advertising platforms and provides a strategic advantage in the marketplace. Opera aim is to grow our market advantage via:

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

Under the Opera Mediaworks brand, Opera offers premium brand mobile advertisers the ability to build their brands and engage with consumers by offering creative services, sophisticated audience targeting capabilities, significant audience and publisher reach (currently over 1.3 billion consumers including Opera's O&O properties and around 1 billion consumers on a global basis via Opera's 3rd party publisher relationships), high levels of transparency and measurability on ad campaigns, and support for highly interactive and engaging advertising experiences on a full range of mobile devices, including banner display ads, interactive rich media ads, video ads and native advertising. Moreover, Opera offers advertisers the ability to purchase advertising through the traditional insertion order (IO) "managed service" method and electronically via Opera's real time bidding (RTB) and programmatic platform.

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

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

In summary, Opera has established a very strong competitive position in the mobile advertising market due to its ability to drive meaningful results for its advertiser and publisher customers and strong leadership team.

Why Opera Is A Leader in the Marketplace:

The five key reasons for Opera's success in the marketplace with mobile advertisers are:

1. Opera's proprietary mobile ad tech platform: This platform is highly effective at matching the audience an advertiser is trying to reach with the optimal publisher traffic, leveraging first party data from the publishers, third party data from external providers and data insights from Opera's data management platform, ensuring that the right ad is delivered to the right consumer at the right time.
2. Opera's 1:1 relationships with top app developers and media publishers: Opera mobile ad technology currently powers monetization for some of the most frequently engaged mobile applications and websites globally, a number which continues to grow as result of Opera's ability to drive meaningful revenue to its publisher customers. Opera's highly differentiated and unique mobile video advertising inventory among the leading, top 1000 apps in the world, combine to deliver the most highly sought after ad units by mobile advertisers at scale. Opera is able to get meaningful amounts of both "first-call" access to publisher traffic (i.e., preferential access to high-value traffic which performs significantly better than more "remnant" inventory) and exclusive access to publisher traffic, which enables Opera to sell unique inventory that is not readily available via any other ad platform in the market.
3. Opera's global scale: Opera can offer advertising customers broad reach to more than 1.4 billion consumers (over 1.6 billion when including Opera's O&O mobile properties). Moreover, Opera is able to offer its mobile advertising partners access to significant mobile gaming inventory, which accounts for the largest amount of consumer time spent within mobile applications; the amount of time spent plus level of engagement with the content results in a highly valuable environment for branded messaging. Opera powers monetization for some of the largest global gaming publishers, and continues to build specialized tools for deeper performance across gaming properties.

4. Opera's innovative creative services arm (also known as the "Opera House"): Opera has invested in building a talented creative & production team that knows how to leverage HD video, rich media and display formats to engage consumers on every kind of mobile device. Because the mobile space is evolving so quickly, the team keeps close watch on new device capabilities, mobile user experience needs, campaign performance data and the ever-changing set of mobile best practices, to guide future creative production.

5. High service levels: These service levels are enabled not only by Opera's reporting and analytics tools, but also by its ad operations, creative and innovation teams.

Revenues in the quarter came from a broad spectrum of brand advertisers, including 65 of the AdAge Top 100 Global Advertisers. We ran campaigns in the quarter for such brand advertisers as Amazon, AstraZeneca, Bank of America, Google, Intuit, McDonalds, Sony, Starbucks and Toyota. In addition, during 1Q16, we ran campaigns for many of the top grossing app developers in the world across both iOS and Android.

In 1Q16, mobile video advertising revenues comprised 68% of Mobile Advertising revenue vs. 58% 1Q15. Opera's platform audience reach for advertisers stood at over 1.4 billion (1.6 billion including Opera's O&O audience) at the end of 1Q16, compared to 850 million consumers (3rd Party Publishers) in 1Q15.

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

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

1. Ad Serving & Campaign Management capabilities - powerful rich media ad serving, targeting and analytics; management, uploading, scheduling and control of "house" ads and directly sourced advertising;

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

3. Proprietary Instant-Play™ HD video technology enables publishers to integrate video ads as prerolls, interstitial videos, value exchange videos and native videos into their content to minimize intrusiveness to consumers and maximize revenue to publishers. The Instant-Play™ HD video ads eliminate latency and run in high definition, delivering differentiated value to the advertiser, publisher and end user.

4. Access to extensive premium mobile ad demand - Opera is able to offer publishers access to 65 of the top 100 global advertisers and demand relationships with 85 out of the 100 top grossing app developers in the world.

5. Programmatic Offering - In addition to Opera's more managed service offerings, via the Opera Mediaworks Ad Exchange (OMAX) programmatic buying solution, Opera offers a real-time bidding (RTB) platform that brings advertisers, ad networks and agencies together with mobile publishers and app developers for an efficient, automated media buying and selling experience. Through OMAX, publishers have access to a range of demand-side platforms (DSPs), facilitated by new audience segmentation and

expanded targeting capabilities, designed to improve monetization of publisher properties. Publisher customers can also choose the option of setting up private marketplaces for their inventory, which brings in diverse demand sources while still maintaining publisher control.

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

In the quarter, Mobile Advertising (3rd Party Publishers) revenue in 1Q16 increased 41% compared to 1Q15, fueled by expanded business with new and existing advertiser customers and continued growth in our video and performance advertising businesses.

Other Key 1Q16 Highlights:

Opera Mediaworks, the first mobile ad platform for brands, and Nielsen Catalina Solutions (NCS), the leader in buyergraphic media activation and sales measurement for CPG marketers, announced a collaboration that will allow CPG advertisers to deliver high definition (HD) mobile video ads that load instantly based on actual offline purchase behavior, and measure the impact of those ads on in-store sales. Mars Chocolate and TruMoo, in addition to Horizon Media agency, are among the first to take advantage of the capabilities now offered by Opera and NCS.

