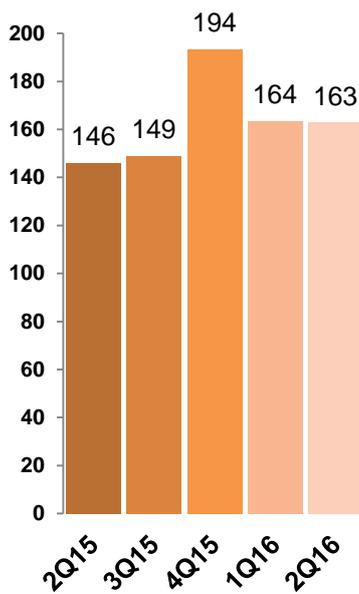




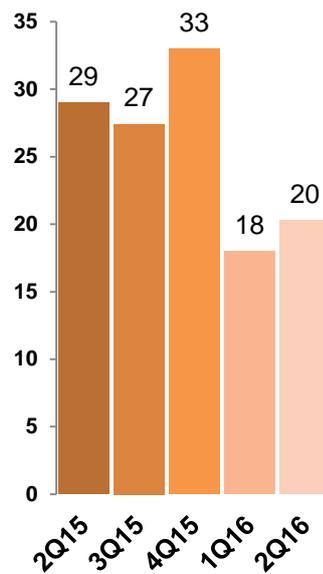
2Q 16

QUARTERLY REPORT/ HALF YEAR REPORT

Revenue (\$ million)



Adjusted EBITDA
(\$ million)



Revenue growth of:

11%

HIGHLIGHTS

- Mobile Advertising (3rd Party Publishers) revenue up 23% vs. 2Q15
- Consumer (Owned & Operated Properties) revenue up 20% vs. 2Q15
- Tech Licensing revenue down 51% vs. 2Q15



OPERATIONAL HIGHLIGHTS

Opera 2Q16 Quarterly Report

Revenue was \$162.9 million in 2Q16, up from \$146.2 million in 2Q15, an increase of 11%. Adjusted EBITDA (excluding one-time costs) was \$20.3 million in 2Q16 compared to \$29.5 million in 2Q15. EBIT (excluding one-time costs) was \$1.8 million in 2Q16 compared to \$15.2 million in 2Q15.

Mobile Advertising (3rd Party Publishers)

- Revenue of \$114.4 million, up 23% vs. 2Q15
- Mobile video advertising revenues comprised 67% of Mobile Advertising revenue in 2Q16 vs. 58% in 2Q15
- Audience reach (3rd Party Publishers) exceeded 1.4 billion consumers in 2Q16 compared to 1 billion in 2Q15 (including Opera's O&O audience, audience reach exceeded 1.6 billion in 2Q16 vs 1.3 billion in 2Q15)
- AT&T AdWorks Announced Results of Cross-screen Addressable Advertising Trials with Advertisers

Consumers (Owned and Operated Properties)

- Revenue of \$37.7 million, up 20% vs. 2Q15
- Opera's Android monthly browser users reached 142 million at the end of 2Q16, up 2% versus the end of 2Q15
- Total Opera mobile consumer browser users was 262 million at the end of 2Q16, down 10% versus the end of 2Q15
- Opera became first major tech company to launch free VPN app for iOS.
- Opera launched ad blocker on all mobile platforms, powering faster browsing on Android, iOS and Windows Phone
Desktop users reached 55 million by the end of 2Q16, up 4% versus the end of 2Q15

Tech Licensing

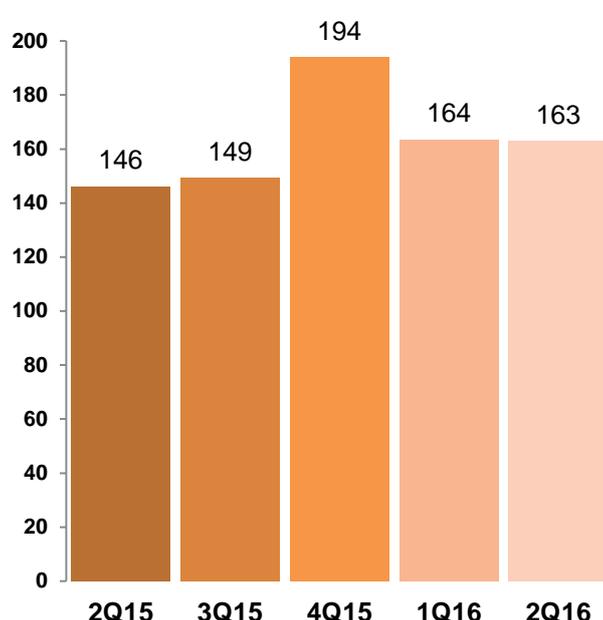
- Revenue of \$10.7 million, down 51% vs. 2Q15
- Opera TV and Vestel partnered to deliver next-generation entertainment and interactive television experiences to European audiences

FINANCIAL HIGHLIGHTS

Revenue

Revenue in 2Q16 was \$162.9 million, up 11% from 2Q15, when revenue was \$146.2 million. Overall, revenues came in slightly below 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 \$161.0 million in 2Q16 compared to \$131.1 million in 2Q15, an increase of 23%.

Publisher and revenue share cost

Publisher and revenue share cost in 2Q16 was \$75.8 million compared to \$52.2 million in 2Q15, an increase of 45%, with \$71.4 million related to Publisher cost from Mobile Advertising (3rd Party Publishers) and \$4.3 million related to Revenue Share Cost from Consumers (Owned and Operated Properties). Publisher and Revenue share cost increased in 2Q16 versus 2Q15 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 \$40.7 million in 2Q16 compared to \$38.8 million in 2Q15, an increase of 5%. Payroll and related expenses increased in 2Q16 versus 2Q15 with headcount growth partly offset by currency tailwind.

Stock-based compensation expenses

Total stock-based compensation expenses for 2Q16 were \$2.5 million compared to \$2.1 million in 2Q15. The increase in stock-based compensation expenses compared to 2Q15 was primarily due to issuance of new RSUs.

Depreciation and amortization

Depreciation and amortization expenses in 2Q16 were \$16.0 million compared to \$12.2 million in 2Q15, an increase of 31%. 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 2Q16 were \$26.1 million compared to \$25.7 million in 2Q15, an increase of 2%. Other operating expenses increased in 2Q16 versus 2Q15 primarily due to higher marketing and hosting costs in particular.

One-Time Cost

In 2Q16, Opera recognized restructuring costs of \$2.6 million primarily related to restructuring changes.

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

EBITDA, excluding stock-based compensation expenses and one-time costs, was \$20.3 million compared with \$29.5 million in 2Q15, down 31%. EBITDA (excluding one-time costs) was \$17.8 million in 2Q16 compared with \$27.4 million in 2Q15. EBIT (excluding one-time costs) was \$1.8 million in 2Q16 compared to \$15.2 million in 2Q15. Overall, Adjusted EBITDA came in at the low end of Opera's guidance range for the quarter.

Interest income/expense and FX gains/losses

Net interest expense was \$1.9 million in 2Q16 compared to a net interest expense of \$1.1 million in 2Q15. Opera had a foreign exchange gain of \$0.9 million in 2Q16 compared with a gain of \$2.1 million in 2Q15. Interest expense related to adjustments of the net present value of consideration was \$2.4 million in 2Q16 compared to \$6.1 million in 2Q15. FX gain related to contingent earn-out consideration associated with acquisitions was \$1.0 million in 2Q16 compared to \$6.4 million in 2Q15. Revaluation of contingent consideration associated with acquisitions resulted in a gain of \$1.8 million in the quarter.

