



The choice of a **faster** world

ANNUAL REPORT | 2013



REVENUE
2013
300.1 MUSD

REVENUE UP OVER 25 X
DURING THE LAST 10 YEARS

Our choice is to **climb** this mountain

KPI [2009 - 2013]	2009	2010	2011	2012	2013
Revenue (MUSD)	97.5	114.5	159.8	216.0	300.1
Adjusted EBITDA (MUSD)	13.0	23.8	47.4	63.5	86.6
Operating cash flow (MUSD)	10.1	12.6	36.7	37.6	49.5
Opera browser users (millions)	100	160	250	300	350
Employees	757	747	777	931	1039



- 40% Mobile publishers and advertisers
- 21% Operators
- 20% Desktop consumers
- 13% Mobile consumers
- 6% Device OEMs



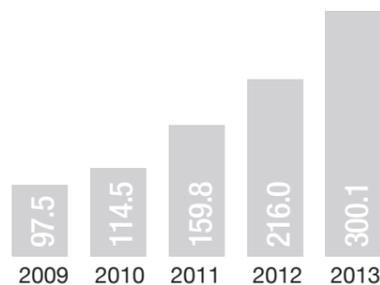
*Numbers prior to 2011 are converted from NOK to USD based on average historical FX rates

2013 the year in numbers

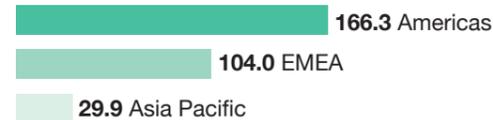
REVENUE [NUMBERS IN MUSD]

300.1 MILLION

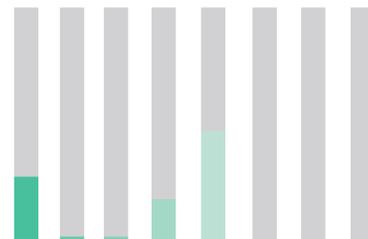
Record revenue in 2013



REVENUE BY REGION [NUMBERS IN MUSD]



REVENUE TYPE 2013 [NUMBERS IN MUSD]



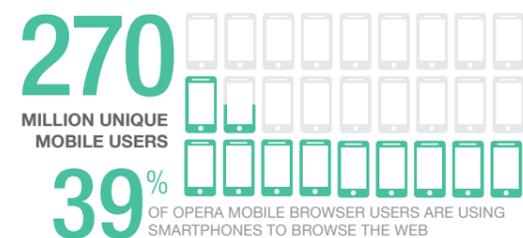
- 84.2 Licenses/royalties
- 7.6 Development fees
- 7.7 Maintenance, support and hosting
- 55.3 Search
- 142.7 Advertising
- 1.6 Application and content
- 1.1 Subscription
- 0.0 Other revenue

REVENUE SOURCE

- 40% Mobile publishers and advertisers
- 21% Operators
- 20% Desktop consumers
- 13% Mobile consumers
- 6% Device OEMs

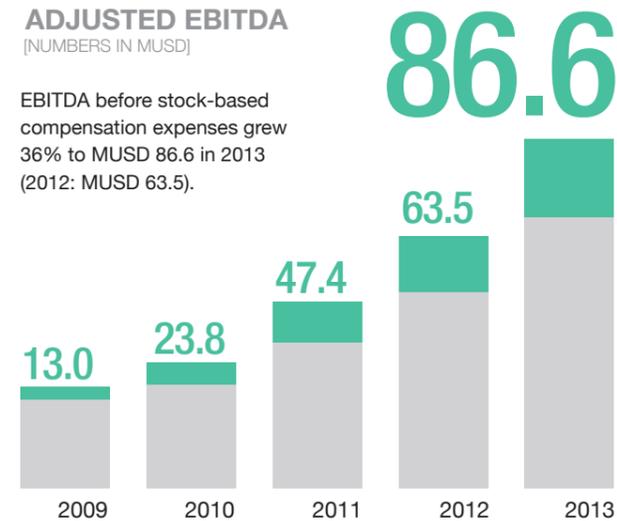


MOBILE CONSUMERS



ADJUSTED EBITDA [NUMBERS IN MUSD]

EBITDA before stock-based compensation expenses grew 36% to MUSD 86.6 in 2013 (2012: MUSD 63.5).



OPERATING EXPENSES 2013 [NUMBERS IN MUSD]



- 24.4% Cost of goods sold
- 45.6% Payroll and related expenses
- 8.7% Depreciation expenses
- 21.3% Other operating expenses

CASH FLOW [NUMBERS IN MUSD]



Net cash flow from operating activities in 2013 totaled MUSD 49.5 (2012: 37.6).

EARNINGS PER SHARE

\$ 0.490

OPERATORS

130 WORLDWIDE

EBIT* 2013

61.8 MUSD

EMPLOYEES

1039

* EBIT excludes one-time extraordinary costs

USERS BY DEVICE

350 MILLION USERS

Opera's cloud-based consumer products and services enable more than 350 million internet users to discover and connect with the content and services that matter most to them, no matter the device, network or location.

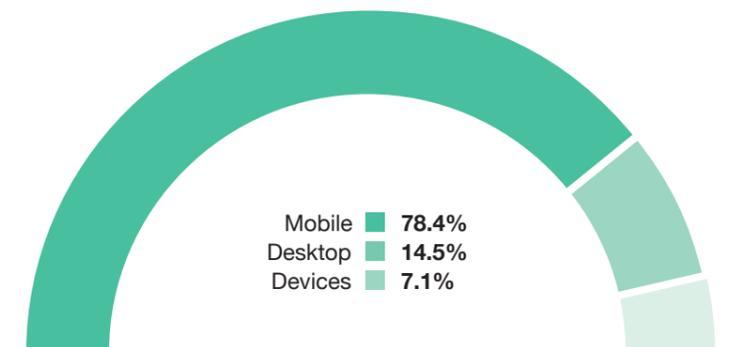




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The consolidated financial statements, which have been drawn up by the Board and management, must be read in conjunction with the Annual Report and the independent auditor's opinion.

What is choice **really** about?

We make choices every minute of every day – when to wake up, how long to brush our teeth, what to wear, what to invest in. Choice is as important to you as it is to the millions of users, and thousands of advertisers and publishers, that choose Opera.

The opportunities for the web are endless, and the potential for growth seems to extend with every person who gets access. Opera is focused on helping to get the next billion people online. Whether they're in fully developed or emerging markets, when given a choice to join the web community, millions choose Opera to help them.

Advertisers choose how to reach out and grab new audiences; publishers decide how to disseminate their content and who they want to

see it; and, 23 out of the top 25 global media companies choose Opera to reach 500 million mobile consumers and counting.

Discerning users, operators, manufacturers, publishers, advertisers and investors choose Opera because of its unique technologies. Opera generates growth by succeeding in three very simple objectives:

- We enable advertisers and publishers to broaden their audiences and reach millions of potential customers.
- We create technologies that empower users to access the content they want in dynamic and exciting ways on any screen.
- We help device manufacturers and operators enable the web experiences that their consumers demand.



The choice of our CEO

Opera experienced another excellent year in 2013. Our impressive results and user growth in 2013 were the result of our continued, flawless execution on the plan, further diversification of our product portfolio and re-sparked Opera innovation. We are no longer on our way to becoming a mobile consumer internet company — in 2013, we officially became one.

KEY NUMBERS, 2013	
REVENUE	300.1 MUSD
ADJ. EBITDA*	86.6 MUSD
EBIT**	61.8 MUSD
OPERATING CASH FLOW	49.5 MUSD

FIRING ON ALL CYLINDERS

Up until 2010, Opera only made browsers, and we were good at it. In fact, we were ahead of our time. But, in 2010, we realized we would have to do more in order to survive and thrive, and we started down a path of diversification. At the start of 2013, we pledged to focus on the following three areas to make our business even more sustainable over the long term: (i) consumer browser products, (ii) mobile operators and (iii) advertisers and publishers, under the Opera Mediaworks brand. At the beginning of 2014, I can proudly say that we have transformed these three focal areas into three thriving business units, all of which are firing on all cylinders. Let me now turn to how our three business units contributed to Opera's success in 2013.

Consumer browser products

Browsers are our history. They're in our DNA. For many years, our own browser engine, Presto, served us well and propelled us to the forefront of browser innovation. That is why it was extremely difficult to make the decision to move from Presto to the open-source Chromium browser engine in 2012. Our objective in switching engines was to be able to move more employees to product innovation and away from browser "hygiene" in the guts of the engine. In addition, we hoped to re-spark the innovation for which Opera has been known.

One year into the switch, I am happy to report that the move has served us very well. In 2013,

we launched totally new, built-from-scratch mobile and desktop products. We also developed and launched brand-new products including the revolutionary new browser Opera Coast and Opera Max. The browser product teams are delivering like never before, we have more engineers working on products and features than ever before, and we have been able to accelerate product cycles and releases and decrease time to market for all our browser products. And, best of all, the new products have been very well received in the market. The great user growth we have seen over the past year is a testament that we are playing in the big leagues.

Here are some highlights about our user numbers and consumer browser business:

- We have 270 million mobile users.
- We have 85 million users on Android and are becoming a serious player, as people migrate from basic phones to smartphones.
- We released new desktop products and now have over 50 million users.
- We launched a revolutionary new way to browse on tablets, Opera Coast, with the iPhone version just around the corner.
- We launched Opera Max.

Mobile operator products

Our mobile operator business has been successful for many years with our flagship product, the co-branded Opera Mini browser, and the addition of Opera Web Pass to the portfolio in 2012. In 2013, we acquired Skyfire, Inc.

Skyfire's unique video compression technology and cloud solutions have given us a further edge in the operator business by helping us expand our product portfolio with such products as Rocket Optimizer, Horizon Toolbar and Opera Max. Now, we have premium products that cover operators' complete portfolio from basic phones to the most advanced smartphones. We have never been as attractive to and relevant for mobile operators as we are today, which is evidenced by the fact that we continue to sign agreements for new products with mobile operators around the world.

Here are some highlights about our mobile operator business:

- Acquired Skyfire and announced a Global Frame Agreement with Telenor and a U.S. tier-1 operator for Skyfire's video compression technology
- Signed and launched Opera Web Pass with key operator partners in 7 markets for easy retailing of data access
- Accelerated growth for the co-branded Opera Mini, driven by continued momentum from key customers such as Telenor, MTN, Vimpelcom, Vodafone, Telkomsel and Airtel.
- Launched Opera Max beta in the United States and prepared for global roll-out in 2014

Opera Mediaworks.

Our Opera Mediaworks business has been the definition of a success. At the close of 2013, this business delivered nearly \$120m in revenue, up from zero revenue in 2009 and \$54m in 2012. We made significant investments in innovation to expand our service portfolio, delivering new capabilities for rich-media and video ad units, targeting and audience segmentation, and performance-oriented tools to serve advertisers around the world. Our brand-focused ad networks, Mobile Theory (USA) and 4th Screen Advertising (U.K.), had great results in 2013, attracting category leaders in every major advertising vertical in mobile. These offerings, together with our AdMarvel publisher platform, helped us extend our customer reach in 2013, giving us revenue growth that outpaced the rest of the industry.

The value proposition we offer to mobile publishers and advertisers is second to none. Reflecting our work to integrate all these components under a single platform under a single brand, we have built a new marketing message for 2014: "Opera Mediaworks — Powering the Global Ad Economy".

Here are some highlights about our Opera Mediaworks business:

- Serves 17 of the top 25 media companies (publishers) and 23 of the top 25 global brands (advertisers)
- Enabled over \$500m of revenue for our publisher customers in 2013
- Delivered advertising to more than 500m unique mobile consumers
- Managed over 65b ad impressions per month

In 2013, we took further steps to leverage the Opera Mediaworks organization to drive monetization of our own and operated services beyond the browser:

- Saw the Opera Mobile Store become the largest independent app store in the world, with more than 100m visitors a month and driving more than 60m downloads a month
- Launched new payment solutions, including Opera Web Pass and subscription app stores for operators, worldwide
- Saw OSP (Opera Stats Platform), our big data engine, give us deep, near-real-time insights gleaned from billions of page views and petabytes of mobile data consumption

In 2014, a key area of focus for Opera Mediaworks is to maximize the monetization of Opera's owned and operated products and properties including Opera Mini, Opera for smartphones, Opera Max and our connected-TV products.