The alliance will allow mobile advertisers to leverage the largest single-source data set for CPG advertisers, with loyalty-card data from over 90 million U.S. households via over 18,000 major grocery and drugstore retailers nationwide. NCS data will fuel advanced purchase-based media activation and offline sales measurement across Opera Mediaworks' mobile advertising platform, reaching 285 million U.S. mobile devices. This will be the first time that the NCS data is coupled with zero buffering, HD, Instant-Play video, plus standard and rich media display. Advertisers running campaigns on Opera Mediaworks' mobile ad platform will be able to view the impact that their campaigns are having on offline sales, directly connecting ad exposure to in-store purchase volume.

In 1Q16 Opera announced a partnership with Norwegian company Unacast to connect advertisers to global beacon data for the first time. Until now, the advertising industry has relied heavily on GPS data, which is only available when users are outdoors and actively using their mobile devices. Beacon data is far more accurate than GPS, registering consumer behavior down to a precise aisle, shelf or product.

Clients of Opera Mediaworks, which include 90% of Ad Age's top advertisers, now have access to a customer's "real-world identity" as created by Unacast, the world's largest aggregator of offline consumer behavioral data gathered from beacons. This will allow advertisers to increase the personalization, timeliness and effectiveness of their mobile marketing campaigns.

Beacons interact with smartphones to deliver hyper-contextual content to their users and are one of the fastest-growing technology products in the world. By the end of 2016, 85% of locations of the top 100 retailers in the United States will have deployed beacon hardware and software, according to a Business Insider Intelligence report. ABI Research forecasts that by 2020, 400 million beacons will be deployed globally.

While consumers are becoming increasingly glued to their

smartphones, approximately 70% of waking hours are still spent offline. As customers walk in and out of shops, spend time in coffeehouses and gyms, and buy food at quick-service restaurants, millions of beacon proximity sensors register this valuable data that accurately reflects their behavior and interests – always with consumer consent. Retailers and brands that have already deployed beacons will be able to leverage their beacon data and retarget their own customers across the Opera Mediaworks platform, to encourage them to return to their brick-and-mortar or online stores. Companies holding various types of proximity data can also monetize their data by allowing advertisers and brands to license anonymous data.

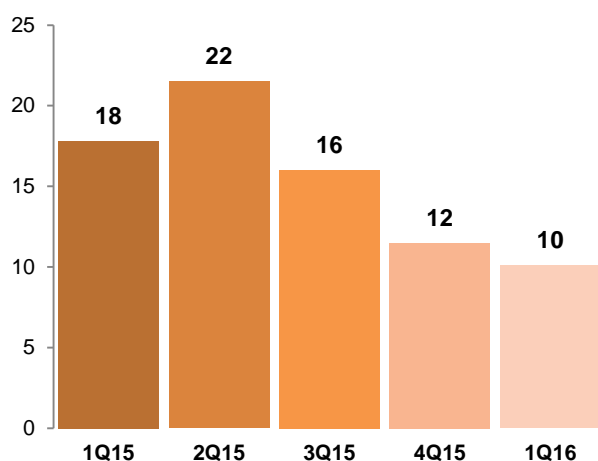
Beacon data has been difficult to scale for advertising due to the fragmentation of the beacon and proximity industries. Unacast has solved this challenge by creating the largest network of proximity companies in the world, to collect beacon data in the Unacast PROX Network, which aggregates, standardizes and tags the data to build targeting profiles on millions of users. Unacast has partnered with more than 40 of the world's largest proximity providers and is on track to have 100 partners on board by the end of this year.

With the agreement between the two companies, advertisers can now segment and target groups of people based on the locations they frequent at store, department and product level, where beacons can be configured with centimeter precision. For instance, a fashion brand might identify someone with an interest in shoes, down to a particular size and style, based on his or her activity within the shoe department of a shopping mall (via beacons on the Unacast network). Then, they can serve the customer relevant ads for a new line of shoes based on that interest in the evening, as they browse their favorite news or social app. Unacast has unlocked this data for the world's leading advertisers, and Opera Mediaworks will activate it across compelling mobile brand experiences.

TECH LICENSING

Over the past years, Opera has built a fairly sizeable technology license revenue stream. Over the past two years in particular, the primary drivers of Opera's technology license revenues have been customers in the Connected TV, Operator and Consumer Internet markets. In the latter two target market segments, Opera has been able to opportunistically license to third parties technology that it embeds in its own consumer products and services, such as the Rocket Optimizer technology, which powers Opera Max and video optimization for Opera Mini.

Tech Licensing Revenue (\$ million)



Connected TVs

As device manufacturers and operators seek to enhance their relationships with and provide compelling applications and services to their consumers, they are increasingly developing and deploying Internet-connected devices.

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

With the Opera TV's Software Development Kit (SDK), device manufacturers and operators are able to render their own TV user experience in HTML 5 while enabling popular TV Apps (also written in HTML 5) to be accessed by their consumers. The SDK is continuously pre-ported to all popular silicon platforms in the market and tested for all popular TV apps demanded by consumers. This greatly accelerates time-to-market for OEMs and Operators that choose the Opera TV SDK.

The Opera TV Store, an HTML5-based app store for connected TVs, set-top boxes and media players, offers a rich selection of nearly 1000 high-quality, easily navigated TV apps from popular video content providers. The Opera TV Store has also been enhanced with the ability to display ads, thereby enabling publishers and content providers to inject pre-roll ads and to monetize their applications. Popular content providers include TED, Vimeo, Washington Post, Crackle, Facebook and Fashion TV. The Opera TV Store has already been shipped on tens of millions of devices, including Smart TVs and Blu-ray Disc players. In addition, with innovative toolkits such as Opera TV Snap, brands and content owners can quickly repurpose their online video inventory into HTML5-based TV apps, at zero cost and in minutes.