Profit for the period

2Q16 IFRS Net Income was -\$5.3 million compared to -\$1.3 million in 2Q15. Non-IFRS 2Q16 Net Income was \$4.8 million compared to \$12.6 million in 2Q15. The Company's non-IFRS Net Income in 2Q16 excludes the negative effects of \$2.5 million in non-cash stock-based compensation expenses, \$2.6 million in restructuring costs, \$0.9 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 \$8.0 million in acquisition related adjustments.

EPS and fully diluted EPS were -\$0.037 and -\$0.037, respectively, in 2Q16, compared to -\$0.009 and -\$0.009, respectively, in 2Q15. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.033 and \$0.032, respectively, in 2Q16, compared to \$0.086 and \$0.083, respectively, in 2Q15.

Liquidity and capital resources

Opera's net cash flow from operating activities was \$7.3 million in 2Q16 compared to \$31.0 million in 2Q15.

Cash and cash equivalents at the end of 2Q16 were \$117.3 million compared to \$133.7 million in 2Q15.

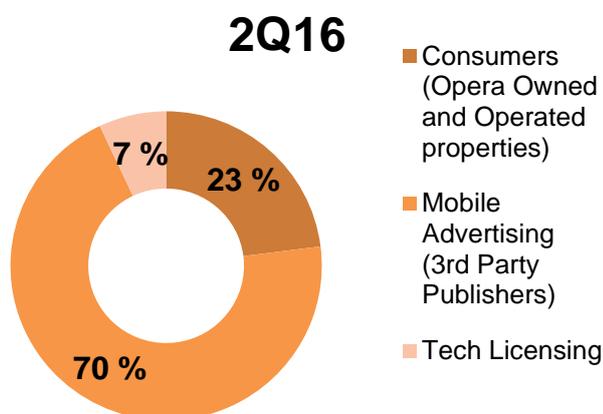
In 1Q16, Opera signed an agreement with DNB Bank ASA to increase the size of its secured credit facility to \$285 million from \$250 million. As of the end of 2Q16, \$285 million of this credit facility has been drawn.

Opera's total cash balance was impacted positively by net cash flow from operating activities, 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 \$1.9 million in 2Q16 versus \$2.2 million in 2Q15. Capitalized R&D costs were \$5.1 million in 2Q16 versus \$3.3 million in 2Q15. Cash flow related to acquisitions was \$6.6 million in 2Q16.

Organization

At the end of 2Q16, Opera had 1,704 full-time employees and equivalents compared to 1,632 at the end of 2Q15.

REVENUE OVERVIEW



Summary

Revenue was \$162.9 million in 2Q16 compared to \$146.2 million in 2Q15, an increase of 11%.

Customer Type (\$ million)

	2Q16	2Q15
Consumers (Opera Owned and Operated properties)	37.7	31.4
Mobile Advertising (3 rd Party Publishers)	114.4	92.9
Tech Licensing	10.7	21.9
Total Revenue	162.9	146.2

Compared to 2Q15, 2Q16 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 23% compared to 2Q15 to reach \$114.4 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 67% of total Mobile Advertising (3rd Party Publishers) revenue in 2Q16 compared to 58% in 2Q15, 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 20% Revenue from our Desktop browser product was up in 2Q16 vs. 2Q15 driven by ARPU growth. Operator co-brand revenue was down in 2Q16 vs 2Q15, due to lower ARPU per operator user and a decrease in total users. Revenue from Apps and Games was up significantly compared to 2Q15, 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 \$10.7 million in the quarter, down 51% compared to 2Q15, with solid YoY growth from Device OEMs offset by lower other licensing revenue versus 2Q15.

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

CONSUMER (OWNED AND OPERATED PROPERTIES)

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.

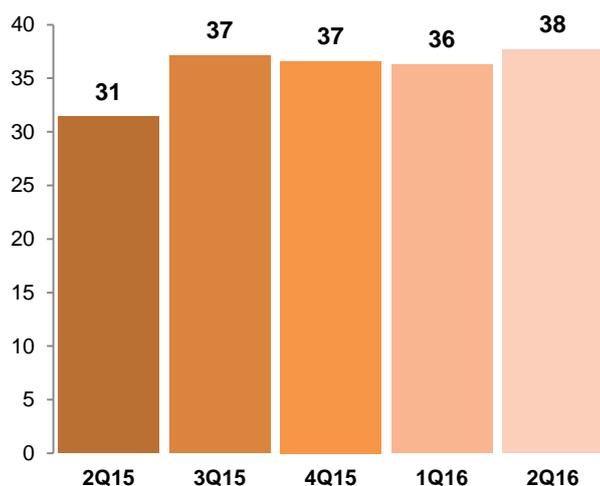
The two primary new consumer focus areas are "Apps and Games" and "Performance and Privacy Apps". While these are relatively new consumer focus areas for the Company, Opera is determined to make these more meaningful revenue contributors in the longer-term.

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)

	2Q16	2Q15
Mobile Browser	8.6	9.4
Apps and Games	11.7	1.1
Performance and Privacy Apps	1.2	0.7
Operator Co-brand Solutions	2.4	8.1
Desktop Browser	13.8	12.0
Total Revenue	37.7	31.4

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



Mobile Browser

Opera continues to maintain its position as a global leading mobile consumer company. In June 2016, 263 million unique users worldwide browsed the Web using Opera's mobile browser products. Of this 263 million, Opera had around 50 million users in India, 25 million in Indonesia, and around 23 million in Russia/CIS. Overall, Opera's user base exceeds 1 million in as many as 41 countries around the

world, giving it important critical mass to build stronger local monetization partnerships and business alliances.

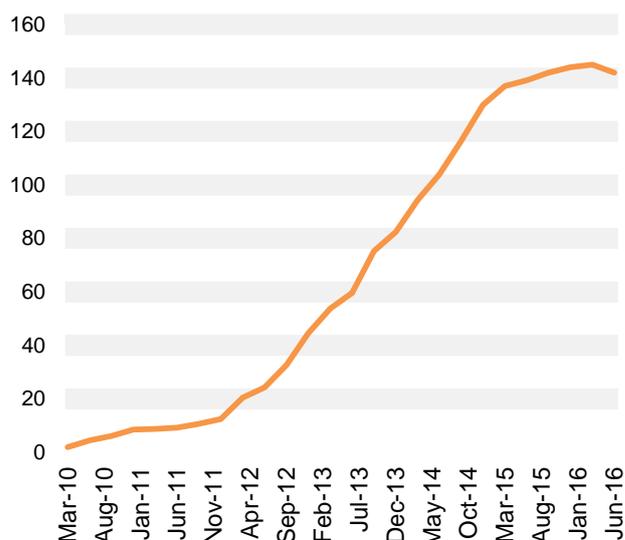
Opera's success across all mobile platforms is primarily driven by Opera Mini. Opera Mini caters to mobile browser user needs when they feel constrained by limited or expensive data plans or face congested or poor operator network conditions. Opera's success with Opera Mini emanates from five major sources:

- **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 June 2016, the number of Opera users on Android reached 142 million, up 2% versus 2Q15. 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 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.

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 2Q16 Opera became first major tech company to launch free VPN app for iOS. If you own an iPhone or iPad, the free Opera VPN app can help you enhance your online privacy, access more content and extend the reach of your apps. This is especially relevant on campuses and workplaces as people often experience restricted access to social-media and video-streaming websites.