In summary, I am very proud of what we have accomplished in 2013. Opera has never been as relevant in all our businesses in terms of customer-reach, technology and product innovation. The teams we have in place are solid across the board and are as operational and dedicated to achieving success as they come. We set ambitious goals, and we consistently get things done. I believe we have found the recipe for Opera's continued success, and I look forward to Opera's future.

Best regards,

Lars

* NON-IFRS EBITDA EXCLUDES STOCK OPTION COSTS AND ONE-TIME EXTRAORDINARY COSTS

**EXCLUDING ONE-TIME EXTRAORDINARY COSTS



The choice is Opera

Opera's cloud-based consumer products and services enable more than 350 million internet users to discover and connect with the content and services that matter most to them, no matter the device, network or location. In turn, these products and services help advertisers to reach the audiences that

build value for their businesses and publishers to monetize their content and services. Opera also delivers products and services to more than 130 operators around the world, enabling them to provide a faster, more economical and better network experience to their subscribers.

PHOTO STORY

In order to get a grip on what everyday choices are really about, we went to the Big Apple, where we met people from all over the world.

This is the story about ordinary people making ordinary choices in an ordinary world, coming together in the Big Apple. It gave us a lot to think about. Not only does it share the enthusiasm about their passion for Opera, this story also says a lot about our choice in life. Here's a sneak peak into the life of a few of those people we met who have made their choice.

ASHLEY - IT'S YOUR BIRTHDAY
VISITING FROM SAN FRAN TO CELEBRATE IN NEW YORK



The choice is yours

This is the best time to **choose** Opera

ULLAH: WHAT TIME IS IT? TIME FOR OPERA.
FROM BANGLADESH, NOW KEEPS TRACK OF TIME IN NYC

USING A STANDARD MOBILE BROWSER, THE TOTAL USAGE IS

100%

COMPRESSION TECHNOLOGY

10%

USING OPERA MINI, THE TOTAL USAGE IS

The choice to compress it all

Opera leads the world in data-savings technology and has among the world's largest mobile cloud infrastructure.

OPERA MAX

VIDEO COSTS A LOT OF DATA, AND ULTIMATELY DATA IS MONEY. WE MAKE VIDEOS LIGHTER: A 10 MB VIDEO BECOMES 3 MB. IT LETS YOU GET

10 MB
3 MB
50%
MORE OUT OF YOUR DATA PLAN

Opera is a global leader around the development and deployment of compression and data-savings technologies to consumers and operators around the world.

Opera Mini, which compresses web content by up to 90% and was first deployed in 2005, is among the most popular mobile browsers in the world due its web content download speed and its ability to save consumers significant amounts of money on data. This compression is delivered via Opera's mobile cloud infrastructure, which is among the largest in the world.

Opera has created an amazing legacy in data-savings cloud computing and is in the position to continue to be a global leader in the field of compression. The company's newest consumer product, Opera Max, capitalizes on Opera's rich data-compression history, offering users the ability to save data on all browsers and almost any app on their phones, including high-data, intensive video applications such as Vine and Instagram.



PUSH "PLAY" AND MEET JOEL RODRIGUEZ ON LOWER MANHATTAN

JOEL PREFERS OPERA – IF YOU WANT TO GO FAST
THE NEED FOR SPEED, ALSO AT WORK IN LOWER MANHATTAN

Consumer products for every **device**

For an established global player with an international reach, users choose Opera to discover the content, services and apps they want. Opera's suite of browsers provides the best web experience on first-rate and last-rate networks, on nearly any device.

The next billion people coming online will choose the mobile web as a primary method of connecting to the content and services that matter most to them. Today, 270 million unique users worldwide browse the web with an Opera mobile browser. From low-end basic phones to Android smartphones to high-end tablets, Opera works on more than 3,000 phones and supports more platforms than any other browser.

are attracting advertisers to help extend their reach and drive users and usage and, ultimately, revenue. Quick access to the Opera Mobile Store, co-branding options, Speed Dial placement, curated content and ad placement in the Discover feature, and search, make Opera's mobile browsers a proven channel to target and reach the audiences that premium and performance advertisers desire.

WHAT USERS AND ADVERTISERS WANT

With support from features like Speed Dial website shortcuts and the Discover content-discovery feature, Opera browsers

LI ENJOYS OPERA WHILE HAVING A BREAK
IT SHOULD BE FUN GRABBING YOUR PHONE MID-DAY





Enjoy on-the-go browsing on any phone

IT'S ALL ABOUT MOBILE VIDEO

Opera's newest compression solution for mobile users, codenamed Turbo2, is being tested in the Opera for Android browser. This revolutionary data-savings technology gives users access to video content, while avoiding buffering and a poor user experience. In addition, with Turbo2, advertisers will be able to deliver highly engaging, fast-loading rich-media and video ads and content.

A SIGNIFICANT PERCENT OF THE WORLD'S DATA TRAFFIC

In December 2013, Opera's mobile cloud infrastructure served more than 183 billion pages and compressed over 17 petabytes of data for Opera Mini users. In all, 39% of the total users of Opera mobile browsers are using smartphones to browse the web. Compared to December 2012, the total user base of Opera mobile browsers grew by more than 17%.

MEANINGFUL STRIDES IN OPERA PREINSTALLATION WITH ANDROID OEMS

In line with Opera's focus on the growing Android market, 2013 also brought partnerships with important Android OEMs. Most prominently, in 2013, fourteen Indian device manufacturers decided to preinstall Opera Mini on their future Android devices. Opera Mini is well suited for India, the world's third-largest smartphone market, thanks to its data-saving capabilities. Opera Mini will be the exclusive third-party browser preinstalled on all Android devices manufactured by Celkon, Karbonn, Lava, Intex, Micromax, Videocon, Spice, MoMagic Technologies, Wynncom, Lemon Mobile and iBall Android devices.

MOBILE USERS

MOBILE WEB ACCESS HAS HELPED

270 MILLION

PEOPLE GET ONLINE ON MOBILE DEVICES

39%

OF OPERA MOBILE BROWSER USERS ARE USING SMARTPHONES TO BROWSE THE WEB

CAMILA & PILAR ARE READY TO GO PARTYING

ENJOY A GREAT DAY, ALL DRESSED UP FOR FUN

“The U.S. beta showed Opera Max to be extremely effective, saving users up to 50% on all the data traffic traveling through their devices, including as much as 70% on video alone.”



Share your discoveries

A REVOLUTIONARY NEW BROWSER

In 2013, Opera launched Opera Coast, a radical redesign of browsing on Apple's iPad. The newest addition to the Opera browser family, Opera Coast opts for gesture-based controls and full-canvas browsing.

Opera Coast, with its unique look and feel, enables Opera to reach potentially higher-income consumers, bringing opportunities for premium advertisers to reach a more exclusive user base.

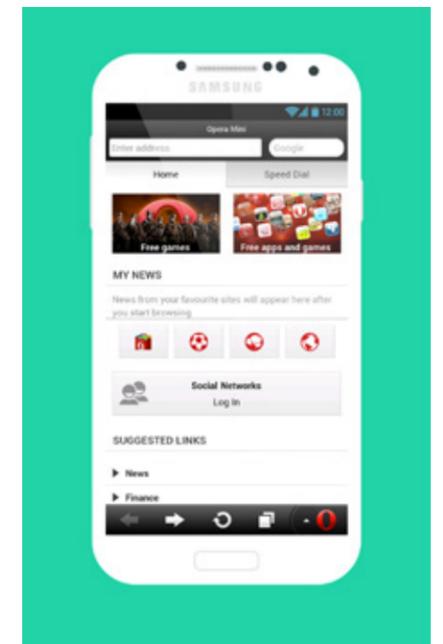
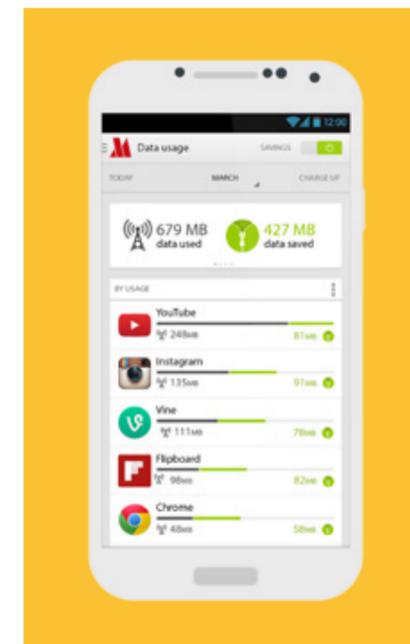
SAVE DATA ON EVERY APP, AND ENGAGE USERS WITH MORE MOBILE VIDEO

Opera Max, an Android app that utilizes the Rocket Optimizer™ mobile video/media optimization technology to help users save data across almost every app on their phones, including all browsers, launched in beta form in 2013. The U.S. beta showed Opera Max to be extremely effective, saving users up to 50% on all the data traffic traveling through their devices, including as much as 70% on video alone.

OPERA WORKS ON MORE THAN

3,000
PHONE MODELS

“WE BELIEVE THE PHONE MODEL SHOULD NOT BE A BARRIER TO THE WEB.”



DILARA IS READY TO TAKE HER SUITCASE ANYWHERE
SHE CHOSE TO COME TO NYC - ALL THE WAY FROM TURKEY



Driving revenue and savings for **operators** around the world

Opera has the products and services that allow global operators to offer the most compelling, cloud-based mobile experiences to current and future customers, anywhere in the world. Opera helps more than 130 operators around the world to increase revenue, improve customer retention and decrease capital expenditures and operating expenses.



MAFIZ KNOWS THE IMPORTANCE OF BEING FAST
HE SMILES AWAY WHILE SERVING TODAY'S CHOICES



Get where you're going faster with Opera

SKYFIRE SIGNIFICANTLY ENHANCES OPERA'S OPERATOR OFFERINGS

In March 2013, as part of the Company's mission to expand the number of products and services the Company can offer our burgeoning operator customer base, Opera acquired privately-held Skyfire, a global leader in mobile video optimization and cloud solutions for mobility. Skyfire, headquartered in Mountain View, California, is best known for its cloud-based Rocket Optimizer™ mobile-video 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. The Rocket Optimizer™ solution can minimize long start times, rebuffering and stalling on video and audio streams, reducing frustration for 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.

With video expected to consume over two-thirds of global mobile bandwidth by 2017, and as time spent on Android and iOS devices continues to explode, Skyfire is a strong extension of Opera's solution set for operators.

Opera's 130+ carrier relationships, global sales team and delivery organization are accelerating the global commercialization of Skyfire's technology. In addition, integrating Opera's advertising solutions into Skyfire's Horizon™ solution will offer mobile operators the option of a complete turnkey solution, including ad optimization, ad sales and rich analytics.

DRIVING DATA REVENUE

Operators, via an Opera/operator co-branded solution, are able to offer their mass market subscribers content compression, fast internet download speeds and convenient access to operator portal services, which enable operators to drive incremental revenue and offer lower-priced data plans and data packages, all capitalizing on the up-to-90% data compression that Opera's cloud services enable.

Via Opera Web Pass, Opera makes purchasing data plans simpler and more compelling for operator subscribers. Operators can now move beyond confusing, megabyte-based data plans and offer use-case/content-based data plans, which are inherently easier for consumers to understand and value. Opera Web Pass provides operators with a scalable solution to provide cost-effective data bundles that match their users' needs. With minimal integration work, an operator can now deploy tailor-made, mobile-internet packages to their entire user base easily and quickly.



ROCKET OPTIMIZER™

60% BOOST

IN BANDWIDTH CAPACITY ACROSS SMARTPHONES, TABLETS AND LAPTOPS ON 3G AND 4G LTE NETWORKS

FAHAD TAKES THE FAST LANE WITH OPERA

NEW YORK IS DIFFERENT FROM KUWAIT, ISN'T IT?



DOMINIC HAS USED OPERA FOR A VERY LONG TIME
HE REMEMBERS THE VERY FIRST BROWSERS – DO YOU?

A global leader in mobile ads

Opera reaches over 500 million unique monthly users with 65 billion ad impressions a month.

BRANDS

23/25

TOP GLOBAL BRANDS
ARE SERVED BY OPERA
MEDIWORKS

Via the Opera Mediaworks brand, Opera powers the mobile ad economy through technology innovation, transparency and trust, to create vibrant marketplaces for publishers and advertisers across the globe. This enables advertisers to efficiently reach their target audience and publishers to improve their monetization. Opera Mediaworks operates one of the largest brand-focused mobile-ad networks in the world, serving 23 of the 25 top global brands. Opera also delivers world-leading, mobile-ad server and monetization tools to 17 of the top 25 media companies, worldwide.

the ability for publishers to deliver mobile advertising from media they sell directly or via ad campaigns acquired through more than 140 mobile-focused ad networks and DSPs around the world. This includes Opera's own premium and performance ad networks. Opera reaches over 500 million unique mobile consumers a month via its third-party publisher network and manages over 65 billion ad impressions a month, across more than 14,000 mobile sites and applications.