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

In 1Q16 Opera launched Opera TV 2.0, a managed cloud solution that provides a wide selection of popular OTT content – including video channels and clips, movies, apps, games and live TV from sources such as CinemaNow, Crackle, IGN, Feeln, Pitbull, Paula Deen, Red Bull, TED, Washington Post and Young Hollywood, among others – directly to households. A new user interface (UI) organizes recommended, trending and most popular HD movies, videos and channels into neat rows, incorporating Opera curation for increased user engagement. This UI can be customized for increased viewer stickiness, with curation and promotional scheduling system tools in place for enhanced personalization.

Opera TV 2.0 allows consumers to engage, favorite and enjoy HD content on their biggest screens. In addition to prioritizing content at the top of the consumer experience, the entire solution is built on top of our backbone of over 800 apps in categories such as Lifestyle, Music, Kids, Nature and Travel, News and Weather, Sports, Social, Internet TV, and as well as many more. A Games section allows easy access to games developed using HTML5 and hosted in the cloud. Universal search across all sections simplifies user

discovery, allowing them to enjoy the extensive portfolio by searching for specific terms or accessing trending keywords. With the emphasis on a "lean back" experience, consumers can use a standard TV remote control to navigate, select and launch content. They can also favorite and follow the channels they are most interested in.

Opera TV 2.0 creates a hybrid approach to content discovery that enables increased consumer engagement across all touch points of the OTT platform. This capability opens up new after-sale revenue opportunities based on the content consumers view, including advertising and billing capabilities.

Opera TV 2.0 comes with fully integrated support for video advertising. Built on Opera Mediaworks ad-serving and mediation platform, a robust and scalable advertising infrastructure used by more than 25,000 sites and apps across smartphones, tablets and connected TVs, and reaching 1.4 billion users worldwide. Content owners and manufacturers can rely on Opera's fully managed monetization service, as well as leveraging the self-service tools for their directly sold campaigns. The Opera TV Ads SDK is a one-stop solution for placement of video advertising anywhere inside the device user interface, including targeting of users across apps and interactive advertising via linear broadcast, where available.

Opera TV 2.0 also simplifies billing support with the seamless integration of a PayPal-powered certified payment solution. Billing is integrated into the overall user experience, allowing consumers to purchase additional items or extend subscriptions within seconds. The solution supports multiple markets and currencies with account authentication done securely through a second screen. Premium content owners can also charge customers for premium content access through the billing API.

All content inside Opera TV on LG Smart TVs is built using Opera's revolutionary toolkit, Opera TV Snap. With this toolkit, Opera's content partners and broadcasters can convert their video assets easily into Smart TV channels, all in the cloud and in a matter of minutes. For broadcasters, it also offers expanded OTT capabilities, such as enabling the catch-up TV services (OTT VOD), multi-tier navigation for episodic video content, and various monetization options by displaying pre- & post-roll advertisements within the TV apps, using their existing or Opera Mediaworks' advertising solution.

Rocket Optimizer

As mobile operators face increasing downward pressure on average voice revenue per subscriber, and as competition heightens, operators around the world are looking for new sources of revenue, differentiation via data services and network performance/quality, and solutions to manage the explosion of mobile video and multi-media data network traffic spurred by the rapid adoption of smartphones and tablets, with video alone expected to comprise close to 70% of total mobile data traffic by 2017.

Rocket Optimizer, which is designed for Operator deployment and which has also been licensed to the consumer internet segment, is Opera's flagship product addressing Operator needs with regard to managing the explosion of mobile video data traffic in particular.

The Rocket Optimizer portfolio of products includes; (i) the Rocket Optimizer mobile video optimization solution; (ii) the Rocket Insights video analytics dashboard for operators; and (iii) Rocket Marketer.

The Rocket Optimizer™ NFV (Network Functions Virtualization)-friendly mobile video, audio and data optimization solution, which can detect when specific users

are facing poor network connections and then intervene in milliseconds to improve network quality and performance for that user, helps operators manage unpredictable spikes in demand. Rocket Optimizer™ can minimize long start times, rebuffering, and stalls on video and audio streams that frustrate mobile users around the world. The Rocket Optimizer™ solution provides operators with an instant 60% boost in bandwidth capacity across smartphones, tablets and laptops on 3G and 4G LTE networks. Its flexible cloud architecture and intelligent traffic steering dramatically reduce an operator's total cost of ownership, in comparison with the cost of legacy in-line hardware solutions, while enabling the operator to provide best quality of experience (QoE).

Rocket Insights, which can be deployed with or independent of Rocket Optimizer, addresses the current lack of existing real-time mobile video analytics solutions in the market place with a graphical and user-customizable dashboard. It is a deep mobile-data analytics tool that provides mobile operators with visibility into what's actually happening on their networks.

Rocket Marketer lets operators easily distribute offers, facilitate content discovery and monetize with highly targeted in-session advertising and messaging. Offers, content and alerts are displayed to users within their browsing experiences and can be based on contextual information, such as users' preferred content, how often they top up their data plans or their most recent contact with the operator's customer-care center.

As part of a shift in strategy towards the operator market, which Opera expects to be more cost effective and more scalable, Rocket Optimizer's distribution model is now primarily OEM channel rather than direct sales based. As part of this new go-to-market strategy, Opera has signed a distribution partnership with Huawei, Nokia and Ericsson.

Other Tech Licensing

Opera also opportunistically licenses its various other products and technology to companies in the operator, mobile OEM and consumer internet segments. In the past, Opera has licensed the following products to these segments: Opera Max, Opera's Web and video compression technologies, the Opera Mobile Store, and Desktop.

Outlook

Opera remains positive about the Company's overall growth prospects.

Within our mobile business, the Company continues to deliver a very compelling value proposition to our significant mobile browser base, providing a fast and data saving, and therefore cheaper, browsing experience. Opera's strategy is to capitalize on its over 275 million mobile browser user base by building and expanding Opera's owned and operated properties and monetizing these properties via primarily mobile advertising and search.