Opera VPN for iOS is the first full, free VPN app from Opera. The team recently launched a VPN feature in the Opera browser for computers. When you enable Opera VPN on your iPhone or iPad, it removes ad-tracking cookies that follow you around the web, further increasing your online privacy. Opera VPN for iOS is available in select markets in English, Arabic, French, German, Indonesian, Japanese, Portuguese, Russian and Spanish.

In 2Q16 Opera launched ad blocker on all mobile platforms, powering faster browsing on Android, iOS and Windows Phone. The built-in feature landed in the Opera Mini browsers for iOS and Windows Phone, as well as the Opera browser for Android. This follows the recent release of native ad blocking on Opera Mini for Android and the Opera browser for computers.

Advertising has long powered the internet, enabling users to access online content and services free of charge. However, in recent years, some publishers in the advertising ecosystem have become too aggressive with ads leading to a poor user experience, and users have begun to perceive distracting or intrusive online ads as lessening the web browsing experience. Opera believes in consumer choice and is focused on delivering high quality user experiences across all company products.

Opera for Android, with ad blocker and Opera's signature compression, is able to load webpages faster than other browsers and with greater data savings. Tests show that Google Chrome took 14% longer than Opera to load a webpage on average, while Adblock Browser took as much as 79% longer. On data savings, the average amount of data Opera for Android downloaded per webpage after removing ads was 229 KB; Chrome consumed 84% more data, and Adblock Browser burned through 3.4 times more data.

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 allow 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 2015, 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 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 2016 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 2Q16 Opera and Idea Cellular announced the launch of Idea Games Club – a premium mobile-gaming app, which is now available exclusively to all Idea subscribers. The subscription to Idea Games Club would allow users to download and enjoy unlimited, full-version premium gaming apps on their smartphones, without worrying about in-app purchases and advertisements.

Idea Games Club complements the existing free and pay-per-download model from Google Play. The unique, subscription-based model gives customers access to a library of hundreds of premium games, without having to access a credit or debit card. Instead, the subscription amount will be deducted from the prepaid balance or will be added in the bill in case of post-paid account.

In 2Q16 Opera announced that XL and Hutchison 3 Indonesia (Tri) users in Indonesia can now download as many premium apps and games as they like with Opera Apps Club, an "all-you-can-eat" subscription service for Android apps. With this subscription, smartphone users will not have to worry about in-app purchases and advertisements. As low as Rp. 5,500, per week, the subscription is payable from the subscriber's prepaid balance or post-paid account. Even without a credit card, customers gain access to a library of more than 400 curated premium apps and games.

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.

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.

As of the end of 2Q16, 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.

In 2Q16 Opera announced it had worked together with Samsung's R&D Institute of Indonesia to bring the ultra data saving (UDS) feature to its users. Now, users of Samsung Galaxy J3, Galaxy J5 and Galaxy J7 devices is able to stretch their mobile data plans and get more enjoyment online, including up to twice as much YouTube video streaming. UDS leverages Opera Max's unique data-optimization technology, which reduces data consumption on images, webpages, videos and audio streams, especially with image-heavy or video apps, such as Instagram, YouTube, Netflix and Flipboard.

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 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.

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 2Q16 Opera unveiled a free VPN client with unlimited data usage in its newest developer version. A VPN - or virtual private network - allows you to browse the web more private, helps you to access region-restricted websites and shields your browsing when on public Wi-Fi.

The new VPN feature offers 256-bit encryption and even though Opera's built-in VPN is free, it offers the same solutions as paid VPNs:

- Hide your IP address - Opera will replace your IP address with a virtual IP address, so it's harder for sites to track your location and identify your computer. That way, you improve your privacy online.
- Unblocking of firewalls and websites - Many countries, schools and workplaces block video-streaming sites, social networks and other services. By using a VPN you can access your favorite content, not matter where you are.
- Public Wi-Fi security - When you're surfing the web on public Wi-Fi, intruders can easily sniff data. By using a VPN, you can improve the security of your personal information.

In 2Q16 Opera introduced Ad blocker integrated across Opera's mobile and computer browser. A native ad blocker is integrated into both the stable version of the Opera browser for computers. Opera users no longer need to install an ad-blocking extension or download an app, to

experience faster browsing. Opera is the first browser company to offer a native ad blocker across devices.

By integrating the ad-blocker technology directly into the browser code, the new Opera for computers speeds up page loading by as much as 89% compared to browsing without ad blocking. It is also 45% faster compared to Google Chrome with third-party ad-blocking extensions installed.

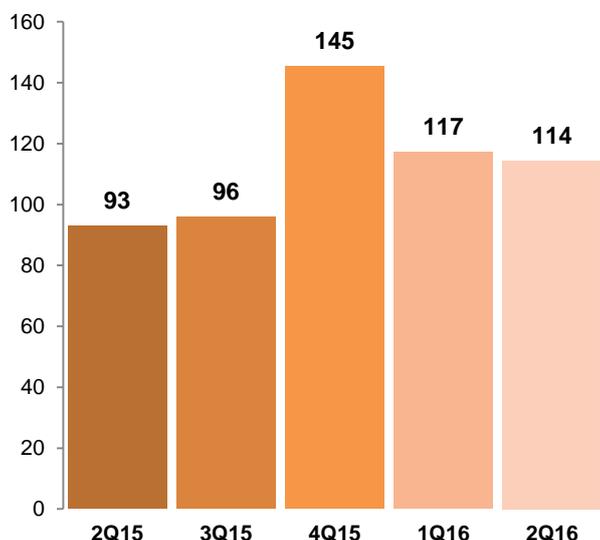
In 2Q16 Opera for computers became the first major browser to feature a battery saver. The new mode extends the laptop battery life by up to 50% compared to earlier versions of the Opera browser and to Google Chrome.

The web browser is among the most used software on the computer. It's the browser that enables people to work in the cloud, search the web, listen to music and watch videos. However, having many tabs open simultaneously often results in rapid battery drain that reduces a laptop's performance. Battery saving on Opera for computers is possible thanks to optimizations, such as reducing activity from background tabs, adapting page-redrawing frequency and tuning video-playback parameters.

In June 2016, the number of Desktop users was approximately 55 million, up 4% versus 2Q15. Revenue from Desktop was up 15% in 2Q16 versus 2Q15, driven primarily by higher search revenue.

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 1 000 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 2Q16, we ran campaigns for many of the top grossing app developers in the world across both iOS and Android.

In 2Q16, mobile video advertising revenues comprised 67% of Mobile Advertising revenue vs. 58% 2Q15. 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 2Q16, compared to 1 billion consumers (3rd Party Publishers) in 2Q15.

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 2Q16 increased 41% compared to 2Q15, fueled by expanded business with new and existing advertiser customers and continued growth in our video and performance advertising businesses.

Other Key 2Q16 Highlights:

In 2Q16 Opera Mediaworks appointed Keith Winter as Chief Operating Officer. In his new role, Winter will be responsible for building and scaling revenue and operations to help strengthen the company's position as the no. 1 platform for mobile advertisers and publishers. Winter brings more than 30 years of operational experience leadership – two-thirds of which are in digital – to the Opera Mediaworks executive team. He previously held COO and President titles with successful, well-known companies in the mobile, internet, media, advertising and gaming industries such as BuyMedia.com, Electronic Arts and Exponential/Tribal Fusion. He also led planning and development at Disney Interactive, directing North America, European and Asian operations in alignment with the company's strategic growth plan.