AMONG THE LARGEST BRAND-FOCUSED MOBILE AD NETWORKS IN THE WORLD

Opera combines teams in the United States, Europe, Latin America, Asia and Africa, servicing 23 of the top 25 global brands. Via Opera's

MOBILE-AD SERVING AND MEDIATION
Opera, with the AdMarvel SDK, the industry's leading third-party mediation hub, provides

ADD MARKET

OPERA DELIVERS WORLD-LEADING, MOBILE-AD SERVER AND MONETIZATION TO

17/25

TOP MEDIA COMPANIES WORLDWIDE

PUBLISHERS CAN DELIVER MOBILE ADVERTISING FROM MEDIA THEY SELL DIRECTLY OR VIA AD CAMPAIGNS ACQUIRED THROUGH MORE THAN

130

MOBILE-FOCUSED AD NETWORKS AND DSPS AROUND THE WORLD

network of publishers, premium advertisers can get access to an audience from among the world's top premium publishers. In addition, by partnering with Opera, advertisers are able to capitalize on the Company's creative teams, which specialize in the creation of rich-media ads and campaigns that inspire and engage.

PERFORMANCE AND DIRECT-RESPONSE ADS

Opera Response provides real-time targeting and optimization of performance campaigns. Opera Response helps advertisers generate quality leads, registrations, app downloads and sales.

REAL-TIME MOBILE AD EXCHANGE

The Opera Mediaworks Ad Exchange (OMAX 2.0) is a real-time-bidding (RTB) platform that brings advertisers, agency trading

desks, DSPs, SSPs, publishers and app developers together into a public and private marketplace for mobile. This enables efficient and automated buying and selling of mobile advertising.

COOPERATIVE DATA MANAGEMENT

Building on a legacy as a trusted partner for the management of a publisher's private data, Opera now 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 publishers pool their data to provide better targeting and advertisers to identify and reach their target consumer more easily.



HERNANDES LIKES TO GO ONLINE ON-THE-GO
FROM MEXICO – TAKING A BITE OF THE BIG APPLE

65 BILLION
AD IMPRESSIONS PER MONTH

AGENCIES

THE OUTREACH IS EXPANDING, AND, IN 2014, WE WILL GROW WITH HUNT IN LATIN AMERICA

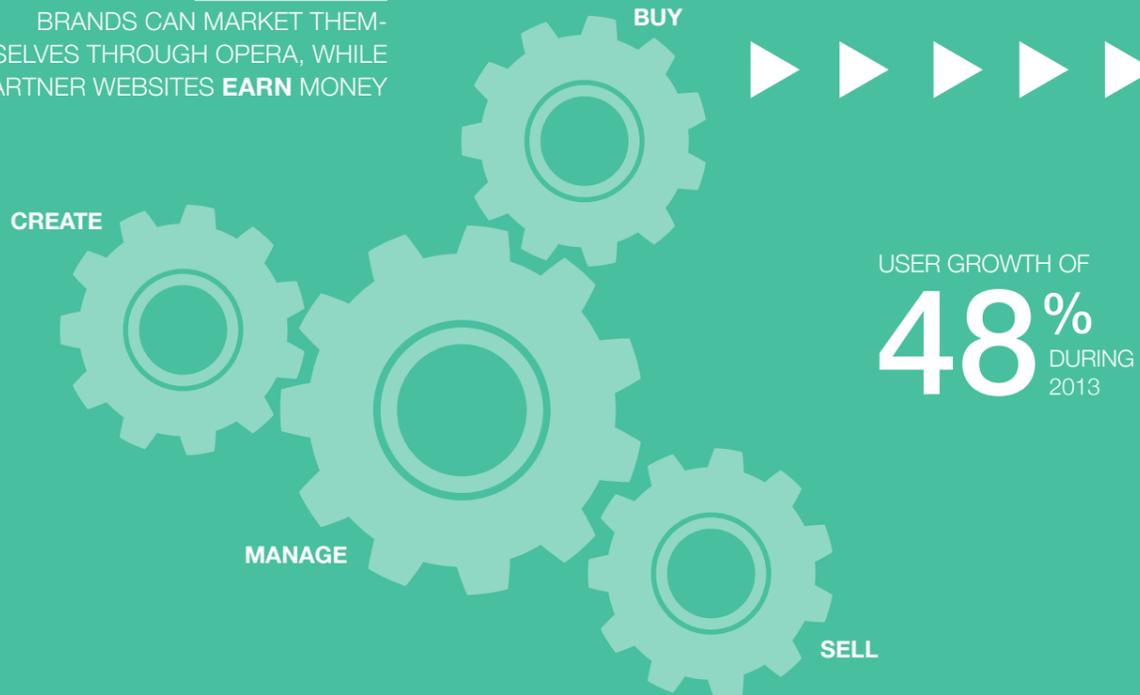
AdMarvel, Mobile Theory, 4th Screen Advertising and Hunt

BRANDS

MANY OF THE WORLD'S MOST FAMOUS BRANDS COME TO US

American Express, Audi, Lufthansa, McDonald's, Starbucks, Walmart, Home Depot, Mazda, Microsoft, Paramount, Unilever, Apple, BMW, eBay, Levi's, Shell, Sky, Samsung, AMEX, Lloyds, Amazon, Google; performance advertisers such as Candy Crush Saga, Netspend, Audible, Expedia and King.com.

HOW IT WORKS
BRANDS CAN MARKET THEMSELVES THROUGH OPERA, WHILE PARTNER WEBSITES EARN MONEY



USER GROWTH OF **48%** DURING 2013

AD IMPRESSIONS BEING DELIVERED THROUGH OVER **14,000** MOBILE SITES AND APPLICATIONS

PARTNERS

PREMIUM PUBLISHERS LIKE PANDORA MEDIA, SHAZAM, SKY, THE WALL STREET JOURNAL, AND UNIVISION HAVE ALL CHOSEN OPERA TO HELP PROMOTE, MAINTAIN, TRACK AND PROFIT FROM THEIR UNIQUE CONTENT.

COMPANIES CAN REACH OUT TO **500** MILLION



Enjoy a moment of happiness and a **fast** browsing experience

Opera engineers products and services that allow users to get online quickly and discover new content. Opera's browsers are speeding up connections all over the world.

CARLOS CREATES HAPPY MOMENTS EVERYDAY
HAPPINESS MIGHT PASS BY – CHOOSE YOUR MOMENT





The fastest browser for computers gets revamped

SPEED DIAL ENTRIES

PROVIDING PARTNERS PROMINENT PLACEMENT TO OVER

50 MILLION USERS

In 2013, Opera released a completely revamped desktop browser, Opera for Windows and Mac. With a change in code-base from Opera's own Presto engine to developing on the Chromium/Blink rendering engine, Opera is now able to ensure that users get premium site compatibility and the fastest and smoothest web experience possible.

MORE THAN A SIMPLE UPDATE

The new Opera for Windows and Mac introduced several innovative features to the Opera browser line, including Off-Road mode, an improvement to Opera Turbo that compresses websites and enables pages to load faster when on congested or sluggish networks. Opera for Windows and Mac also introduced users to the Stash feature, which allows users to save earmarked webpages for viewing and searching at a later time.

PUT CONTENT DIRECTLY INTO THE USER'S FIELD OF VISION

The Discover feature, which provides users with a graphically-based view of the latest

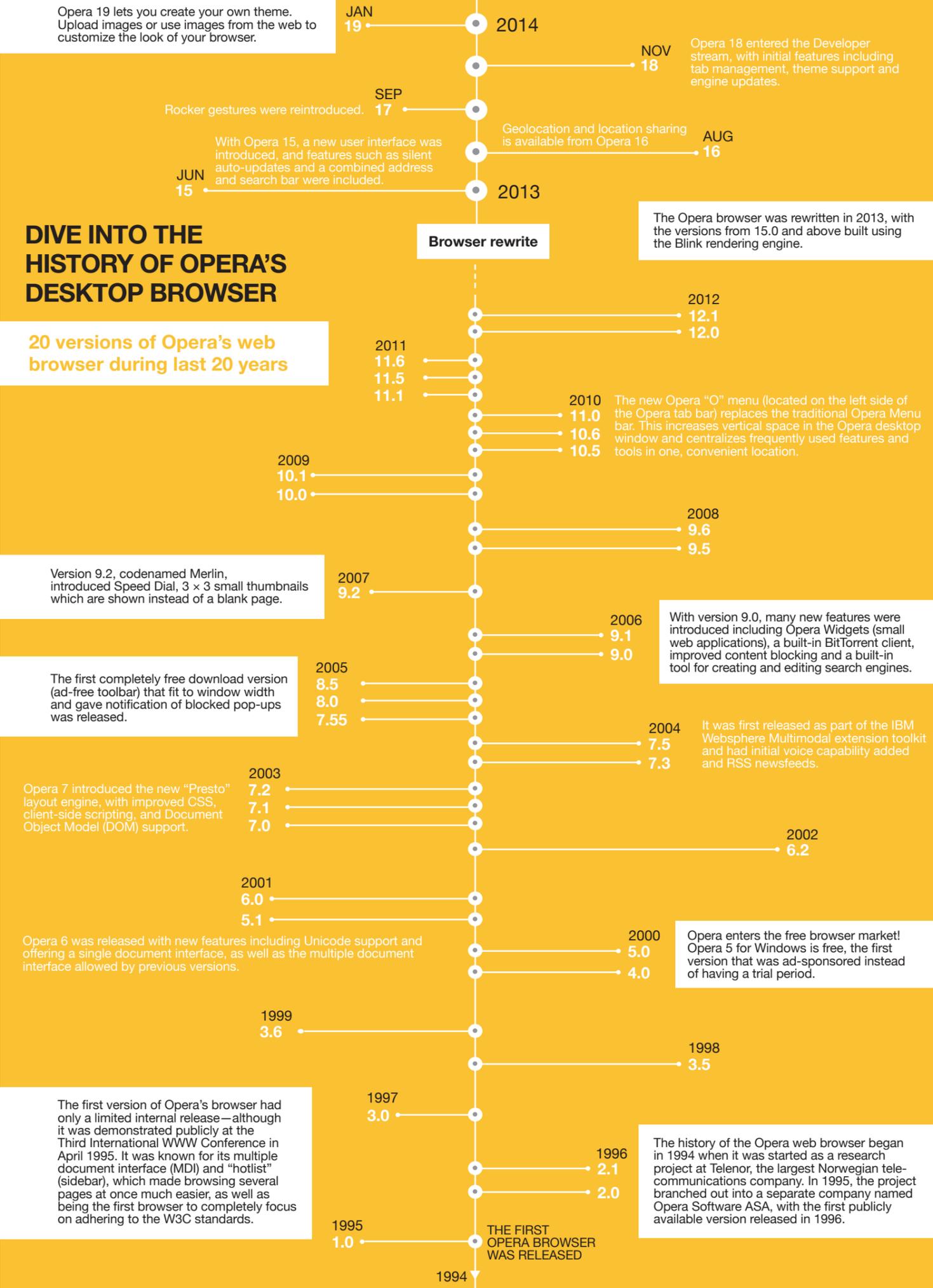
news and information from a variety of content sources and categories, enables advertisers and publishers to provide a unique, non-intrusive method of reaching potential consumers.

PROMINENT PLACEMENT FOR BRAND IDENTITIES

Opera for Windows and Mac drives revenue from Google- and Yandex-sponsored search. Content providers can increase brand awareness and drive traffic to their web properties via multiple content-distribution paths. In 2013, the Opera for Windows and Mac start page, and its ubiquitous Speed Dial, supported partnerships for commercial giants including Facebook, Amazon and Booking.com. The Speed Dial feature promotes services with one-click access to websites. A customized thumbnail serves as a visual tease that pushes logos or content and increases click-throughs. Localized content also appears in default Speed Dial entries, providing partners prominent placement and access to a desktop user base of 50 million users.

DIVE INTO THE HISTORY OF OPERA'S DESKTOP BROWSER

20 versions of Opera's web browser during last 20 years





Zap through a world of fun and **entertainment** on every screen

Take pleasure in the best experiences on every screen, large and small.