Overall, Opera expects to generate solid revenue growth from its Consumer Owned & Operated properties in 2016 vs. 2015, primarily from its Mobile Browser, Desktop Browser and Apps and Games offerings. Moreover, in 2016, Opera is investing further in its Performance and Privacy Apps business, capitalizing on its strong brand name, large mobile browser user base and strong distribution assets. While this mobile consumer segment is relatively new to Opera, the Company is determined to drive attractive revenue streams from a longer term perspective.

Within Opera's Mobile Advertising (3rd Party Publisher) business, Opera expects to generate solid revenue growth

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

Within Tech Licensing, while Opera continues to believe in a solid ConnectedTV business, the Company expects overall license revenue to decline in 2016 vs. 2015, as Opera strategically focuses on the more scalable and more long-term strategic Consumer O&O and Mobile Advertising (3rd Party Publisher) revenue streams.

Opera's overall key operational priorities in 2016 include continuing to: (i) grow users of Opera's suite of smartphone browser products and increase revenue and ARPU from this growing consumer base; (ii) invest in and grow revenue from our new key mobile consumer strategic initiatives, namely Apps and Games and Performance and Privacy products; (iii) increase revenue from the Mobile Advertising (3rd Party Publishers) business and continue to invest in and enhance our advertising platform and capabilities; (iv) grow Opera's desktop user base; (v) focus the organization around our core priorities; and (vi) increase Opera's overall profitability and cash flow.

Oslo, May 10, 2016
The Board of Directors
Opera Software ASA

Sverre Munck
Chairman
(sign.)

Lars Boilesen
CEO
(sign.)

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

Interim condensed financial statements

Consolidated statement of comprehensive income

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

	1Q 2016 (Unaudited)	1Q 2015 (Unaudited)	% change	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)	% change
Revenue	163.5	126.8	29%	163.5	126.8	29%
Total operating revenue	163.5	126.8	29%	163.5	126.8	29%
Publisher and revenue share cost	74.6	46.1	62%	74.6	46.1	62%
Payroll and related expenses ¹⁾	42.3	37.7	12%	42.3	37.7	12%
Stock-based compensation expenses	2.7	2.9	-5%	2.7	2.9	-5%
Depreciation, amortization, and impairment expenses	15.5	11.0	41%	15.5	11.0	41%
Other operating expenses	28.6	24.8	16%	28.6	24.8	16%
Total operating expenses	163.8	122.4	34%	163.8	122.4	34%
Operating profit ("EBIT"), excluding restructuring costs	(0.3)	4.4		(0.3)	4.4	
Restructuring costs	2.4	4.2		2.4	4.2	
Operating profit ("EBIT")	(2.7)	0.2		(2.7)	0.2	
Net financial items (loss)	(12.2)	(26.3)		(12.2)	(26.3)	
Profit (loss) before income tax	(15.0)	(26.1)		(15.0)	(26.1)	
Provision for taxes ²⁾	2.1	0.2		2.1	0.2	
Profit (loss)	(17.1)	(26.2)		(17.1)	(26.2)	
Items that may be reclassified subsequently to profit (loss)						
Foreign currency translation differences	11.7	7.8		11.7	7.8	
Total comprehensive income (loss)	(5.3)	(18.5)		(5.3)	(18.5)	
Earnings per share:						
Basic earnings (loss) per share (USD)	(0.117)	(0.184)		(0.117)	(0.184)	
Diluted earnings (loss) per share (USD)	(0.117)	(0.184)		(0.117)	(0.184)	
Shares used in earnings per share calculation	146,453,218	142,162,839		146,453,218	142,162,839	
Shares used in earnings per share calculation, fully diluted	146,453,218	142,162,839		146,453,218	142,162,839	

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.



IFRS to Non-IFRS Reconciliations

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

	1Q 2016 (Unaudited)	1Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
IFRS Profit (loss)	(17.1)	(26.2)	(17.1)	(26.2)
Non-cash stock-based compensation expenses	2.7	2.9	2.7	2.9
Impairment of intangible assets	0.0	0.0	0.0	0.0
Acquisition-related adjustment - depreciation of acquired intangible assets	9.9	6.5	9.9	6.5
Items excluded from operating expenses	12.6	9.3	12.6	9.3
Non-operations related costs	2.4	4.2	2.4	4.2
Items excluded from restructuring costs	2.4	4.2	2.4	4.2
Acquisition-related adjustment - non-cash Interest expense ¹⁾	3.3	6.2	3.3	6.2
Acquisition-related adjustment - non-cash FX (gains) losses ¹⁾	(3.8)	18.2	(3.8)	18.2
Other FX (gains) losses, net	8.2	(2.2)	8.2	(2.2)
(Gain) losses on non-controlling strategic equity interest	(0.2)	1.4	(0.2)	1.4
Acquisition-related adjustment - revaluation ¹⁾	3.6	1.8	3.6	1.8
Items excluded from net financial items	11.1	25.4	11.1	25.4
Acquisition-related adjustment - non-cash income taxes	(2.7)	(1.8)	(2.7)	(1.8)
Items excluded from provision for taxes	(2.7)	(1.8)	(2.7)	(1.8)
Non-IFRS Profit (loss)²⁾	6.4	10.9	6.4	10.9
Non-IFRS Basic earnings per share (USD)	0.043	0.077	0.043	0.077
Non-IFRS Diluted earnings per share (USD)	0.042	0.075	0.042	0.075

¹⁾ Related to contingent consideration

²⁾ From time to time Opera Software ASA may publicly disclose certain "Non-IFRS" financial measures and ratios in the course of its financial presentations, earnings releases, earnings conference calls and otherwise. Management uses certain non-IFRS financial measures and ratios in managing the business and, such information may provide users of the interim financial statements with additional meaningful comparisons between current results and results in prior operating periods. Management considers the use of non-IFRS financial information helpful in understanding the performance of the business, as it excludes acquisition related adjustments to revenue and expenses, and other non-cash items. While management uses the non-IFRS financial information as a tool to enhance their understanding of certain aspects of financial performance, management does not consider these measures to be a substitute for, or superior to, the information provided by IFRS numbers and financial information. Consistent with this approach, management believes that disclosing non-IFRS financial information in the interim financial statements provides users with useful supplemental data that, while not a substitute for IFRS numbers and financial information, allows for greater transparency in the review of financial and operational performance.