In 2Q16 Opera Mediaworks and Hilton Hotels & Resorts, in partnership with its agency OMD, have launched a mobile campaign featuring an interactive 360° video that takes the viewer on a virtual vacation, using Opera's innovative mobile video ad unit designed to create a fully immersive and engaging experience.

The technology, which allows the viewer to fully control the viewpoint simply by tilting or rotating the device – rather than tapping or swiping the screen to explore the environment – has been popular among auto, entertainment and sports verticals, who use it provide viewers a 360° view of an interior of a vehicle, live television show set or

basketball court. But for the tourism industry, the applications of the technology stretch much further.

This is the first time a major brand has launched a 360° video campaign across Opera Mediaworks' entire network of mobile publishers, with the massive scale and targeting parameters that Opera Mediaworks produced, including the use of True Audiences™ to target Leisure Travelers for this

In 2Q16 AT&T AdWorks Announces Results of Cross-screen Addressable Advertising Trials with Advertisers. AT&T AdWorks, the nationwide leader in addressable TV advertising, conducted a series of cross-screen addressable TV and mobile advertising trials with multiple Fortune 100 companies including Walmart and AT&T.

AT&T conducted the trials in collaboration with Opera Mediaworks, one of the world's largest mobile advertising and marketing platforms, so advertisers could reach their target audiences across TV and mobile devices. Advertisers were able to measure results on a variety of key performance indicators from brand/message favorability to sales.

AT&T tested the impact of cross-screen addressable advertising on our own products and services. We served addressable ads for AT&T's mobility service and measured the effect addressable advertising had on bringing in new customers. We delivered these ads to a subset of DIRECTV customers who did not have an AT&T mobility service registered at the same address. AT&T's addressable TV advertising results showed a 19% lift in sales. There was an additional lift in sales to nearly 27% when a consumer received the same addressable ad on both their TV and mobile devices.

Cross-screen addressable advertising is changing the way advertisers connect with audiences. AT&T AdWorks can help advertisers reach the right consumer with the right message. And advertisers can reach consumers on the right device when they are most interested in engaging with the brand.

In these trials, AT&T AdWorks combined AT&T's ability to deliver household-specific ads to nearly 13 million households⁵, the nation's largest TV addressable advertising platform, with Opera Mediaworks' cross-carrier mobile technology. Opera Mediaworks can reach more than 285 million mobile devices on major U.S. wireless carriers through its mobile ad technology. It has the second-largest penetration on the global top 1 000 apps. The majority of smartphones in the U.S. already receive customized ads from Opera within thousands of popular apps. These trials extend the advertisers' reach and help them better target, drive engagement and measure a campaign's success from end to end.

In 2Q16 Opera Mediaworks, the world's highest quality mobile advertising and marketing platform, and Immersion Corporation (NASDAQ:IMMR), the leading developer and licensor of haptic technology, are helping marketers improve campaign performance by adding touch technology to video. Mobile video advertising campaigns from major brands including Lexus, Peugeot, and a leading spirits brand experienced significant boosts in click-through rates, completed views, replay rates and ad recall after adding haptic effects.

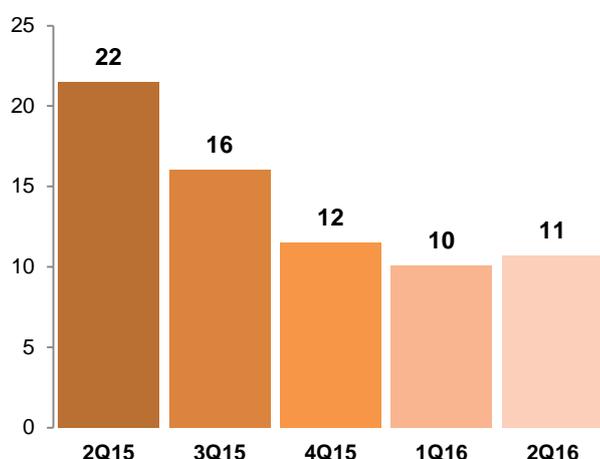
Immersion's TouchSense® technology changes the way that brands can engage consumers. By bringing the sense of touch to mobile advertisements, brands can creatively connect with users enhancing ad recall, strengthening brand impressions and improving click-through rates. Ads that included haptic effects saw click-through rates improve between 28 and 220 percent over ads without haptics. One brand experienced a 23 percent increase in positive sentiment, while another saw replay rates increase 31

percent on mobile phones and 59 percent on tablets. One campaign more than doubled their ad recall metrics by adding haptics effects from Immersion.

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 2Q16 Opera TV and Vestel partnered to deliver next-generation entertainment and interactive television experiences to European audiences. Opera TV's software will be incorporated in the new line of Vestel televisions, to provide customers with Ultra HD content and powerful interactive experiences using the latest Hybrid Broadcast and Broadband TV (HbbTV) specification, HbbTV 2.0. That means viewers will have harmonized access to linear and on-demand content, as well as interactive "red button" applications such as in-context-based advertising, personalization, voting, games, social networking, and other multimedia apps, to easily control their viewing experience.

HbbTV is both an industry standard and a global initiative designed to harmonize the broadcast and broadband delivery of entertainment services to consumers through connected televisions, set-top boxes and multiscreen devices. HbbTV can deliver services ranging from VOD to interactive advertising to voting to games to enhanced teletext to web browsing and other multimedia apps. HbbTV is currently available on 25 million devices in 15 countries, with 100 available apps. Last year, HbbTV availability expanded to the United Kingdom, New Zealand, Senegal, Namibia, Bosnia and Estonia, with expansion planned to Norway, Malaysia, Thailand, Vietnam, South Africa and Ivory Coast in 2016.

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 distribution partnerships 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.

Events after the Reporting Date

With reference to the voluntary cash offer (the "Offer") for 100% of the shares of Opera Software ASA, pursuant to the offer document dated 14 March 2016, Kunqi (the "Offeror") announced on 18 July 2016 that the Offeror and Opera have used their best efforts to obtain the regulatory approvals required for the consummation of the Offer, but the condition to the Offer set out in Section 4.3 c. of the offer document (Consent of Governmental Authority) was not satisfied as of 15 July 2016 (the "Drop-Dead Date"). As a condition for entering into the alternative transaction (the "Transaction") described below, the Offeror requested that Opera agree that the Drop-Dead Date should not be extended. This request was accepted by Opera. Accordingly, Opera and the Offeror agreed that the Drop-Dead Date should not be extended beyond 15 July 2016. The Offer thus lapsed on 15 July 2016. The Opera shareholders who tendered their shares in the Offer are released from their acceptance of the Offer and all the shares in Opera that were tendered in the Offer are, as of 18 July 2016, free and clear of the blocking established pursuant to the terms of the Offer.

On 17 July 2016, Opera and Golden Brick Capital Private Equity Fund I L.P., which is backed by the affiliates of the partners of the Offeror (Kunlun Tech Limited, Future Holding L.P., Keeneyes Future Holding Inc, Qifei International Development Co. Limited and Golden Brick Capital Private Equity Fund I L.P. collectively, the

"Consortium"), entered into a share purchase agreement for an alternative private transaction, in which the Consortium will acquire certain parts of Opera's consumer business.

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

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

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

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

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

Opera's CEO, Lars Boilesen, will serve as CEO for both Opera and the Consumer Business until 31 December 2016. After this date, Boilesen will no longer hold the role as CEO for the Consumer Business, and will be solely dedicated to Opera.

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

Amendment to the Agreement on 15 August 2016:

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

Outlook

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

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 260 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 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, August 30, 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.