DULCE & DIANA ARE READY TO HAVE SOME FUN
ENTERTAINMENT COMES IN MANY FORMATS



LICENSE AGREEMENTS



Opera has license agreements with a wide range of consumer electronic device OEMs:

- Entone
- Huawei
- Humax
- KATHREIN
- Loewe
- MediaTek
- Nintendo
- Pioneer
- Philips
- Sagem
- Sharp
- Sony
- Technicolor
- TechniSat
- TiVo
- Toshiba
- TP Vision
- Verifone
- Vestel

Bringing web content to the home's largest screen

Opera delivers the entire value chain to the connected-TV ecosystem, from a foundational software development kit (SDK) that combines HTML5-based TV apps and full internet browsing with emerging standards, to tools that allow for easy channel creation, to a robust Opera TV Store marketplace that allows consumers to select from hundreds of channels to watch on their living-room screens.

HELPING MANUFACTURERS MAKE SMARTER TVS

The Opera Devices SDK provides the ideal foundation for developing connected, interactive TV solutions by combining web apps and full internet browsing with emerging standards like HTML5, CSS, HbbTV and OIPF. For more than a decade, the Opera Devices SDK has unleashed the power of the web on millions of TVs, set-top boxes, portable media players and other devices, around the globe.

Opera launched the industry's first commercial-grade Chromium/Blink engine designed for reference design kit (RDK) set-top boxes in

2013. This RDK is a reference library of shared components used to build software for home entertainment set-top boxes. Opera's advances in providing Chromium/Blink rendering to these devices gives manufacturers and operators the ability to deliver cross-platform web services and HTML5-based TV apps.

A WORLD OF TV CONTENT, AVAILABLE ON MILLIONS OF CONNECTED TVS

Connected TVs, set-top boxes and Blu-ray Disc players from major brands are now shipping with the Opera TV Store as a key component for consumers. The Opera TV Store brings hundreds of HTML5-enabled, internet media and online video channels into the living room, offering users the opportunity to choose from an array of entertainment, breaking news, sports and lifestyle "channels" that behave like TV apps. Opera TV Store apps run from the cloud and suit any screen size or resolution. It provides consumers with a comfortable, "lean-back" experience, requiring only a standard TV remote control for users to navigate, select and launch apps easily.



JELENA IS IN LOVE WITH THE TASTEFUL BIG APPLE
ORIGINALLY FROM SERBIA, SHE CHOSE TO STAY IN NYC

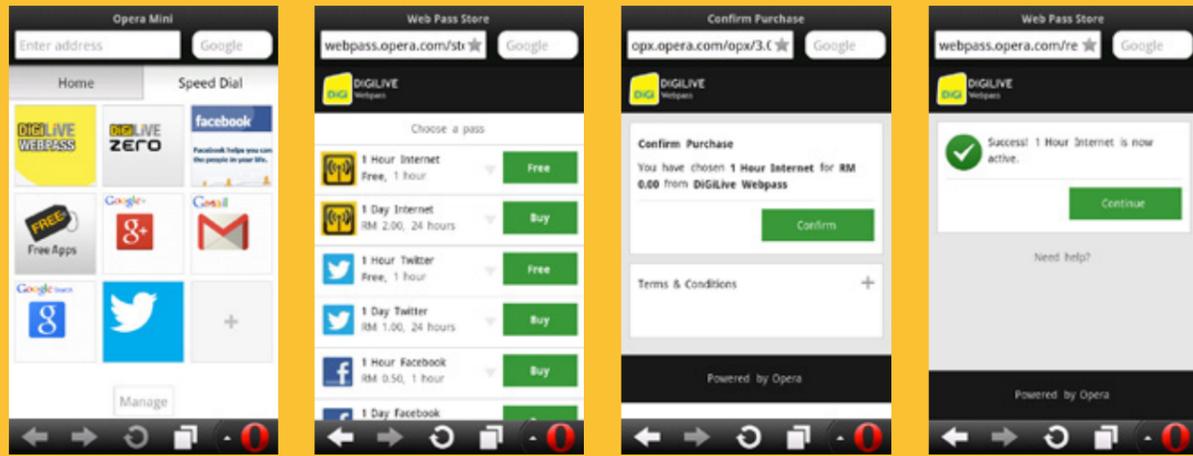


The choice
to **expand**
your world

Wait too long, and the future might pass by.
Opera takes you in the right **direction**.

Opera Web Pass is the preferred choice

Opera Web Pass lets you access the web and use your favorite apps in four simple steps:



Choose web pass. ▶ Select access. ▶ Confirm purchase. ▶ Browse with access.

WEB PASS IN MALAYSIA

4.6 MILLION
WEB PASSES
DISTRIBUTED BY DIGI

85%+
CHECKOUT SUCCESS
RATE AMONG USERS
WITH SUFFICIENT FUNDS

52%
OF USERS REPURCHASED
ONE OR MORE PASSES
EACH MONTH

56% ↗
INCREASE IN AVERAGE
REVENUE PER DAY AFTER
PROMOTIONAL PERIOD IN
JANUARY WAS OVER

In September 2012, Opera teamed up with DiGi, one of the largest mobile operators in Malaysia, to provide its customers with an easy and more affordable way to get online. The DiGiLive Web Pass, powered by Opera, leveraged the existing capabilities of the already popular Opera Mini platform to offer DiGi's customers easy-to-understand and relevant mobile web packages.

DiGi made its requirements clear: increase users' awareness of the mobile web, reduce entry barriers for first-time users and convert them into long-term customers of mobile web services.

The DiGiLive Web Pass succeeded in these areas within a very short period of time. And, with the ability to experiment with various packages, pricing and promotions, DiGi distributed over 4.6 million web passes to its user base.

The exceptional ease of signing up for a pass resulted in an overall checkout success rate of 85%+ among users with sufficient funds. And, shortly after the implementation of the Opera's

web pass platform, up to 52% of users were repurchasing one or more passes each month.

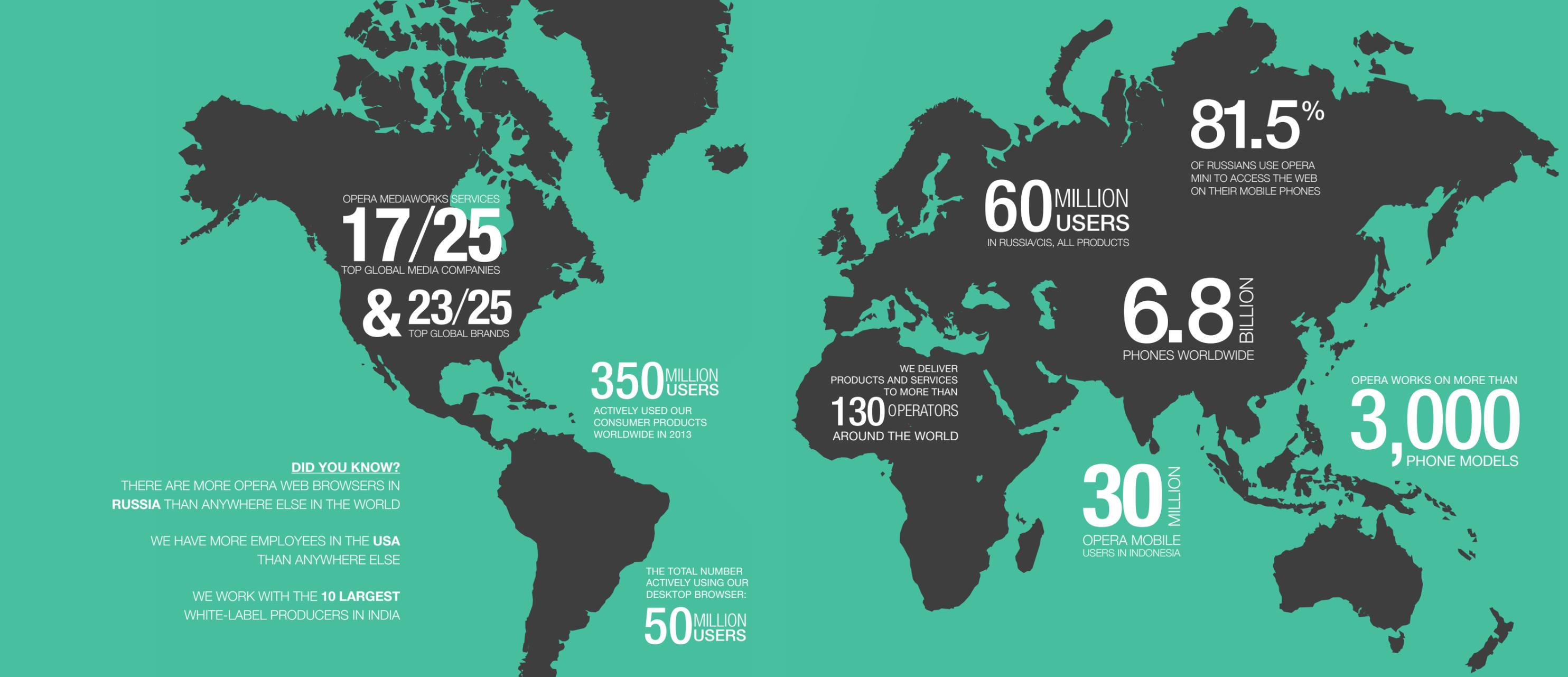
The DiGiLive Web Pass proved that streamlined checkout, as opposed to antiquated and error-prone USSD or SMS purchasing, got people online faster and encouraged them to interact with their networks' web offerings more frequently.

By providing incentives for use through a free Facebook hourly web pass for the entire month of January 2013, DiGi managed to increase the uptake of paid web passes significantly after the promotional period was over. This resulted in a 65% increase of the average number of transactions per day and a 56% increase in average revenue per day.

Going forward, DiGi has the flexibility to optimize its web-pass campaigns easily, allowing it to segment and target its user base more efficiently with tailored web-pass offerings, thus improving overall user satisfaction and profitability.



DAVID IS LITERALLY IN THE MIDDLE OF THE ROAD
BEFORE YOU RUN, MAKE SURE YOU ARE ON TRACK



A global company

Opera Software is a truly global company, in all aspects, with a diverse staff from all over the world, presence in more than 15 local offices from San Francisco to Jakarta and users in practically every country on the planet.

Opera browsers and mobile apps are translated and localized into as many as 96 languages, giving users the experience they desire in their

native tongue. No other browser in the world provides this care and attention to their users.

Opera has local advertising agencies and ad networks that span every part of the globe. Opera's unique technologies make sure that its ad services give advertisers and publishers the best placement and visibility. Local offices from Brazil to Russia guarantee that placement is culturally relevant and always potent.

REVENUE BY REGION

[NUMBERS IN MUSD]



- 40% Mobile publishers and advertisers
- 21% Operators
- 20% Desktop consumers
- 13% Mobile consumers
- 6% Device OEMs

OPERA BROWSERS AND MOBILE APPS ARE TRANSLATED INTO

96 LANGUAGES

1039

EMPLOYEES LOCATED IN

15 LOCAL OFFICES
AROUND THE WORLD



The choice is **served**

Grab Opera to spice up your
experience and taste the fun.

Our choice of investor relations

KPI last five years	2009	2010	2011	2012	2013
Revenue (MUSD)	97.5	114.5	159.8	216.0	300.1
Adjusted EBITDA (MUSD)	13.0	23.8	47.4	63.5	86.6
Operating cash flow (MUSD)	10.1	12.6	36.7	37.6	49.5

ANALYSTS:

Company	Analyst	Telephone
ABG Sundal Collier ASA	Aleksander Nilssen	+47 2201 6112
Arctic Securities ASA	Markus Bjerke	+47 2101 3223
Carnegie ASA	Espen Torgersen	+47 2200 9372
Danske Securities ASA	Martin Stenshall	+47 8540 7073
DnB NOR Markets	Christer Roth	+47 2294 8287
Enskilda Securities ASA	Peder Strand	+47 2100 8576
Goldman Sachs	Mohammed Moawalla	+44 (20) 7774 1726
Handelsbanken Capital Markets	Fredrik Lithell	+46 (0)87015575
Nordea Markets ASA	Daniel Djurberg	+46 8 534 919 56
Fondsfinans	Henriette Trondsen	+47 23 11 30 45

ACTIVITY/INVESTOR RELATIONS POLICY

Communication with shareholders, investors and analysts, both in Norway and abroad, is a priority for Opera Software ASA. The Company's objective is to ensure that financial markets have sufficient information about the company to be certain that pricing reflects underlying values. Opera Software ASA arranges regular presentations in Europe and the USA, in addition to holding meetings with investors and analysts. Important events affecting the Company are reported immediately.