Consolidated statement of financial position

(Numbers in \$ million)

	3/31/2016 (Unaudited)	3/31/2015 (Unaudited)	12/31/2015 (Unaudited)
Assets			
Deferred tax assets	36.1	26.0	27.0
Goodwill	396.0	338.5	389.7
Intangible assets	124.7	112.2	129.7
Property, plant and equipment	28.1	17.7	27.5
Other investments	0.1	0.6	0.1
Other non-current assets	2.4	1.9	2.5
Total non-current assets	587.4	496.9	576.6
Inventories	0.3	0.5	0.3
Accounts receivable	177.6	146.1	197.3
Other receivables	25.2	33.4	34.0
Cash and cash equivalents	124.8	135.1	97.7
Total current assets	327.9	315.1	329.3
Total assets	915.3	812.0	905.8

(Numbers in \$ million)

	3/31/2016 (Unaudited)	3/31/2015 (Unaudited)	12/31/2015 (Unaudited)
Shareholders' equity and liabilities			
Equity attributable to owners of the company	352.4	352.9	354.9
Non-controlling interests	0.0	0.0	0.0
Total equity	352.4	352.9	354.9
Liabilities			
Deferred tax liability	10.5	0.0	13.2
Financial lease liabilities	8.6	1.0	5.6
Loans and borrowings	250.0	150.0	150.0
Other non-current liabilities	10.3	0.1	0.1
Provisions	62.5	156.8	59.6
Total non-current liabilities	341.9	307.9	228.5
Loans and borrowings	35.0	0.0	0.0
Financial lease liabilities	2.0	1.2	5.7
Accounts payable	33.1	35.6	42.9
Taxes payable	19.7	2.8	14.5
Public duties payable	10.4	5.0	9.8
Deferred revenue	6.7	12.5	8.4
Stock-based compensation liabilities	0.1	0.2	0.1
Other current liabilities	78.3	39.3	96.9
Provisions	35.6	54.4	144.0
Total current liabilities	221.0	151.2	322.5
Total liabilities	562.9	459.1	551.0
Total equity and liabilities	915.3	812.0	905.8



Consolidated statement of cash flows

(Numbers in \$ million)

	1Q 2016 (Unaudited)	1Q 2015 (Unaudited)	YTD 2016 (Unaudited)	YTD 2015 (Unaudited)
Cash flow from operating activities				
Profit (loss) before taxes	(15.0)	(26.1)	(15.0)	(26.1)
Income taxes paid	(0.6)	(10.0)	(0.6)	(10.0)
Depreciation and amortization expense	15.5	11.0	15.5	11.0
Net (gain) loss from disposals of PP&E, intangible assets, and goodwill	(0.1)	0.0	(0.1)	0.0
Impairment losses	0.0	0.0	0.0	0.0
Changes in inventories, trade receivables, trade and other payables	5.0	(7.1)	5.0	(7.1)
Other net finance items	(0.6)	0.0	(0.6)	0.0
Changes in other operating working capital	(7.0)	(12.2)	(7.0)	(12.2)
Share of net income (loss) and net (gain) loss from disposal of associated companies	0.0	1.2	0.0	1.2
Share-based remuneration	3.7	3.3	3.7	3.3
Earnout cost and cost for other contingent payments	2.9	26.2	2.9	26.2
FX differences related to changes in balance sheet items	7.6	(2.9)	7.6	(2.9)
Net cash flow from operating activities	11.5	(16.6)	11.5	(16.6)
Cash flow from investment activities				
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	0.4	0.0	0.4	0.0
Purchases of property, plant and equipment (PP&E) and intangible assets	(2.4)	(2.0)	(2.4)	(2.0)
Capitalized R&D costs	(3.2)	(4.7)	(3.2)	(4.7)
Purchases of subsidiaries and associated companies, net of cash acquired ¹⁾	(114.6)	(67.5)	(114.6)	(67.5)
Other investments	0.0	(3.0)	0.0	(3.0)
Net cash flow from investment activities	(119.8)	(77.1)	(119.8)	(77.1)
Cash flow from financing activities				
Proceeds from exercise of treasury shares (incentive program)	0.0	0.9	0.0	0.9
Purchase of treasury shares	0.0	0.0	0.0	0.0
Proceeds from issuance of shares, net (incentive program)	1.8	0.0	1.8	0.0
Proceeds from issuance of shares, net (equity increase)	0.0	0.0	0.0	0.0
Proceeds from loans and borrowings	135.0	90.0	135.0	90.0
Repayments of loans and borrowings	0.0	0.0	0.0	0.0
Payment of finance lease liabilities	(1.4)	(0.3)	(1.4)	(0.3)
Dividends paid to equity holders of Opera Software ASA	0.0	0.0	0.0	0.0
Net cash flow from financing activities	135.5	90.6	135.5	90.6
Net change in cash and cash equivalents	27.2	(3.1)	27.2	(3.1)
Cash and cash equivalents (beginning of period) ²⁾	97.7	138.2	97.6	138.2
Cash and cash equivalents	124.8	135.1	124.8	135.1

¹⁾ \$0.0 million (YTD: 0.0) is related to initial payments for the purchase of subsidiaries, and \$114.6 million (YTD: 114.6) is related to earnout payments with cash effect.

²⁾ \$9.2 million (3/31/2015: \$4.2 million) is restricted cash and cash equivalents as of March 31, 2016.