Key Financial Figures

(Numbers in \$ million, except earnings per share)	2Q 2016 (Unaudited)	2Q 2015 (Unaudited)	1H 2016 (Unaudited)	1H 2015 (Unaudited)
Revenue	162.9	146.2	326.4	273.0
EBIT ¹⁾	1.8	15.2	1.5	19.6
EBIT, excluding stock-based compensation expenses ¹⁾	4.3	17.3	6.7	24.6
EBITDA ¹⁾	17.8	27.4	33.0	42.8
Adjusted EBITDA ²⁾	20.3	29.5	38.2	47.7
Non-IFRS Net income	4.8	12.6	11.1	23.5
EPS	(0.037)	(0.009)	(0.154)	(0.192)
EPS, fully diluted	(0.037)	(0.009)	(0.154)	(0.192)
Non-IFRS EPS	0.033	0.086	0.076	0.164
Non-IFRS EPS, fully diluted	0.032	0.083	0.074	0.160

¹⁾ excluding restructuring costs

²⁾ excluding restructuring costs and stock-based compensation expenses

See note 10 for further explanation of alternative performance measures



Interim condensed financial statements

Consolidated statement of comprehensive income

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

	2Q 2016 (Unaudited)	2Q 2015 (Unaudited)	% change	1H 2016 (Unaudited)	1H 2015 (Unaudited)	% change
Revenue	162.9	146.2	11%	326.4	273.0	20%
Total operating revenue	162.9	146.2	11%	326.4	273.0	20%
Publisher and revenue share cost	75.8	52.2	45%	150.4	98.3	53%
Payroll and related expenses ¹⁾	40.7	38.8	5%	83.0	76.5	8%
Stock-based compensation expenses	2.5	2.1	18%	5.2	5.0	5%
Depreciation, amortization, and impairment expenses	16.0	12.2	31%	31.5	23.2	36%
Other operating expenses	26.1	25.7	2%	54.8	50.5	9%
Total operating expenses	161.0	131.1	23%	324.9	253.4	28%
Operating profit ("EBIT"), excluding restructuring costs	1.8	15.2		1.5	19.6	
Restructuring costs	2.6	0.7		5.0	4.9	
Operating profit ("EBIT")	(0.8)	14.5		(3.5)	14.7	
Net financial items (loss)	(0.7)	(6.4)		(13.0)	(32.7)	
Profit (loss) before income tax	(1.5)	8.0		(16.5)	(18.0)	
Provision for taxes ²⁾	3.8	9.3		5.9	9.4	
Profit (loss)	(5.3)	(1.3)		(22.4)	(27.5)	
Items that may be reclassified subsequently to profit (loss)						
Foreign currency translation differences	(3.7)	(2.3)		8.1	5.5	
Total comprehensive income (loss)	(9.0)	(3.6)		(14.3)	(22.0)	
Earnings per share:						
Basic earnings (loss) per share (USD)	(0.037)	(0.009)		(0.154)	(0.192)	
Diluted earnings (loss) per share (USD)	(0.037)	(0.009)		(0.154)	(0.192)	
Shares used in earnings per share calculation	146,266,418	147,356,187		145,855,386	143,502,747	
Shares used in earnings per share calculation, fully diluted	146,266,418	147,356,187		145,855,386	143,502,747	

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

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



Consolidated statement of financial position

(Numbers in \$ million)

	6/30/2016 (Unaudited)	6/30/2015 (Unaudited)	12/31/2015 (Unaudited)
Assets			
Deferred tax assets	24.9	22.7	27.0
Goodwill	400.9	347.5	389.7
Intangible assets	119.3	109.9	129.7
Property, plant and equipment	26.9	19.8	27.5
Other investments	0.1	0.2	0.1
Other non-current assets	2.4	1.9	2.5
Total non-current assets	574.5	502.0	576.6
Inventories	0.3	0.5	0.3
Accounts receivable	177.3	157.9	197.3
Other receivables	26.3	31.5	34.0
Cash and cash equivalents	117.3	133.7	97.7
Total current assets	321.2	323.6	329.3
Total assets	895.7	825.5	905.8

(Numbers in \$ million)

	6/30/2016 (Unaudited)	6/30/2015 (Unaudited)	12/31/2015 (Unaudited)
Shareholders' equity and liabilities			
Equity attributable to owners of the company	349.1	376.4	354.9
Non-controlling interests	0.0	0.0	0.0
Total equity	349.1	376.4	354.9
Liabilities			
Deferred tax liability	10.4	0.0	13.2
Financial lease liabilities	7.2	0.7	5.6
Loans and borrowings	250.0	150.0	150.0
Other non-current liabilities	9.5	0.1	0.1
Provisions	56.1	41.4	59.6
Total non-current liabilities	333.2	192.2	228.5
Loans and borrowings	35.0	0.0	0.0
Financial lease liabilities	1.9	1.3	5.7
Accounts payable	31.6	30.9	42.9
Taxes payable	6.3	4.8	14.5
Public duties payable	9.1	5.0	9.8
Deferred revenue	11.6	8.2	8.4
Stock-based compensation liabilities	0.1	0.1	0.1
Other current liabilities	77.4	67.2	96.9
Provisions	40.3	139.6	144.0
Total current liabilities	213.3	257.0	322.5
Total liabilities	546.6	449.2	551.0
Total equity and liabilities	895.7	825.5	905.8



Consolidated statement of cash flows

(Numbers in \$ million)

	2Q 2016 (Unaudited)	2Q 2015 (Unaudited)	1H 2016 (Unaudited)	1H 2015 (Unaudited)
Cash flow from operating activities				
Profit (loss) before taxes	(1.5)	8.0	(16.5)	(18.0)
Income taxes paid	(9.3)	(4.5)	(9.9)	(14.5)
Depreciation and amortization expense	16.0	12.2	31.5	23.2
Net (gain) loss from disposals of PP&E, intangible assets, and goodwill	0.0	(0.1)	(0.0)	(0.1)
Impairment losses	0.0	0.0	0.0	0.0
Changes in inventories, trade receivables, trade and other payables	(1.4)	(15.5)	3.6	(22.6)
Other net finance items	(0.0)	0.0	(0.7)	0.0
Changes in other operating working capital	(2.7)	21.4	(9.7)	9.3
Share of net income (loss) and net (gain) loss from disposal of associated companies	0.0	1.4	0.0	2.6
Share-based remuneration	3.0	2.0	6.8	5.4
Earnout cost and cost for other contingent payments	(0.2)	5.8	2.7	32.0
FX differences related to changes in balance sheet items	3.5	0.1	11.0	(2.8)
Net cash flow from operating activities	7.3	31.0	18.8	14.5
Cash flow from investment activities				
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	0.0	0.0	0.4	0.0
Purchases of property, plant and equipment (PP&E) and intangible assets	(1.9)	(2.2)	(4.3)	(4.2)
Capitalized R&D costs	(5.1)	(3.3)	(8.4)	(7.9)
Purchases of subsidiaries and associated companies, net of cash acquired ¹⁾	(6.6)	(22.2)	(121.1)	(89.7)
Other investments	0.0	(0.0)	0.0	(3.0)
Net cash flow from investment activities	(13.6)	(27.7)	(133.3)	(104.8)
Cash flow from financing activities				
Proceeds from exercise of treasury shares (incentive program)	0.0	0.3	0.0	1.3
Purchase of treasury shares	0.0	0.0	0.0	0.0
Proceeds from issuance of shares, net (incentive program)	0.0	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	0.0	0.0	135.0	90.0
Repayments of loans and borrowings	0.0	0.0	0.0	0.0
Payment of finance lease liabilities	(1.3)	(0.3)	(2.6)	(0.6)
Dividends paid to equity holders of Opera Software ASA	0.0	(4.8)	0.0	(4.8)
Net cash flow from financing activities	(1.3)	(4.8)	134.2	85.8
Net change in cash and cash equivalents	(7.5)	(1.4)	19.6	(4.5)
Cash and cash equivalents (beginning of period) ²⁾	124.8	135.1	97.6	138.2
Cash and cash equivalents	117.3	133.7	117.3	133.7

¹⁾ In Q2 2016, \$0.0 million (YTD: 0.0) is related to initial payments for the purchase of subsidiaries, and \$6.5 million (YTD: 121.1) is related to earnout payments with cash effect. In Q2 2015, \$7.2 million (YTD: 32.5) was related to initial payments for the purchase of subsidiaries, and \$15.0 million (YTD: 57.2) was related to earnout

²⁾ \$8.1 million (6/30/2015: \$3.7 million) is restricted cash and cash equivalents as of June 30, 2016.