As part of this, Opera conducted over 150 investor meetings and attended the following conferences during 2013:

Event name	Date	Location
Goldman Sachs Inaugural Payments Conference	December 11, 2013	London, England
Morgan Stanley Thirteenth Annual Technology, Media & Telecoms Conference	November 20-22, 2013	Barcelona, Spain
DNB Markets Nordic TMT Conference	August 28, 2013	Oslo, Norway
Jefferies, 2013 Global TMT Conference	May 7-9, 2013	New York, New York
Goldman Sachs, 6th Annual Small & Mid-Cap Symposium	May 7-10, 2013	London, England
Goldman Sachs, Digital Seminar	March 22, 2013	London, England
DNB Markets, SME Conference	March 19, 2013	Oslo, Norway
Enskilda, "Best of Norway"	March 19, 2013	Frankfurt, Germany
Morgan Stanley Technology, Media & Telecom Conference	February 25-28, 2013	San Francisco, California
SEB Enskilda Nordic Seminar	January 8-9, 2013	Copenhagen, Denmark

SHARE PRICE 2013



SHAREHOLDERS WITH OVER 1% OWNERSHIP

- Ludvig Lorentzen AS
- Arepo AS
- Ferd AS Invest
- Sundt AS
- Folketrygdfondet
- JPMorgan Chase Bank
- Statoil Pensjon
- Verdipapirfondet DNB Norge (IV)
- SEB Enskilda Securitas AB
- Skandinaviska Enskilda Banken AB
- JPMorgan Chase Bank London
- State Street Bank and Trust Co.
- State Street Bank & Trust Company

SHAREHOLDERS



74.2%	Norway-based accounts	57.7%
8.8%	U.K.-based accounts	16.4%
6.3%	U.S.-based accounts	7.7%
10.7%	Accounts based elsewhere	18.2%

OPERA JOINS OSLO STOCK EXCHANGE TOP 25 INDEX

Opera Software was included in the OBX index, which is a stock market index that lists the 25 most liquid companies on the main index of the Oslo Stock Exchange in Norway. The new OBX composition was effective from December 20, 2013.

FINANCIAL CALENDAR

Event name	Date	Location
Results 4Q 2013	February 11, 2014	Oslo, Norway
Results 1Q 2014	April 30, 2014	Oslo, Norway
Annual General Meeting	June 3, 2014	Oslo, Norway
Results 2Q 2014	August 21, 2014	Oslo, Norway
Results 3Q 2014	October 24, 2014	Oslo, Norway

Opera offers both a live webcast and an archived version located at <http://www.operasoftware.com/company/investors/webcasts/>.

The choice of key management

LARS BOILESEN

Chief Executive Officer

Lars Boilesen has extensive sales and business development experience from the global IT and telecommunications industries. He has held executive positions in various corporations including Alcatel-Lucent, where he was CEO for the Nordics and the Baltics. He has previously served at Opera Software as Executive Vice President of Sales and Marketing, from 2000 to 2005. Prior to that, Lars headed the Northern Europe and Asia Pacific markets for Tandberg Data. He started his career at Lego Group.

MAHI DE SILVA

Executive Vice President, Consumer Mobile

Mahi is responsible for commercial activities for Opera's consumer mobile products and services. Before joining Opera, Mahi was Co-Founder and CEO of AdMarvel, Inc., the global leader in mobile advertising platforms, acquired by Opera in 2010. Prior to AdMarvel, Mahi co-founded the Frengo Corporation, a mobile social-media platform. Mahi also spent 10 years at VeriSign, where he was part of the startup management team. From 2002 to 2006, he served as Senior Vice President and General Manager of Wireless and Digital Content Services at VeriSign, where he built the world's leading mobile messaging and mobile entertainment business, with revenues exceeding \$600M per year. Prior to VeriSign, he served in various technology leadership roles at Taligent, Apple and NCR Corporation.

RIKARD GILLEMYSR

Executive Vice President, Product Development
Rikard Gillemysr began his affiliation with Opera Software in 1998, when he and the other co-founders of Hern Labs in Sweden ported Opera 3 to BeOS.

Since officially joining Opera Software in 2000, Gillemysr has been responsible for many of

Opera's major deliveries, including Opera on BREW and the Opera Devices SDK. Gillemysr previously served as Country Manager of Opera's offices in Poland and Korea before his appointment to Vice President of Engineering.

He was educated at the Linköping Institute of Technology, where he studied Computer Science and Engineering until 1999.

ERIK C. HARRELL

Chief Financial Officer / Chief Strategy Officer

As CFO/CSO, Harrell's primary responsibilities include Opera's global finance & accounting and financial planning operations, corporate strategy, corporate development/mergers & acquisitions, and investor relations.

Prior to joining Opera in 2005, Harrell was CFO of the European operations for Advent Software, a NASDAQ-listed software company based in San Francisco, California, USA. Harrell's professional experience includes six years at JP Morgan & Co. in New York, where he was Vice President of Mergers & Acquisitions, and the role of Founder and CEO of an early-stage Internet software company.

Harrell has an M.B.A. with Distinction from the Harvard Business School and holds an M.A. and B.A. (Phi Beta Kappa) from The Johns Hopkins University.

TOVE SELNES

Executive Vice President, Human Resources

Tove Selnes joined Opera in 2007 as VP of Human Resources and has more than ten years of experience in organizational management. Prior to working at Opera, Selnes served as Director of Human Resources at Eltel Networks, where she was responsible for the development and implementation of the organization's human resources strategy. Her professional experience also includes working at Avinor and Aetat.



LARS BOILESEN



ERIK C. HARRELL



MAHI DA SILVA



RIKARD GILLEMYSR



TOVE SELNES



ANDREAS THOME

Selnes holds a Law degree from the University of Oslo and is presently pursuing a Master's of Management degree at the Norwegian School of Management. In 1994, she was awarded an Erasmus scholarship with Bologna University in Italy, where she studied EU and international environmental rights. She is a noted and respected authority on human resources management.

ANDREAS THOME

Executive Vice President, Sales & Marketing

Andreas Thome joined Opera Software in 2007, when he took on a role as Senior Vice President of Sales & Marketing for the EMEA region. Prior to his career with Opera, he was a Project Director at Telecom Management Partner, where he also served as Chief Officer

for the Fixed Networks Division of Ghana Telecom in West Africa.

Thome previously served a variety of roles within Alcatel. In addition to several Commercial and Management roles at Alcatel, he was the Regional Vice President (North Europe) for Access Networks Division, the General Manager for Fixed Networks, and the Customer Account Director for Alcatel's Nordic and Baltic regions. Thome has also held positions at Tandberg Data in Oslo and RIM Invest in Singapore.

Thome obtained a Master's of Science degree in Project Analysis, Finance & Investment from University of York (U.K.) and Master's of Science and Bachelor's degree in Economics from the University of Oslo.

The choice of Board Members



The Board of Directors (from left):
Greg Coleman, Erik Möller, Christian Uribe, Arve Johansen, Kari Stautland, Audun Wickstrand Iversen, Marianne Blystad
(Krystian Kolondra was not present.)

CHAIRMAN, ARVE JOHANSEN

Arve Johansen has been a key figure in shaping Norway's telecom giant, Telenor, into the global company it is today. Johansen holds degrees from both the Norwegian Institute of Technology (NTNU) and the Harvard Business School. He has a background as a technical manager for EB Telecom, where he served as chief engineer on several large-scale projects. This career foundation led him to Telenor, first as CEO of Telenor International and later as Deputy Group CEO responsible for all of Telenor's activities in Asia. Arve Johansen currently serves as an independent board member for multiple companies.

MEMBER, MARIANNE BLYSTAD

Marianne Heien Blystad has been an Attorney-at-Law with the law firm Ro and Sommernes since 2008. Apart from her professional experience in corporate banking, shipping and offshore, she holds directorships with Eksportfinans ASA, Edda Utvikling AS and Songa Shipping. Ms. Blystad holds a Business degree from the Norwegian School of Management (Handelshøyskolen BI) and a Law degree from the University of Oslo.

MEMBER, AUDUN WICKSTRAND IVERSEN

Audun Wickstrand Iversen is a private investor. Over the last ten years, he has focused primarily on the telecom, IT and alternative energy industries. Previously, Iversen worked as a financial analyst at DnB Markets and as a portfolio manager at DnB Asset Management, with responsibility for global telecoms and alternative energy. He holds a degree in Business Administration from the Norwegian School of Management (BI), as well as degrees from Norwegian School of Economics and Business Administration (NHH) and the University of Oslo.

MEMBER, KARI STAUTLAND

Kari Stautland has a background in human resources. Most recently, she was Human Resources Manager at GE Healthcare AS — a leading global medical company. She has worked in HR for many years and has extensive knowledge within this area. Kari holds a Master's degree in Business and Marketing.

MEMBER, GREG COLEMAN

Coleman is President at Criteo, a global leader in performance display advertising, driving search-like performance for online display advertising and managing campaigns of all sizes that are measurable, scalable and powered by user intent. Criteo successfully went public on NASDAQ in 4Q 2013.

Coleman has extensive experience within sales and has led sales departments in several influential media and technology companies, including serving as President and Chief Revenue Officer at The Huffington Post and EVP of Global Sales at Yahoo! Coleman is also an Adjunct Professor of Digital Marketing at New York University's Stern Business School.

EMPLOYEE REPRESENTATIVE, CHRISTIAN URIBE

Christian Uribe joined Opera Software in 2005, bringing with him a varied, international professional and educational background. Before taking up his role at Opera (where he serves currently as Product Director for Opera Mini), Uribe ran an IT consultancy in Mexico. He holds a Law degree from the Universidad de Valparaiso in Chile.

EMPLOYEE REPRESENTATIVE, ERIK MÖLLER

Erik Möller is an experienced software engineer and team leader who joined Opera Software in 2009 after having spent 14 years in the computer games industry. Erik is currently leading the team responsible for the Chromium development on Android.

EMPLOYEE REPRESENTATIVE, KRYSSTIAN KOLONDRÁ

Krystian Kolondra heads up the Consumer Browser Products business unit at Opera. He joined Opera Software in 2006. Before taking up his current position, he was Country Manager for Opera's offices in Poland, SVP for TV Product Development, and, most recently, he had overall responsibility for the Desktop product group.

Prior to joining Opera, Krystian worked in various managerial positions in Siemens and BenQ. Krystian holds a Master's degree in Computer Sciences from the University of Wrocław and is a post-grad in Project Management at the Higher School of Banking in Wrocław.



KENNETH & WILLIAM FEEL LIKE OPERA STARS
HAVE FUN WITH THE FULL MENU OF CHOICES

Report from the Board of **Directors**

“In 2013, Opera delivered record financial and operational performance.”

Revenue and profitability increased significantly compared to 2012, and Opera's total browser user base reached 350 million by year's end, up 50 million compared to the end of 2012.

Opera's position with major mobile operators, mobile consumers, mobile publishers and advertisers and connected-TV manufacturers grew substantially during the year.

In 2013, Opera signed multiple new operator agreements and extended many existing ones, grew mobile users from 229 million to 270 million, increased our mobile publisher base from 12,000 sites and applications to 14,000, increased managed ad impressions to 687 billion, compared to 448 billion in 2012, signed multiple agreements with device OEM customers, and launched new products for desktop, mobile and tablets.

Overall, during 2013, Opera made substantial strides in our transformation into a highly scalable and profitable company, driven by our high-growth mobile businesses — Mobile Consumers, Mobile Publishers and Advertisers, and Mobile Operators. By 4Q 2013, revenue related to our mobile businesses comprised close to 80% of total revenue, up from 57% in 4Q 2012.