Consolidated Statement of Changes in Equity

(Numbers in \$ million) - unaudited

	Number of shares	Paid-in capital	Other reserves	Reserve for own shares	Trans-lation 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)						(17.1)	(17.1)
Other comprehensive income (loss)							
Foreign currency translation differences					11.7		11.7
Total comprehensive income (loss)		0.0	0.0	0.0	11.7	(17.1)	(5.3)
Contributions by and distributions to owners							
Dividends							0.0
Issuance of ordinary shares related to business combinations							0.0
Issuance of ordinary shares related to incentive program							0.0
Issuance of ordinary shares related to equity increase	1.0	1.81					1.8
Treasury shares purchased							0.0
Treasury shares sold							0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			1.0				1.0
Total contributions by and distributions to owners	1.0	1.8	1.0	0.0	0.0	0.0	2.9
Other equity changes							
Other changes							0.0
Total other equity changes		0.0	0.0	0.0	0.0	0.0	0.0
Equity as of 3/31/2016	146.3	345.6	39.4	(34.7)	25.6	(23.7)	352.4
<p>During 1Q 2016, Opera purchased 0 (YTD: 0) own shares, and sold 0 (YTD: 0) own shares for \$0.0 million (YTD: \$0.0 million). As of March 31, 2016, Opera owned 380,584 own shares.</p> <p>During 1Q 2016, Opera issued 1,010,917 (YTD: 1,010,917) 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)						(26.2)	(26.2)
Other comprehensive income (loss)							
Foreign currency translation differences					7.8		7.8
Total comprehensive income (loss)		0.0	0.0	0.0	7.8	(26.2)	(18.5)
Contributions by and distributions to owners							
Dividends							0.0
Issuance of ordinary shares related to business combinations							0.0
Issuance of ordinary shares related to incentive program							0.0
Issuance of ordinary shares related to equity increase							0.0
Treasury shares purchased							0.0
Treasury shares sold	1.1			0.0		0.9	0.9
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			3.3				3.3
Total contributions by and distributions to owners	1.1	0.0	3.3	0.0	0.0	0.9	4.3
Other equity changes							
Other changes		(0.3)					(0.3)
Total other equity changes		(0.3)	0.0	0.0	0.0	0.0	(0.3)
Equity as of 3/31/2015	142.7	317.4	34.0	(34.7)	13.3	22.9	352.9



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 quarter in 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.



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



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				-
Q3				-
Q4				-
Total	109.6	4.1	0.8	114.6
With no cash flow effect (released from escrow)				
Q1			4.1	4.1
Q2				-
Q3				-
Q4				-
Total	-	-	4.1	4.1

Estimated payments (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
Apr-16			5.0	5.0
Jun-16			8.3	8.3
Sep-16		5.4		5.4
Oct-16	15.2			15.2
Jan-17	3.1			3.1
Apr-17		18.8	11.5	30.3
Sep-17		8.5		8.5
Apr-18		9.1	9.7	18.8
Sep-18		6.0		6.0
Apr-19		7.6		7.6
Sep-19		6.7		6.7
Apr-20		8.5		8.5
Total	18.3	70.7	34.4	123.4

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.

Estimated maximum payments (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
Apr-16			5.0	5.0
Jun-16			8.3	8.3
Sep-16		6.2		6.2
Oct-16	15.2			15.2
Jan-17	3.1			3.1
Apr-17		24.7	11.5	36.2
Sep-17		10.2		10.2
Apr-18		20.9	9.7	30.6
Sep-18		8.9		8.9
Apr-19		11.2		11.2
Sep-19		10.8		10.8
Apr-20		13.5		13.5
Total	18.3	106.4	34.5	159.2

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

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



Note 4 - Contingent Liabilities and Provisions (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant assumptions (forecast annual revenue and forecast EBIT) would, holding the other assumptions constant 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
Annual revenue (10% increase)	N/A	5.2	0.9
Annual revenue (10% decrease)	N/A	(11.8)	(4.7)
EBIT (5% increase)	N/A	2.0	0.2
EBIT (5% decrease)	N/A	(14.4)	(1.4)

Effect on Fair value (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial
Annual revenue (10% increase)	N/A	7.2	1.1
Annual revenue (10% decrease)	N/A	(15.9)	(5.9)
EBIT (5% increase)	N/A	2.7	0.2
EBIT (5% decrease)	N/A	(17.3)	(1.6)



Note 5 - Financial Risk

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

Revenue by currency	1Q 2016	%	YTD 2016	%
<i>(Numbers in \$ million)</i>				
USD	136.7	83.6%	136.7	83.6%
BRL	8.5	5.2%	8.5	5.2%
EUR	8.3	5.1%	8.3	5.1%
GBP	2.9	1.8%	2.9	1.8%
Other	7.1	4.3%	7.1	4.3%
Total	163.5	100.0%	163.5	100.0%

Operating expenses by currency	1Q 2016	%	YTD 2016	%
<i>(Numbers in \$ million)</i>				
USD	131.2	78.9%	131.2	78.9%
EUR	8.9	5.3%	8.9	5.3%
NOK	7.4	4.5%	7.4	4.5%
GBP	6.3	3.8%	6.3	3.8%
Other	12.5	7.5%	12.5	7.5%
Total	166.3	100.0%	166.3	100.0%

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.

FX impact on revenues and expenses for the quarter	FX rates 1Q 2015	% Change	FX rates 4Q 2015	% Change
<i>(Numbers in \$ million)</i>				
Revenue	167.4	2%	163.5	0%
Expenses	168.9	2%	164.7	-1%

The unrealized foreign exchange gain (loss) is estimated as the difference between exchange rates. These numbers are shown below.