Consolidated Statement of Changes in Equity

(Numbers in \$ million) - unaudited

	Number of shares	Paid-in capital	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
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)						(22.4)	(22.4)
Other comprehensive income (loss)							
Foreign currency translation differences					8.1		8.1
Total comprehensive income (loss)		0.0	0.0	0.0	8.1	(22.4)	(14.3)
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	1.8					1.8
Treasury shares purchased							0.0
Treasury shares sold							0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			6.8				6.8
Total contributions by and distributions to owners	1.0	1.8	6.8	0.0	0.0	0.0	8.6
Other equity changes							
Other changes						(0.0)	(0.0)
Total other equity changes		0.0	0.0	0.0	0.0	(0.0)	(0.0)
Equity as of 6/30/2016	146.3	345.6	45.2	(34.7)	22.0	(29.0)	349.1
<p>During 2Q 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 June 30, 2016, Opera owned 380,584 own shares.</p> <p>During 2Q 2016, Opera issued 0 (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)						(27.5)	(27.5)
Other comprehensive income (loss)							
Foreign currency translation differences					5.5		5.5
Total comprehensive income (loss)		0.0	0.0	0.0	5.5	(27.5)	(22.0)
Contributions by and distributions to owners							
Dividends						(4.8)	(4.8)
Issuance of ordinary shares related to business combinations	2.4	29.4					29.4
Issuance of ordinary shares related to incentive program							0.0
Issuance of ordinary shares related to equity increase							0.0
Treasury shares purchased							0.0
Treasury shares sold	1.2			0.0		1.3	1.3
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			5.4				5.4
Total contributions by and distributions to owners	3.6	29.4	5.4	0.0	0.0	(3.5)	31.3
Other equity changes							
Other changes		(0.2)					(0.2)
Total other equity changes		(0.2)	0.0	0.0	0.0	0.0	(0.2)
Equity as of 6/30/2015	145.3	346.9	36.0	(34.7)	11.0	17.2	376.4



Notes to the condensed consolidated interim financial statements

Note 1 - Corporate Information

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

Note 2 - Statement of Compliance

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

Note 3 - Basis of Accounting

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

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

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

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



Note 4 - Contingent Liabilities and Provisions

Valuation techniques and significant unobservable inputs:

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

Reconciliation of Level 3 fair values:

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

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



Note 4 - Contingent Liabilities and Provisions (continued)

Earnout payments made in 2016 (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
With cash flow effect				
Q1	109.6	4.1	0.8	114.6
Q2			6.5	6.5
Q3				-
Q4				-
Total	109.6	4.1	7.4	121.1
With no cash flow effect (released from escrow)				
Q1			4.1	4.1
Q2			0.5	0.5
Q3				-
Q4				-
Total	-	-	4.6	4.6

Estimated payments (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
Jul-16			9.4	9.4
Sep-16		6.9		6.9
Oct-16	15.2			15.2
Jan-17	3.1			3.1
Apr-17		18.5	7.9	26.4
Sep-17		9.0		9.0
Apr-18		7.0	7.2	14.2
Sep-18		6.2		6.2
Apr-19		7.8		7.8
Sep-19		6.9		6.9
Apr-20		8.7		8.7
Total	18.3	71.0	24.5	113.7

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
Jun-16			9.4	9.4
Sep-16		6.9		6.9
Oct-16	15.2			15.2
Jan-17	3.1			3.1
Apr-17		25.7	7.9	33.6
Sep-17		11.0		11.0
Apr-18		22.0	7.2	29.2
Sep-18		9.8		9.8
Apr-19		12.3		12.3
Sep-19		0.2		0.2
Apr-20		0.0		0.0
Total	18.3	87.9	24.5	130.7

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	3.8	0.7
Annual revenue (10% decrease)	N/A	(13.4)	(4.0)
EBIT (5% increase)	N/A	1.7	0.3
EBIT (5% decrease)	N/A	(11.0)	(1.5)

Effect on Fair value (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial
Annual revenue (10% increase)	N/A	5.2	0.8
Annual revenue (10% decrease)	N/A	(16.9)	(4.5)
EBIT (5% increase)	N/A	2.3	0.3
EBIT (5% decrease)	N/A	(12.5)	(1.6)

Note 5 - Financial Risk

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

Revenue by currency	2Q 2016	%	1H 2016	%
<i>(Numbers in \$ million)</i>				
USD	129.0	79.2%	265.6	81.4%
BRL	9.9	6.1%	18.4	5.6%
EUR	9.5	5.9%	17.9	5.5%
GBP	3.0	1.8%	5.9	1.8%
TRY	3.0	1.9%	4.9	1.5%
Other	8.4	5.2%	13.7	4.2%
Total	162.9	100.0%	326.4	100.0%

Operating expenses by currency	2Q 2016	%	1H 2016	%
<i>(Numbers in \$ million)</i>				
USD	117.5	71.8%	252.9	76.7%
NOK	10.8	6.6%	18.2	5.5%
EUR	7.9	4.8%	16.8	5.1%
BRL	7.1	4.3%	13.4	4.1%
GBP	4.3	2.6%	8.7	2.7%
Other	16.0	9.8%	19.8	6.0%
Total	163.6	100.0%	329.9	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.

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

	Recalculated with 2Q 2015 rates	FX effect using 2Q 2015 rates	Recalculated with 1Q 2016 rates	FX effect using 1Q 2016 rates
<i>(Numbers in \$ million)</i>				
Revenue	163.8	1.0	161.7	(1.1)
Expenses	163.7	0.1	159.1	(4.5)

Note 6 - Financial Items

Financial items	2Q 2016	2Q 2015	1H 2016	1H 2015
<i>(Numbers in \$ million)</i>				
Other interest income (expense), net	(1.9)	(1.1)	(2.6)	(1.9)
Interest expense related to contingent consideration	(2.4)	(6.1)	(5.6)	(12.4)
FX gains (losses) related to contingent consideration, net	1.0	6.4	4.7	(11.8)
Other FX gains (losses), net	0.9	2.1	(7.3)	4.3
Revaluation of contingent consideration	1.8	(6.1)	(1.8)	(7.8)
Share of profit (loss) from associated companies	(0.2)	(1.6)	(0.4)	(3.0)
Net financial gain (loss)	(0.7)	(6.4)	(13.0)	(32.7)

Note 7 - Liquidity Risk

Credit facility

In Q1 2016, Opera drew an additional \$100 million of its secured credit facility of \$250 million. During Q1 2016 Opera signed an agreement with DNB Bank ASA to increase its secured credit facility of \$250 million (of which \$60 million was a 3 year term loan and \$190 million was a Revolving Credit Facility) by \$35 million to a total of \$285 million, split between a term loan of \$60 million and a Revolving Credit Facility of \$225 million. The credit facility amount will automatically reduce to the original amount of \$250 million at December 31, 2016. \$35 million is therefore classified as current loans and borrowings as at 6/30/2016. As at 6/30/2016, \$285 million has been drawn.