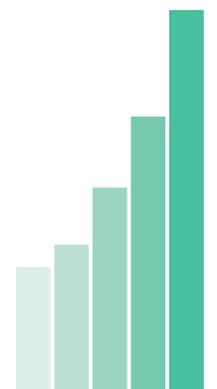
FINANCIAL SUMMARY

Opera's operating revenues grew by 39% to MUSD 300.1 in 2013 (2012: 216.0). Operating expenses, excluding one-time extraordinary costs, increased by 44% to MUSD 238.3 (2012: MUSD 165.8), with non-headcount expenses increasing primarily due to the higher cost of goods sold or publisher payout costs related to the Mobile Publisher and Advertiser

business, higher hosting costs related to Opera Mini's hosting infrastructure, and overall marketing and travel expenses. Opera delivered EBIT (excluding costs for restructuring the business) of MUSD 61.8 (2012: 50.2), an increase of 23%, and profit before income taxes (including costs for restructuring the business) ended at MUSD 67.5 (2012: 25.6). Income taxes were MUSD 7.2 (2012: 8.6), and the Company's profit for the period was MUSD 60.3 (2012: 17.0). Earnings per share were USD 0.490 (2012: 0.143), and diluted earnings per share were USD 0.479 (2012: 0.140). On a Non-IFRS basis, EBITDA before stock-based compensation expenses grew 36% to MUSD 86.6 in 2013 (2012: MUSD 63.6). Non-IFRS profit for 2013 ended at MUSD 67.8 (2012: 44.7) and non-IFRS earnings per share was USD 0.55 (2012: 0.376), while diluted earnings per share was USD 0.539 (2012: 0.369).

Net cash flow from operating activities in 2013 totaled MUSD 49.5 (2012: 37.6). Opera's cash balance in 2013 versus 2012 was impacted positively primarily by pre-tax profits and proceeds from an equity share issue of MUSD 87.2 (2012: 0). Opera's cash balance in 2013 versus 2012 was reduced by MUSD 62.7 (2012: 44.2) related to acquisitions, MUSD 10.2 (2012: 10.4) related to capital expenditures and MUSD 4.4 (2012: 4.0) related to dividends. As of December 31, 2013, the Company had a cash balance of MUSD 163.4 (2012: 57.2) and MUSD 60 (2012: 0) in interest-bearing debt. It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2013.

OPERATING REVENUE



[Numbers in MUSD]

2013	300.1
2012	216.0
2011	159.8
2010	114.5
2009	97.5

“At the end of 2013, Opera had active agreements with 52 operators worldwide (with a total of 130+ agreements when including all subsidiaries of global frame agreements signed), including 17 out of the top 30 operators worldwide, which combined have approximately 2.8 billion subscribers, or more than 40% of the total global subscriber base.”

SOURCE OF REVENUE



[Numbers in MUSD]

Mobile publishers and advertisers	119.1
Operators	62.1
Desktop consumers	60.9
Mobile consumers	37.9
Device OEMs	18.3

BUSINESS OVERVIEW

Opera's cloud-based consumer products and services enable more than 350 million internet users to discover and connect with the content and services that matter most to them, no matter the device, network or location. In turn, these products and services help advertisers to reach the audiences that build value for their businesses and publishers to monetize their content and services. Opera also delivers products and services to more than 130 operators around the world, enabling them to provide a faster, more economical and better network experience to their subscribers.

By the end of 2013, Opera had more than 350 million active monthly users of our consumer products worldwide, with Opera powering the internet on mobile phones, gaming consoles, internet-connected TVs, set-top boxes, tablets, netbooks, desktop computers and laptops. Moreover, Opera's mobile active monthly users with operators exceeded 100 million, meaning that the Company and our operator customers, key monetization and marketing partners, jointly delivered services to nearly 40% of the Company's 270 million mobile consumer base.

In addition, Opera, via our Mobile Publisher and Advertiser business, reached major milestones in 2013. By the end of 2013, the reach of Opera's mobile audience via our publisher partners exceeded 400 million and more than 14,000 mobile applications and websites were powered by Opera's advertising technology platform, with 60 billion ad impressions managed by the platform on a monthly basis by year-end.

Opera has one revenue line, but Opera also provides an overview of revenue by customer type: (i) Mobile Operators (such as MTN, Telkomsel and Vodafone), (ii) Mobile Consumers (via partnerships with search providers and

advertisers), (iii) Mobile Publishers and Advertisers (Opera Publisher Partner Network, which includes partners such as Pandora Media, American Express and Home Depot), (iv) device OEMs (such as Sony and Samsung), and (v) Desktop Consumers (primarily from search, advertising and e-commerce partnerships, including those with Google, Yandex and Amazon).

REVENUE

Opera's operating revenues grew by 39% to MUSD 300.1 in 2013 (2012: 216). Compared to 2012, 2013 saw strong revenue growth from Mobile Operators, Mobile Consumers, and Mobile Publishers and Advertisers (Opera Publisher Partner members), as well as a decrease in revenue from Desktop Consumers and Device OEMs. Mobile Publishers and Advertisers (Opera Publisher Partner members) was the largest source of revenue in 2013 (MUSD 119.1 in revenue and 40% of total revenue), followed by Operators (MUSD 62.1 in revenue and 21% of total revenue), Desktop Consumers (MUSD 60.9 in revenue and 20% of total revenue), Mobile Consumers (MUSD 37.9 in revenue and 13% of total revenue) and Device OEMs (MUSD 18.3 in revenue and 6% of total revenue).

Mobile Publisher and Advertiser (Opera Publisher Partner members) revenue grew 120%, compared to 2012. Revenue growth was driven primarily by increased revenue from premium and performance advertisers and "app-install"-driven spend primarily from the mobile gaming sector. Mobile Consumer (Opera's owned and operated properties) revenue was up 94% in 2013, compared to 2012, with revenue driven primarily by licensing revenue and mobile advertising related to Opera's owned and operated properties. Revenue from Mobile Operators increased by

49% in 2013, compared to 2012. Operator cloud-based license/data revenue increased by 53% to MUSD 58.2 in 2013, compared to MUSD 38.1 in 2012, fueled by both strong user growth and revenue from the Rocket Optimizer™ and Horizon™ cloud-based services.

Desktop revenue was lower in 2013, compared to 2012, due to lower search revenue, which was partly offset by higher content and advertising revenue. Device OEM revenue was down 35% in 2013, compared to 2012, driven by lower license revenue from our connected-TV customers in particular.

Mobile Operators:

Driving more data revenue via mobile cloud compression solutions

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 multimedia data network traffic spurred by the rapid adoption of smartphones and tablets.

Opera is a trusted partner for operators globally. The Company currently offers four major cloud-based solutions and services to operators worldwide: (i) Operator co-branded versions of Opera Mini, whereby operators are able to offer their mass-market subscribers content compression, fast internet download speeds, convenient access to operator portal services in order to drive incremental revenue and lower-priced data plans and data packages, capitalizing on the up to 90% data compression that Opera's cloud services enables; (ii) the Rocket Optimizer™ solution, which allows mobile operators to leverage cloud computing to optimize and compress

video and other multimedia traffic on crowded mobile towers, including 3G and 4G LTE networks, enabling operators both to boost the capacity of their networks by up to 60% and offer better network performance and quality to their subscribers; (iii) the Horizon™ solution, a mobile browser extension and toolbar platform that allows users to personalize their smartphone browser and allows operators to gain new monetization opportunities, such as advertising; and (iv) Opera Web Pass, which allows users to buy time-based or content-based mobile data packages easily through a simple, one-click purchase, similar to how users buy apps today, enabling operators both to offer a broad array of personalized data package alternatives for their subscribers and increase the average revenue generated per subscriber.

At the end of 2013, Opera had active agreements with 52 operators worldwide (with a total of 130+ agreements when including all subsidiaries of global frame agreements signed), including 17 out of the top 30 operators worldwide, which combined have approximately 2.8 billion subscribers, or more than 40% of the total global subscriber base. These customer figures also include Skyfire's customer list. Skyfire itself counts three, large U.S. mobile operators as customers, including one customer for its Rocket Optimizer™ solution and two customers for its Horizon™ solution.

During 2013, Opera continued to see strong growth in the number of operator-related Opera Mini users from our existing agreements, notably from such customers as Airtel, MTN, Telenor, Vimpelcom and Vodafone; the active user figures also include Horizon active users from two major U.S. operators, where active users are just starting to ramp up. At the end of December 2013, the total number of Opera and Skyfire active users with operators grew

OPERATORS



BOOST NETWORK CAPACITY BY UP TO 60%

OPERATORS



OPERA WORKS WITH 17 OF THE TOP 30 OPERATORS WORLDWIDE

“In Dec. 2013, 270 million unique users worldwide browsed the web, using Opera mobile consumer products.”

OPERA AND SKYFIRE
ACTIVE USERS WITH
OPERATORS



2013 ■ 104.7M
2012 ■ 53.7M

THE YEAR'S INCREASE:

95%

to 104.7 million, an increase of 95% versus the end of December 2012.

**Mobile Consumers –
Opera-owned-and-operated properties:
Helping consumers discover and reach
the content and services that matter most
to them**

Opera continues to maintain our position as a global leading mobile consumer company. In December 2013, 270 million unique users worldwide browsed the web using Opera mobile consumer products. In addition, the number of Opera users on the Android smartphone platform at the end of 2013 was 85.2 million users, up 85%, compared to the end of 2012.

Opera's tremendous worldwide success with mobile consumers across all mobile platforms has occurred because of Opera Mini. First, Opera Mini is faster than the competition, due to the up to 90% compression, compared to a normal full web browser, which makes for a much more enjoyable and efficient browsing experience for consumers. Second, Opera Mini is much cheaper for consumers — i.e., consumers save up to 90% browsing with Opera Mini, compared to competitive products, due to Opera's unique proxy browsing technology. Third, Opera Mini works on the vast majority of mobile phones, including more than 3,000 different mobile-phone models. Fourth, Opera believes Opera Mini's user interface design and rendering quality are superior to the competition.

Opera.com continues to be a key channel for distributing the Opera-branded version of Opera Mini. Opera has also focused on distribution via direct agreements with mobile OEMs and chip-set manufacturers, with these channels accounting for over 50% of Opera's mobile user base. Opera Mini is also available

on several handset vendor application stores, such as Apple's iPhone App Store, Google Play, BlackBerry App World and Nokia's Ovi Store.

From a platform standpoint, Opera has put significant focus on growing our user base on Android, both via Opera Mini and Opera for Android, Opera's browser for high-end smartphones. In December 2013, the number of Opera users on Android reached 85.2 million, up 85% versus December 2012. This makes Opera one of the leading third-party browser apps on the Android platform.

Overall, Opera's extensive and burgeoning mobile user base has put the Company in an enviable position both to develop and expand our owned and operated properties and to become a major global mobile publisher. These owned and operated properties include the Speed Dial feature, the Smart Page, the Opera Mobile Store and the Discover service. By expanding our mobile publisher properties, Opera has been able to increase usage of and user engagement with our mobile products, which, in turn, has led to higher ARPU (average revenue per user) via mobile advertising and mobile search, in particular.

Ultimately, Opera has created a large and growing mobile audience, and, as a result of our 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.

**Mobile Publishers & Advertisers –
Opera Publisher Partner members:
Helping advertisers to reach consumers
and publishers to monetize their content
and services**

The global advertising industry continues to experience a macro shift in advertising spend from traditional offline channels, such as print,

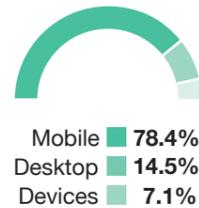


JORDAN & MOLLY ARE SOCIALLY ACTIVE ONLINE

WILL THIS PHOTO BE LIKED BY OUR FRIENDS IN FLORIDA?

“Revenue in 2013, compared to 2012, was fueled by expanded business with existing advertiser and publisher customers, as well as new customers.”

TYPE OF DEVICE



television and radio, to online channels, with mobile taking an increasing share of the on-line/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, as well as 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 around 1.5 billion by the end of 2013, with smartphone users spending significantly more time engaged with their mobile devices than basic phone users; (ii) reach and “any-time-anywhere” access to users — there are almost 5 billion mobile-phone users worldwide overall (compared to around 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) more widespread 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) a rapid increase in the consumer time spent in smartphone mobile apps 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

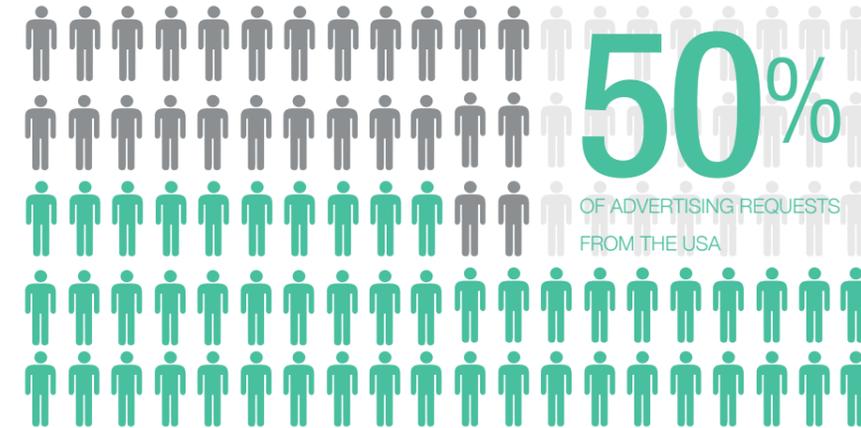
full harnessing of a mobile device’s processing capabilities and functionality.