Note 6 - Financial Items

Financial items	1Q 2016	1Q 2015	YTD 2016	YTD 2015
<i>(Numbers in \$ million)</i>				
Other interest income (expense), net	(0.8)	(0.9)	(0.8)	(0.9)
Interest expense related to contingent consideration	(3.3)	(6.2)	(3.3)	(6.2)
FX gains (losses) related to contingent consideration, net	3.8	(18.2)	3.8	(18.2)
Other FX gains (losses), net	(8.2)	2.2	(8.2)	2.2
Revaluation of contingent consideration	(3.6)	(1.8)	(3.6)	(1.8)
Share of profit (loss) from associated companies	(0.2)	(1.4)	(0.2)	(1.4)
Net financial gain (loss)	(12.2)	(26.3)	(12.2)	(26.3)

Note 7 - Liquidity Risk

Credit facility

In February 2016, the Group has drawn an additional \$100 million of its secured credit facility of \$250 million. In March 2016, the Group signed an agreement with DNB Bank ASA to increase its secured credit facility from \$250 million to \$285 million, of which \$60 million is a 3 year term loan and \$225 million is a Revolving Credit Facility. The facility amount will automatically reduce to the original amount of \$250 million at December 31, 2016.

The Revolving Credit facility and 3 year term loan are payable in March 2018. There are no installment payments due before maturity.



Note 8 - Investment in Associated Companies

(Numbers in \$ million)

Information regarding nHorizon Innovation	1Q 2016 (Unaudited)	YTD 2016 (Unaudited)
Revenue	3.1	3.1
EBIT	(4.0)	(4.0)
Net profit (loss)	(4.1)	(4.1)
Assets		9.8
Current liabilities		19.2
Equity		(9.5)

(Numbers in \$ million)

Investment in associate company

The investments in nHorizon Innovation are recognized using the equity method. In 1Q 2016, Opera has not made any further investments. The total investment as of March 31, 2016 was \$26.6 million. As of March 31, 2016, Opera has not yet recognized any additional losses against the investments as the net asset value is zero.

Opera has restricted cash on deposit with the bank of \$6.0 million as security for a loan drawn up by nHorizon Innovation.

As of March 31, 2016, Opera owned 29.09% of nHorizon Innovation (29.09 % of the voting rights), and Opera has recognized the following fair value amount as Other investments and deposits:

Investment (booked value January 1, 2016)	(0.0)
Investment during the fiscal year	0.0
FX adjustment	0.2
Share of the profit (loss)	(0.2)
Elimination	0.0
Balance as of 3/31/2016	(0.0)

Note 9 - Accounts Receivable and Other Receivables

(Numbers in \$ million)

Accounts receivable and other receivables	3/31/2016 (Unaudited)	3/31/2015 (Unaudited)
Accounts receivable	117.2	98.7
Unbilled revenue	60.4	47.4
Other receivables	25.2	33.4
Total	202.8	179.5

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 March 31, 2016, \$18.9 million was recognized as escrow payments related to acquisitions in the statement of financial position.



Note 10 - Demerger

Demerger

On December 21, 2015, an Extraordinary General Meeting ("EGM") was called to approve a demerger plan for Opera Software ASA. On January 25, 2016, the EGM approved the demerger plan for Opera Software ASA. This plan was proposed by the Board in order to carry out a corporate structure reorganization, designed specifically to separate the Browser and TV businesses into two separate entities and move operations from the ultimate parent company. The first steps of the proposed corporate structure reorganization process are to transfer the group's business areas related to Browser and TV as well as subsidiaries, to two new wholly owned subsidiaries of Opera Software ASA; Opera Software AS and Opera TV AS. This was completed through two simultaneous and mutually conditional demergers. The demergers will not affect the listing of the Company's shares on the Oslo Stock Exchange. The new companies are unlisted private limited companies owned 100% by Opera Software ASA. The demerger was notified to the Norwegian Register of Business Enterprises on January 25, 2016 and the six weeks creditor notification expired without any objections being raised. On March 11, 2016, the demerger was completed and registered in the Norwegian Register of Business Enterprises. The demergers were carried out in accordance with the statutory provisions on demergers set out in chapter 14 of the Norwegian Public Limited Liability Companies Act and in accordance with the provisions in the Norwegian Tax Act on tax neutral demergers.

Note 11 - Events after the Reporting Date

Buyout offer

On February 10, 2016, Opera announced that it had reached an agreement with Golden Brick Silk Road (Shenzhen) Equity Investment Fund II LLP, the general partner of which is Golden Brick Silk Road Fund Management (Shenzhen) LLP and the limited partners of which are Beijing Kunlun Tech Co. Ltd., Qihoo 360 Software (Beijing) Co. Ltd., and Yonglian (Yinchuan) Investment Co., Ltd. (collectively the "Consortium"), whereby Golden Brick will launch, through a directly or indirectly wholly owned special purpose vehicle, a recommended voluntary cash offer (the "Offer") for 100% of the shares of Opera. A cash consideration of NOK 71.00 will be offered per share, valuing the total outstanding share capital of Opera at approximately NOK 10.5 billion (approximately USD 1.2 billion as of the Offer date) on a fully diluted basis. The Board of Directors unanimously decided to recommend to its shareholders to accept the Offer. In addition, the members of the executive team and the Board holding shares have entered into pre-acceptances to accept the Offer with respect to their shareholdings in Opera. On April 14, 2016, the Consortium announced that the Offer period is to be extended to May 24, 2016, and that there will be no further extensions to the Offer Period.

Supplemental Information

Historical Summary - Last 5 Quarters

(Numbers in \$ million, except earnings per share)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Revenue	163.5	193.5	149.4	146.2	126.8
Revenue (% sequential growth)	-16%	30%	2%	15%	-18%
EBIT ¹⁾	(0.3)	14.5	11.0	15.2	4.4
EBIT, excluding stock-based compensation expenses ¹⁾	2.4	17.4	11.8	17.3	7.3
EBITDA ¹⁾	15.2	29.9	26.6	27.4	15.4
EBITDA, stock-based compensation expenses ¹⁾	17.9	32.8	27.5	29.5	18.2
EPS	(0.117)	(0.045)	(0.118)	(0.009)	(0.184)
EPS, fully diluted	(0.117)	(0.045)	(0.118)	(0.009)	(0.184)
Non-IFRS EPS	0.043	0.077	0.120	0.086	0.077
Non-IFRS EPS, fully diluted	0.042	0.075	0.117	0.083	0.075