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



Note 8 - Investment in Associated Companies

(Numbers in \$ million)

Information regarding nHorizon Innovation	2Q 2016 (Unaudited)	1H 2016 (Unaudited)
Revenue	6.2	9.3
EBIT	(3.3)	(7.4)
Net profit (loss)	(3.4)	(7.6)
Assets		13.6
Current liabilities		26.2
Equity		(12.6)

(Numbers in \$ million)

Investment in associate company

The investments in nHorizon Innovation are recognized using the equity method. In 1H 2016, Opera has not made any further investments. The total investment as of June 30, 2016 was \$26.6 million. As of June 30, 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 June 30, 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	0.4
Share of the profit (loss)	(0.4)
Elimination	0.0
Balance as of 6/30/2016	(0.0)

Note 9 - Accounts Receivable and Other Receivables

(Numbers in \$ million)

Accounts receivable and other receivables	6/30/2016 (Unaudited)	6/30/2015 (Unaudited)
Accounts receivable	115.9	101.3
Unbilled revenue	61.3	56.6
Other receivables	26.3	31.5
Total	203.6	189.4

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 June 30, 2016, \$18.5 million was recognized as escrow payments related to acquisitions in the statement of financial position.



Note 10 - Alternative performance measures

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

Alternative performance measures:

Adjusted EBITDA (Non-IFRS EBITDA):

EBITDA excluding stock-based compensation expenses and restructuring costs.

EBIT:

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

See note 12 for a reconciliation of EBIT to Adjusted EBITDA for all periods presented

Revenues and expenses on a constant currency basis.

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

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

Non-IFRS Net income:

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

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

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

Non-IFRS EPS:

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



Note 10 - Alternative performance measures (continued)

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

IFRS to Non-IFRS Reconciliations	2Q 2016 (Unaudited)	2Q 2015 (Unaudited)	1H 2016 (Unaudited)	1H 2015 (Unaudited)
IFRS Profit (loss)	(5.3)	(1.3)	(22.4)	(27.5)
Non-cash stock-based compensation expenses	2.5	2.1	5.2	5.0
Impairment of intangible assets	0.0	0.0	0.0	0.0
Acquisition-related adjustment - depreciation of acquired intangible assets	9.6	7.5	19.4	14.0
Items excluded from operating expenses	12.1	9.6	24.7	18.9
Non-operations related costs	2.6	0.7	5.0	4.9
Items excluded from restructuring costs	2.6	0.7	5.0	4.9
Acquisition-related adjustment - non-cash Interest expense ¹⁾	2.4	6.1	5.6	12.4
Acquisition-related adjustment - non-cash FX (gains) losses ¹⁾	(1.0)	(6.4)	(4.7)	11.8
Other FX (gains) losses, net	(0.9)	(2.1)	7.3	(4.3)
(Gain) losses on non-controlling strategic equity interest	(0.2)	1.6	(0.4)	3.0
Acquisition-related adjustment - revaluation ¹⁾	(1.8)	6.1	1.8	7.8
Items excluded from net financial items	(1.5)	5.4	9.6	30.8
Acquisition-related adjustment - non-cash income taxes	(3.1)	(1.8)	(5.7)	(3.6)
Items excluded from provision for taxes	(3.1)	(1.8)	(5.7)	(3.6)
Non-IFRS Profit (loss)	4.8	12.6	11.1	23.5
Non-IFRS Basic earnings per share (USD)	0.033	0.086	0.076	0.164
Non-IFRS Diluted earnings per share (USD)	0.032	0.083	0.074	0.160

¹⁾ Related to contingent consideration



Note 11 - Events after the Reporting Date

With reference to the voluntary cash offer (the "Offer") for 100% of the shares of Opera Software ASA, pursuant to the offer document dated 14 March 2016, Kunqi (the "Offeror") announced on 18 July 2016 that the Offeror and Opera have used their best efforts to obtain the regulatory approvals required for the consummation of the Offer, but the condition to the Offer set out in Section 4.3 c. of the offer document (Consent of Governmental Authority) was not satisfied as of 15 July 2016 (the "Drop-Dead Date"). As a condition for entering into the alternative transaction (the "Transaction") described below, the Offeror requested that Opera agree that the Drop-Dead Date should not be extended. This request was accepted by Opera. Accordingly, Opera and the Offeror agreed that the Drop-Dead Date should not be extended beyond 15 July 2016. The Offer thus lapsed on 15 July 2016. The Opera shareholders who tendered their shares in the Offer are released from their acceptance of the Offer and all the shares in Opera that were tendered in the Offer are, as of 18 July 2016, free and clear of the blocking established pursuant to the terms of the Offer.

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

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

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

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

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

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

Opera's CEO, Lars Boilesen, will serve as CEO for both Opera and the Consumer Business until 31 December 2016. After this date, Boilesen will no longer hold the role as CEO for the Consumer Business, and will be solely dedicated to Opera.

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

Amendment to the Agreement on 15 August 2016:

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

Opera expects the historical results of the parts of the Group that are to be disposed to be reported as discontinued operations in Q3 2016.



Note 12 - Quarterly Historical information

(Numbers in \$ million, except earnings per share)	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Revenue	162.9	163.5	193.5	149.4	146.2
Revenue (% sequential growth)	0%	-16%	30%	2%	15%
EBIT ¹⁾	1.8	(0.3)	14.5	11.0	15.2
EBIT, excluding stock-based compensation expenses ¹⁾	4.3	2.4	17.4	11.8	17.3
EBITDA ¹⁾	17.8	15.2	29.9	26.6	27.4
Adjusted EBITDA ²⁾	20.3	17.9	32.8	27.5	29.5
Non-IFRS Net income	4.8	6.4	11.2	17.4	12.6
EPS	(0.037)	(0.117)	(0.045)	(0.118)	(0.009)
EPS, fully diluted	(0.037)	(0.117)	(0.045)	(0.118)	(0.009)
Non-IFRS EPS	0.033	0.043	0.077	0.120	0.086
Non-IFRS EPS, fully diluted	0.032	0.042	0.075	0.117	0.083

¹⁾ excluding restructuring costs

²⁾ excluding restructuring costs and stock-based compensation expenses

See note 10 for further explanation of alternative performance measures

Reconciliation of EBIT to Adjusted EBITDA, including historical quarters:

(Numbers in \$ million)	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Operating profit ("EBIT") including restructuring costs	(0.8)	(2.7)	11.0	8.9	14.5
Restructuring costs	2.6	2.4	3.5	2.0	0.7
Stock-based compensation expenses	2.5	2.7	3.0	0.8	2.1
Depreciation, amortization, and impairment expenses	16.0	15.5	15.4	15.7	12.2
Adjusted EBITDA	20.3	17.9	32.8	27.5	29.5



Note 12 - Quarterly Historical information (continued)

Revenue - Last 5 Quarters

(Numbers in \$ million)