Opera’s goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, targeting premium brand and performance advertisers, ad agencies, publishers and application developers. Opera’s ultimate mission is to help both publishers increase revenue from their mobile properties and content providers and advertisers reach and acquire potential customers.

Under the Opera Mediaworks brand and through Opera’s mobile advertising subsidiaries, Mobile Theory (USA) and 4th Screen Advertising (U.K.), Opera is able to offer premium-brand mobile advertisers the ability to build their brands and engage with consumers by offering creative services, sophisticated audience targeting capabilities, significant audience and publisher reach, high levels of transparency and measurability on ad campaigns, and support for highly interactive and engaging advertising experiences on a full range of mobile devices, including banner display ads, interactive rich-media and video ads, and native advertising.

Under the Opera Mediaworks Response brand, Opera is able to provide performance advertisers with comprehensive tools to reach their target audience better and acquire new customers. Opera Mediaworks Response facilitates real-time targeting, real-time bidding (RTB) and real-time reporting on mobile ad campaigns. Overall, Opera Mediaworks Response helps performance advertisers and application developers with “cost per action” (CPA) campaigns, such as campaigns to secure customer sign-ups, leads and application downloads.

For premium mobile publishers and developers, Opera offers technology solutions and



services, highly intuitive reporting and analytical tools and access to premium advertisers (via Opera’s own advertiser relationships and third-party mobile ad networks), helping these publishers maximize revenue from their content and user bases. At the core of Opera’s success with premium publishers and developers is AdMarvel and its technology platform and software development kit (SDK). AdMarvel’s success with premium publishers stems from three major sources: (i) its ad-serving capabilities (powerful rich-media ad serving, targeting and analytics), (ii) its ad mediation (ad performance optimization and transparency and control over ad network traffic from over 120 ad sources from around the world) and (iii) its campaign management capabilities (management, uploading, scheduling and control of “house” ads and directly sourced advertising). These capabilities have helped AdMarvel’s publisher customers to drive higher fill rates, CPMs and, ultimately, higher revenue. Premium publisher customers include Pandora Media, Shazam, Sky, The Wall Street Journal and Univision.

Overall, Opera’s U.S.-based mobile advertising subsidiaries work, both directly and indirectly, with 70 out of the Top 100 Ad Age Advertisers in the United States. In addition, Opera globally powers advertising for 20 of the top 25 global media companies and manages 60 billion monthly ad requests for advertisers and publishers around the world.

Via the Opera Mediaworks Ad Exchange (OMAX), 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 2.0, publishers now have access to several new 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 inventories, with “programmatic direct” on OMAX. This brings in diverse demand sources while still maintaining publisher control.

Revenue in 2013, compared to 2012, was fueled by expanded business with existing advertiser and publisher customers, as well as new customers. Revenue growth from both our mobile advertiser and mobile publisher customers, who provide content via mobile web properties and mobile applications, continues to be strongest on smartphone and tablet devices, with iOS and Android constituting the leading platforms.

Device OEMs:

Driving new services and revenue streams

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.

Traditionally, television has been referred to as a “lean back” medium, where interaction is passive. Today, television manufacturers and operators are trying to encourage consumers to become more actively engaged with their TV sets, referred to as a “lean forward” model, by providing web apps, web browsing and other digital content on TVs. This has been spurred not only by the desire of the TV manufacturers and operators to differentiate, obtain premium pricing for their product and service offerings and generate new revenue streams, but also by the perceived opportunity to bring many of the same services that have been deployed successfully in the mobile phone eco-system, such as mobile web browsing and app stores, to their TV consumer customers.



MORTEN MAY NOT NEED TO WEAR GLASSES

HOW DO YOU FORESEE THE FUTURE OF WEARABLES?

“Today, the vast majority of Opera’s desktop users are in the Russia/CIS region and in the emerging markets. Opera is particularly focused on gaining users in regions where we already has a strong base of users, such as Russia.”

With the Opera Devices Software Developer Kit (SDK), device manufacturers and operators are able to offer not only web-browsing capabilities and full internet access to their consumer end customers, but also customized web apps that are accessible from the home screen of the device. Moreover, with the Opera Devices SDK, device manufacturers and operators are able to use their own (and third-party) developers to create user interfaces, widgets and menu systems using web technologies, such as HTML5 and CSS, HbbTV and OIPF, while accelerating time to market for new consumer electronic devices.

The Opera TV Store, an HTML5-based app store for connected TVs, set-top boxes and media players, offers a selection of high-quality, easily navigated web apps. Side-by-side applications allow viewers to use TV apps without losing focus on the program they are watching. 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. The Opera TV Store, which contains hundreds of TV apps from popular content providers including Vimeo, Facebook and Fashion TV, has already 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.

Desktop Consumers:

Helping consumers discover and reach the content and services that matter most to them

Today, the desktop browser is a more powerful platform than ever. This is seen most saliently with the clear dominance of web applications

within desktop-centric computing. This trend is no more pronounced than with social networking, where Facebook, for example, has more than 800 million desktop users. In addition, the rapid adoption and innovation around HTML5 is making web applications more powerful and always available. For example, playing video without the need for third-party applications or plug-ins and using geolocation to provide locally targeted information are some clear examples where HTML5 is making the browser and browser-based applications much more powerful than in the past.

Since its 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, customizable and enjoyable browsing experience.

Today, the vast majority of Opera’s desktop users are in the Russia/CIS region and in the emerging markets. Opera is particularly focused on gaining users in regions where we already have a strong base of users, such as Russia.

Opera’s monetization strategy for our 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 has signed deals with e-commerce players including Amazon.com (USA, Germany, Japan), Booking.com (64 countries) and Ozon (Russia) to further enhance ARPU.

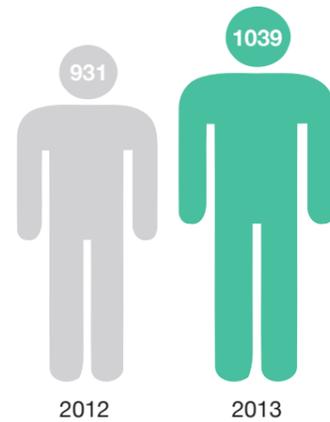
In December 2013, the number of desktop users was approximately 51 million, down 7% versus December 2012. Revenue was lower in

OPERA IN RUSSIA/CIS

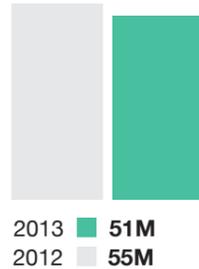
60MILLION
USERS

IN RUSSIA/CIS,
ALL PRODUCTS

HEADCOUNT



DESKTOP USERS



2013, compared to 2012, due to lower search revenue, which was partly offset by higher content and advertising revenue.

CORPORATE OVERVIEW

Organization

Opera Software ASA is a company domiciled in Norway. The consolidated financial statements of the Company include the Company subsidiaries Hern Labs AB, Opera Distribution AS, Netview Technology AS and Opera Software International AS (which, in turn, includes the subsidiaries Opera Software Korea Ltd, Opera Software Technology (Beijing) Co., Ltd, Opera Software Poland Sp. z o.o., Opera Software Singapore PTE. LTD., AdMarvel, Inc., LLC Opera Software (Russia), LLC Opera Software Ukraine, Opera Software Iceland ehf, Opera Web Technologies Pvt. Ltd, Handster, Inc., Mobile Theory, Inc., 4th Screen Advertising Ltd, 4th Screen Advertising Holdings Ltd, Skyfire Labs, Inc., Opera Software International US, Inc., Opera Mediaworks, LLC., Opera Mediawork Performance, LLC, OM-WMSG, LLC, Opera Holdings Ireland Limited, Opera Mediaworks Ireland Limited, Opera Software Ireland Limited, Opera Mediaworks Ad Exchange, Inc., Opera Software Netherlands BV, Opera Software Americas, LLC., Opera Commerce, LLC., and the limited company Beijing Yuege Software Technology Service Co., Ltd. (of which Opera had full control), together referred to as the "Group". As of December 31, 2013, Opera Software International AS had branches in Japan, Taiwan and Poland.

At the close of 2013, the Company had 1,039 full-time employees and equivalents, compared to 931 full-time employees and equivalents at the end of 2012.

Board of Directors composition

At the Annual General Meeting on June 4, 2013, Arve Johansen was re-elected as the chairman of the Board of Directors and Kari Stautland, Audun Iversen, Greg Coleman and Marianne Blystad were re-elected to the Board of Directors. In addition, three employee-elected representatives have seats on the Board (Christian Mauricio Uribe Espinoza, Krystian Kolondra, and Erik Möller).

Corporate governance

The Company's guidelines for corporate governance are in accordance with the Accounting Act §3-3b and section 3-3c and the Norwegian Code of Practice for Corporate Governance, dated October 23, 2012, as required by all listed companies on the Oslo Stock Exchange. Please see the section entitled "Principles of corporate governance" in the Annual Report for more information.

Corporate social responsibility

Two years after we first announced our commitment to the United Nations Global Compact (UNGC), the Opera Software Group is pleased to reaffirm our ongoing support to the initiative and its ten principles in the area of human rights, labor, environment and anti-corruption.

We are guided by the principles of the UN Global Compact, and we continually strive to make the principles a part of our strategy, culture and day-to-day operations. Please see the section entitled "Principles of corporate social responsibility" in the Annual Report for more information.

Human rights

Opera helps millions of people across the globe to connect to the internet. Freedom of expression and privacy are fundamental hu-

“Opera helps millions of people across the globe to connect to the internet. Freedom of expression and privacy are fundamental human rights.”

man rights. Moreover, these rights are fundamental to facilitate the meaningful realization of other human rights, such as the right to access information.

At Opera, we strongly believe in these human rights and will strive to protect them for our users, employees, partners and other stakeholders. The open internet, including the web, has true potential as an open communication platform that enables users globally to exercise their freedom of speech. Conversely, new technologies can be used to invade citizens' privacy. Opera will take the required measures to protect our users' basic right to privacy.

Ethics

Our employees are our most valuable resource. Opera Software will interact with our employees in the same way as we strive to interact with our customers: following the highest ethical standards and with respect for individuality.

To ensure a high ethical standard, Opera last year decided to revise our Ethical Code of Conduct. By doing so, Opera reaffirms its commitment to respecting and supporting internationally recognized human rights. The guidelines apply to all staff members, in all Opera Software Group offices and departments. The code has been put in place to help employees, clients and business partners understand Opera's values and standards.

Whistleblowing

Freedom of speech and "blowing the whistle" on malpractice, fraud, illegality, breaches of rules, regulations and procedures, or raising health and safety issues, is encouraged at Opera.

We strongly encourage and guide our employees regarding how to speak up and take action against abuse and malpractice.

Any Opera staff member making a whis-

tleblowing report is protected from any repercussions, such as dismissal and other forms of reprisals, provided that such report is made in accordance with policies and regulations.

Labor

Opera respects and observes the fundamental employment rights set out in the international conventions on human rights, such as the conventions of the International Labor Organization (ILO) and the United Nations (UN).

Opera believes that everyone has the right to freedom of peaceful assembly and to freedom of association with others, including the right to form and join labor unions. Several Opera employees are organized into labor unions.

Opera is an equal-opportunity employer. We insist on fair, non-discriminative treatment for all employees, in recruitment and in selection for promotion or training opportunities, irrespective of race, color, nationality, age, sex, sexual orientation, gender identity, ethnic origin, marital status, disability or religion. Individuals at every level share responsibility for maintaining a culture that is built on open, supportive and positive relationships, free from prejudice, stereotyping and unfair bias.