¹⁾ excluding restructuring costs

Supplemental Information

Revenue - Last 5 Quarters

(Numbers in \$ million)

Revenue Type	YTD 2016	YTD 2015
Mobile Advertising - 3rd Party Publishers	117.1	83.2
Consumer (Owned and Operated Properties)	36.3	25.5
Tech Licensing	10.1	18.1
Total	163.5	126.8

Revenue Type	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Mobile Advertising - 3rd Party Publishers	117.1	145.4	96.2	92.9	83.2
Consumer (Owned and Operated Properties)	36.3	36.6	37.1	31.4	25.5
Tech Licensing	10.1	11.5	16.1	21.9	18.1
Total	163.5	193.5	149.4	146.2	126.8

Consumer (Owned and Operated Properties)	YTD 2016	YTD 2015
Operator Co-brand Solutions	3.2	7.7
Desktop Browser	12.6	10.4
Mobile Browser	8.8	6.7
Apps and Games	10.0	0.6
Performance and Privacy Apps	1.7	0.2
Other	0.0	0.0
Total	36.3	25.5

Consumer (Owned and Operated Properties)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Operator Co-brand Solutions	3.2	4.4	6.0	8.1	7.7
Desktop Browser	12.6	14.0	13.1	12.0	10.4
Mobile Browser	8.8	8.7	9.8	9.4	6.7
Apps and Games	10.0	8.6	7.4	1.1	0.6
Performance and Privacy Apps	1.7	0.9	0.7	0.7	0.2
Other	0.0	0.0	0.0	0.0	0.0
Total	36.3	36.6	37.1	31.4	25.5

Revenue Customer Type	YTD 2016	YTD 2015
Mobile Operators	4.2	9.3
Mobile Consumers	18.1	16.6
Mobile Publishers and Advertisers	121.0	83.2
Desktop Consumers	12.8	10.5
Device OEMs	7.4	7.2
Other	0.0	0.0
Total	163.5	126.8

Revenue Customer Type	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Mobile Operators	4.2	5.6	7.4	16.3	9.3
Mobile Consumers	18.1	19.8	23.4	16.6	16.6
Opera Mediaworks	121.0	145.4	96.2	92.9	83.2
Desktop Consumers	12.8	14.3	14.0	13.1	10.5
Device OEMs	7.4	8.4	8.4	7.4	7.2
Other	0.0	0.0	0.0	0.0	0.0
Total	163.5	193.5	149.4	146.2	126.8

Operator Co-brand Solutions revenue is primarily comprised of license revenue generated through our customer/Opera "co-branded" version of Opera Mini. The revenue is generated from active user fees, data/content revenue shared to us by the customer, or when the customer agrees to pay us for delivery of an unlimited number of copies of active user licenses in a limited time frame, with no future obligation to Opera.

Desktop Browser revenue is primarily comprised of: (i) Search revenue generated when an Opera user conducts a qualified search using an Opera search partner (such as Google and Yandex) through the built-in search bar and (ii) Advertising (or "affiliate") revenue based on users' interaction with our Opera-owned and operated properties such as Speed Dials and bookmarks.

Mobile Browser revenue is primarily comprised of: (i) Search revenue generated when an Opera user conducts a qualified search using an Opera search partner (such as Google and Yandex) through the built-in search bar and (ii) Advertising revenue based on the activity of mobile users viewing ads on Opera-owned and operated properties, such as the Discover Page, Smart Page, and Speed Dial page.

Apps and Games revenue is primarily comprised of: (i) Subscription revenue when a user purchases a subscription from Bemob'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 and Privacy Apps revenue is primarily comprised of subscription revenue generated by Opera's VPN service for smartphones, tablets, and computers



Revenue and Publisher Cost/Revenue Share Cost

(Numbers in \$ million)

Revenue Type	YTD 2016	YTD 2015
Licenses/royalties	10.7	21.2
Development fees	2.6	3.1
Maintenance, support, and hosting	1.9	1.8
Search	12.6	9.4
Advertising	126.3	90.8
Application and content	9.3	0.4
Subscription	0.0	0.0
Other revenue	0.1	0.0
Total	163.5	126.8

Revenue Type	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Licenses/royalties	10.7	11.3	19.2	25.6	21.2
Development fees	2.6	2.5	1.5	3.3	3.1
Maintenance, support, and hosting	1.9	2.6	1.9	1.6	1.8
Search	12.6	13.9	13.2	12.1	9.4
Advertising	126.3	155.1	107.1	102.8	90.8
Application and content	9.3	7.9	6.5	0.7	0.4
Subscription	-	0.4	(0.2)	0.1	0.0
Other revenue	0.1	0.0	0.0	0.0	0.0
Total	163.5	193.5	149.4	146.2	126.8

Please see note 1 in the 2015 Annual Report for definitions of revenue types and information regarding revenue recognition.

(Numbers in \$ million)

Publisher Cost/Revenue Share Cost	YTD 2016	YTD 2015
Publisher cost	70.7	45.1
Revenue Share Cost	3.9	1.0
Total	74.6	46.1

(Numbers in \$ million)

Publisher Cost/Revenue Share Cost	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Publisher cost	70.7	86.9	56.3	51.5	45.1
Revenue Share Cost	3.9	4.0	2.5	0.8	1.0
Total	74.6	90.9	58.8	52.2	46.1

Publisher cost consists of the agreed-upon payments made to publishers for their advertising space in which Opera delivers mobile ads. These payments are typically determined in advance as either a fixed percentage of the advertising revenue Opera earns from mobile ads placed on the publisher's application or website, or as a fixed fee for that ad space. Publisher cost is recognized at the same time as the associated revenue is recognized.

Revenue Share Cost consists of agreed-upon payments made to third parties such as app developers, operators and mobile OEMs based on the revenue that Opera generates from its Consumer Owned and Operated properties. These payments are typically determined in advance as either a fixed percentage of the revenue Opera generates or as a fixed fee. Revenue Share Cost is recognized at the same time as the associated revenue is recognized.