Revenue Type	YTD 2016	YTD 2015
Mobile Advertising - 3rd Party Publishers	231.6	176.1
Consumer (Owned and Operated Properties)	74.0	56.9
Tech Licensing	20.8	40.0
Total	326.4	273.0

Revenue Type	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Mobile Advertising - 3rd Party Publishers	114.4	117.1	145.4	96.2	92.9
Consumer (Owned and Operated Properties)	37.7	36.3	36.6	37.1	31.4
Tech Licensing	10.7	10.1	11.5	16.1	21.9
Total	162.9	163.5	193.5	149.4	146.2

Consumer (Owned and Operated Properties)	YTD 2016	YTD 2015
Operator Co-brand Solutions	5.6	15.8
Desktop Browser	26.4	22.4
Mobile Browser	17.4	16.1
Apps and Games	21.7	1.7
Performance and Privacy Apps	2.9	0.9
Other	0.0	0.0
Total	74.0	56.9

Consumer (Owned and Operated Properties)	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Operator Co-brand Solutions	2.4	3.2	4.4	6.0	8.1
Desktop Browser	13.8	12.6	14.0	13.1	12.0
Mobile Browser	8.6	8.8	8.7	9.8	9.4
Apps and Games	11.7	10.0	8.6	7.4	1.1
Performance and Privacy Apps	1.2	1.7	0.9	0.7	0.7
Other	0.0	0.0	0.0	0.0	0.0
Total	37.7	36.3	36.6	37.1	31.4

Revenue Customer Type	YTD 2016	YTD 2015
Mobile Operators	7.0	25.6
Mobile Consumers	38.9	33.1
Mobile Publishers and Advertisers	238.7	176.1
Desktop Consumers	27.2	23.5
Device OEMs	14.5	14.6
Other	0.0	0.0
Total	326.4	273.0

Revenue Customer Type	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Mobile Operators	2.9	4.2	5.6	7.4	16.3
Mobile Consumers	20.7	18.1	19.8	23.4	16.6
Opera Mediaworks	117.7	121.0	145.4	96.2	92.9
Desktop Consumers	14.4	12.8	14.3	14.0	13.1
Device OEMs	7.1	7.4	8.4	8.4	7.4
Other	0.0	0.0	0.0	0.0	0.0
Total	162.9	163.5	193.5	149.4	146.2



Note 12 - Quarterly Historical information (continued)*(Numbers in \$ million)*

Revenue Type	YTD 2016	YTD 2015
Licenses/royalties	21.9	46.7
Development fees	5.4	6.4
Maintenance, support, and hosting	3.3	3.4
Search	25.7	21.6
Advertising	251.0	193.6
Application and content	20.1	1.2
Subscription	0.0	0.1
Other revenue	(1.0)	0.0
Total	326.4	273.0

Revenue Type	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Licenses/royalties	11.2	10.7	11.3	19.2	25.6
Development fees	2.7	2.6	2.5	1.5	3.3
Maintenance, support, and hosting	1.4	1.9	2.6	1.9	1.6
Search	13.1	12.6	13.9	13.2	12.1
Advertising	124.7	126.3	155.1	107.1	102.8
Application and content	10.8	9.3	7.9	6.5	0.7
Subscription	-	-	0.4	(0.2)	0.1
Other revenue	(1.1)	0.1	0.0	0.0	0.0
Total	162.9	163.5	193.5	149.4	146.2

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	142.1	96.5
Revenue Share Cost	8.2	1.8
Total	150.4	98.3

(Numbers in \$ million)

Publisher Cost/Revenue Share Cost	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Publisher cost	71.4	70.7	86.9	56.3	51.5
Revenue Share Cost	4.3	3.9	4.0	2.5	0.8
Total	75.8	74.6	90.9	58.8	52.2



Interim Management Report

Review of 1H 2016

Operations

Revenue in 1H 2016 was USD 326.4 million, up 20% compared to 1H 2015, when revenue was USD 273.0 million. Total operating costs, excluding one-time costs, were USD 324.9 million in 1H 2016 compared to USD 253.4 million in 1H 2015, an increase of 28%. Adjusted EBITDA* was USD 38.2 million in 1H 2016 compared to USD 47.7 million in 1H 2015. EBIT** was USD 1.5 million in 1H 2016 compared to USD 19.6 million in 1H 2015. Profit for the period was USD (22.4) million in 1H 2016 compared to USD (27.5) million in 1H 2015.

Cash flow

The Company generated USD 18.8 million in cash flow from operations in 1H 2016, compared to USD 14.5 million in 1H 2015. Cash outflow for investments amounted to USD 133.3 million, including USD 121.1 million related to acquisitions, USD 8.4 million related to research and development and USD 4.3 million related to capital expenditures. Cash inflow from financing activities amounted to USD 134.2 million, with USD 135 million in proceeds from loans and borrowings, USD 1.8 million in proceeds from exercise of options and USD 2.6 million related to payment of finance lease liabilities.

Financial position

Total assets increased from USD 825.5 million to USD 895.7 million, primarily due to increases in Goodwill and Intangible assets, as well as increases in accounts receivables, offset by reductions in cash and cash equivalents.

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 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.

Major related party transactions

In the past 6 months, there have been no major related party transactions which have had a material impact on the financial statements.

Risk factors

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. Of the Group's revenue for 1H 2016, 81 % is generated in USD, 6 % in BRL, 6 % in EUR, and 7 % other currencies. Of the Group's operating expenses, 77 % is in USD, 6 % in NOK, 5 % in EUR, 4 % in BRL, and 8 % other currencies. Exchange rate fluctuations in these currencies impact Opera's income statement, and can have a significant impact on our operating and financial results. Exchange rate fluctuations may also affect the value of Opera's capital expenditures as a result of investments made by its subsidiaries.

Further, each of the risk factors described in FY 2015 Annual Report, under the heading "Risk Factors," can have a significant negative impact on Opera's business, financial results, operations, cash flow, and the trading price of our common stock. For additional explanations regarding risks and uncertainties, please refer to the FY 2015 Annual Report.

Disclaimer

Readers are referred to the disclaimer outlined in the 2Q 2016 presentation posted at www.oslobors.no.

** Adjusted EBITDA (Non-IFRS EBITDA) excludes stock-based compensation expenses, and one-time costs*

*** In 1H 2015 and 1H 2016, Opera recognized one-time costs. Including one-time costs, EBIT for 1H 2015 would have been USD 14.7 and EBIT for 1H 2016 would have been USD (3.5).*

Statement by the BOD and the CEO

Unaudited – 1H 2016 report of Opera Software ASA

The Board of Directors and the CEO have today reviewed and approved the condensed consolidated interim report for Opera Software ASA of June 30, 2016, and for the first half-year 2016.

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Norwegian disclosure requirements in accordance with the Norwegian Securities Trading Act.

The Board of Directors and the CEO consider the accounting policies applied to be appropriate. Accordingly, to the best of their knowledge and without the benefit of an audit, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as of June 30, 2016, and of the results of the Group's operations and cash flows for the first half-year 2016.

The Board of Directors and the CEO also consider the interim report to give a true and fair view of the information required by the Norwegian Securities Trading Act section 5–6 fourth paragraph.

Oslo, August 30, 2016

The Board of Directors

Opera Software ASA

Sverre Munck ,Chairman

Andrè Christensen

Audun Wickstrand Iversen

Sophie Charlotte Moatti

Marianne Heien Blystad

Erik Johan Möller, Employee representative

Malin Rundberg, Employee representative

Robert Mieczyslaw Tomaszewski, Employee representative

Lars Rahbæk Boilesen, CEO