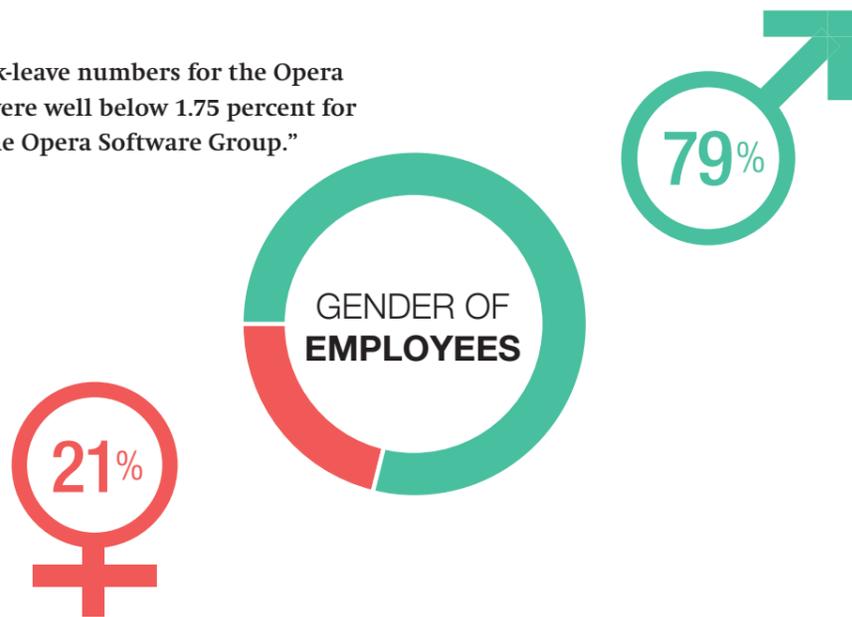
Our employees shall not be subjected to harassment or other improper conduct that might be perceived as threatening or demeaning.

Work environment

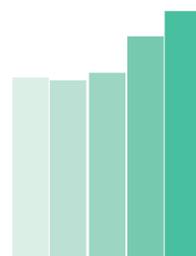
Opera's employees regularly participate in anonymous surveys concerning the work environment. This gives Opera the opportunity to discover and deal with problems concerning harassment or discrimination at an early stage.

In 2013, more than 81% of the employees participated in the Opera Organizational Survey. In this survey, employees are asked to give feedback on areas such as job satisfaction, participation and teamwork, policy and

“The reported sick-leave numbers for the Opera Software Group were well below 1.75 percent for all countries in the Opera Software Group.”



NO. OF EMPLOYEES



2013	1039
2012	931
2011	777
2010	747
2009	757

guidelines, health and safety, management, competence and training. The results are benchmarked against companies in Norway to ensure that we uphold a high level of employee satisfaction and participation in each of these important areas for employee satisfaction.

The results have been very positive and on level with, or higher than, other companies in Norway. In the survey, more than 85% of the respondents strongly agreed that they were very proud to work for Opera, while only 4% were neutral to the statement, and 11% were in agreement with the statement.

There have been no reported harassment or discrimination incidents at Opera in 2013.

We are very happy to see these results and will continue to work on this to ensure that employee satisfaction remains high.

Elected representatives to the board

Through elected representatives to the board, we give our employees a voice. Our employees have the right and obligation to elect three representatives to the Board of Directors. The representatives are elected by all Opera employees, globally. Directors ensure the best interests of Opera Software ASA, and a special obligation falls on the employee-elected members to voice the concerns of Opera employees.

Low sick leave equals happy employees

In 2011, Opera Software ASA was ranked as one of the companies with the lowest registered sick leave on the Oslo Stock Exchange. These good results have continued in 2012 and 2013, as the reported sick-leave numbers for the Opera Software Group were well below 1.75 percent for all countries in the Opera Software Group. The sick-leave number for the parent company was 0.82 percent. No work-related accidents involving personal

injury were reported. No incidents involving material damage occurred.

With such a low sick-leave level, we are constantly evaluating our policies. For example, discrimination on the basis of any disability shall not occur at Opera. We strive to meet all our employees' needs, and we offer shorter working hours and other services to accommodate our employees with disabilities.

We are also cognizant of our Scandinavian heritage and promote a healthy work-life balance. In our headquarters in Oslo and our offices in Poland, we provide kids' rooms where employees can bring their children to work for shorter periods of time under their own supervision. We encourage a healthy lifestyle by serving healthy meals and snacks. At the headquarters in Oslo, employees can get their daily exercise in one of Oslo's most popular recreation areas just outside the office, running in Maridalen or swimming in Nydalsdammen. During the winter, employees can work out in our newly refurbished activity and weight room. Opera also sponsors a yearly sum for gym memberships or other training activities for its employees worldwide.

Diversity

At the end of 2013, Opera had 1,039 full-time employees from countries all over the world, of which 21% were women and 79% were men. Opera has two female board members and one woman on the senior Executive Team. As part of our core values, Opera promotes cultural diversity and gender equality, and Opera is proud to have 55 nationalities represented in the organization.

Equal opportunity to all Opera employees and potential employees is an important factor throughout the organization. When recruiting, we use assessment methods such as programming tests and test cases to give equal opportunity to



Proud	85%
Neutral	4%
In agreement	11%



“At Opera, we believe that an open, connected world — powered by great technology and services — is essential to breaking down the barriers that limit access to information, education and fun.”

FINANCIAL RISK



USD	76%
EUR	13%
GBP	5%
CNY	4%
Other	1%

all qualified applicants. Opera strives to continue improving the company's gender balance.

At Opera, we pride ourselves in aiming to give equal opportunity to employees in both work and personal life. One of the benefits for all male employees is the opportunity to have two weeks of paid father's leave upon the birth of their baby. By doing this, we are emphasizing the importance having a healthy work-life balance, regardless of the geographical location or local labor legislation.

External environment

For several years, Opera has made data-center efficiency, low-power CPUs in our servers and procuring power from renewable energy sources as key components of our hosting expansion strategy. Opera also has participated in programs to dispose of electronic equipment responsibly and encourages employees to use this service for any personal electronics they are retiring.

Reducing the amount of paper produced during normal business practices and recycling what paper waste we do create are also visible examples of Opera's environmental commitments, as well as keeping lights out after hours and in unused areas.

Social commitment

At Opera, we believe that an open, connected world — powered by great technology and services — is essential to breaking down the barriers that limit access to information, education and fun.

Today, only 2.7 billion people are connected to the internet. The cost of getting online is one of the biggest challenges for users worldwide. We want to help get the next five billion online. Opera Mini, which makes it possible to access the web from even the simplest phones, is our most important

contribution toward achieving this, and today we have more than 243 million users on Opera Mini, with a majority of them in developing countries.

In 2013, Opera also joined Internet.org, a partnership between Facebook, Opera and other technology companies. The goal of Internet.org is to make internet access available to the two thirds of the world who are not yet connected and to bring the same opportunities to everyone that the connected third of the world has today. Opera is proud to contribute to the project with our competence in internet technology.

The Opera Software Group is also engaged in measures to fight poverty and to give children an opportunity for education and a better life.

This year, Opera participated in two major programs in India and Indonesia to give children access to education.

In India, Opera partnered with the Smile Foundation to launch the “Smile with Opera Mini” campaign, to support the basic education of 1,000 underprivileged children of the Smile Foundation's Mission Education program for a year.

In Indonesia, Opera ran a similar campaign with the YCAB Foundation, the “Browse for Change” campaign with Opera Mini.

Risk factors

Each of the following 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:

Financial risk

Opera's sales and expenses are exposed to foreign currency exchange risk. Most of the Company's foreign exchange risk relates to sales and is the result of revenue contracts signed in EUR and other currencies. For FY

OPERATING

CASH FLOW [Numbers in MUSD]

2013, approximately 76% (2012: 71%) of revenues were in USD, 13% (2012: 22%) in EUR, 5% (2012: 4%) in GBP, 4% (2012: 1%) in CNY and 1% (2012: 2%) in other currencies. For the parent company, approximately 68% (2012: 67%) of revenues were in USD, 23% (2012: 29%) in EUR, 7% (2012: 2%) in CNY and 2% (2012: 2%) in other currencies. The Board and management carefully monitor the foreign exchange risks, although there are no hedging strategies that can be employed to eliminate the fluctuations in NOK-reported revenues, given that nearly 90% of Opera's revenues are denominated in USD and EUR.

The majority of the Group's purchases are made in the following denominations: NOK, USD, SEK, PLN, GBP, JPY, CNY, KRW, TWD, AUD, UAH, ISK, SGD, EUR and INR. Exchange rate fluctuations in these currencies do impact Opera's income statement. In FY 2013, approximately 54% (2012: 36%) were in USD, 20% (2012: 30%) in NOK, 6% (2012: 7%) in SEK, 6% (2012: 5%) in GBP, 5% (2012: 7%) in PLN, 2% (2012: 3%) in CNY and 6% (2012: 12%) in other currencies.

Liquidity and credit risk

Opera is exposed to customer-related credit risk, which is primarily influenced by the financial strength and characteristics of each customer. There is always a risk of loss on accounts receivable from our customers and reduced sales to our customers if they face liquidity challenges.

Opera Software, in February 2013, signed a MUSD 100 secured revolving credit facility with DNB Bank ASA for general corporate purposes, including acquisitions. The facility is primarily secured through a share pledge in Opera Software International AS, as well as floating charges over accounts receivable in

Opera Software ASA and certain of its U.K. and U.S. subsidiaries. The facility has a term of 3 years and bears an interest rate of LIBOR + 1.75% p.a. (plus a utilization fee varying with the amount drawn). On the undrawn portion of the facility, a commitment fee of 0.61% p.a. will be paid.

As of December 31, 2013, Opera had MUSD 60 in interest-bearing debt, and the cash balance was MUSD 163.4 (parent company: MUSD 128.4). Operas interest-coverage was 17 (2012: 369), and the equity ratio was 59% (2012: 60%). Investments are only made in funds operated by institutions rated by S&P or Moody's, with a minimum rating of BBB or Baa2, respectively. Although Opera does invest our money conservatively, all our investments are subject to risk. For example, Opera's cash and other investments placed in Norwegian financial institutions are not guaranteed by the government above MNOK 2 per institution. If the financial institution were to go bankrupt, a portion of Opera's cash or investment could be lost.

Tax risk

From time to time, Opera faces tax audits and investigations by both domestic and foreign tax authorities, and the outcome of any audit could have a negative impact on our operating results and financial condition. Furthermore, the tax treatment of many transactions relies on the judgment of the Company and its auditors, since the tax laws and regulations are not always clear. Based on the uncertainty that exists, the ultimate tax outcome may differ from the amounts recorded in our financial statements and if Opera were required to re-file our taxes based on an adverse tax judgment, it could materially affect our financial results during the relevant period(s).



Competition

Opera's competitors include some of the largest technology, advertising, IT and telecommunication companies in the world, with significantly larger financial resources and headcount and broader distribution channels than Opera has. These large companies have a greater financial capacity to make strategic acquisitions, invest in new technology and research and development, market their products and compete for customers. Furthermore, due to the dynamic nature of the market, there is always a risk that our large competitors, and even smaller startup competitors, could take a large share of the markets in which we are operating within a very short period of time, by developing more attractive products and taking customers away from our own products and services.

R&D / Product development

Opera's revenue is dependent on expanding our user base and customer base by developing and marketing products that are more attractive than our competitors' products. If the attractiveness of our products does not continuously improve and evolve to keep pace with the industry, we will have challenges retaining our current user base and gaining new customers. Our competitors are constantly improving their products and associated services. In order to stay competitive, Opera has to invest significant resources in research and development. Investing significantly in R&D is, however, no guarantee that consumers and customers will, in fact, find our products to be attractive enough to begin or continue using them, as it is impossible to accurately predict the behavior of our consumer and business customers.

Customer/Partner risk

There is always a risk that existing customers will terminate or fail to renew their contracts with us if, for example, Opera's technology does not remain competitive enough to provide value to our customers or our customers' products, which incorporate Opera's technology, or does not generate revenue and users as the customer expected. There is also a risk that consumers will stop using Opera's technology and begin using a competitor's technology and that our brand and performance advertising customers work with our competitors instead of us for advertising campaigns. The negative impact of a loss of customer(s) and/or end users on Opera's revenues and business could be significant. For example, in 2013, Opera had sales to one customer that accounted for more than 10% of total revenues. Loss of this customer or a change in the commercial terms of that deal would negatively harm our revenues and business. Similarly, not being able to attract new customers, partners and consumers to our products would have a negative impact on revenues and business.

Data-center risk

Many of our products and services are dependent on the continuous operation of data centers and computer hosting and telecommunications equipment. If Opera's internal IT systems fail or are damaged, or if a third party gains unauthorized access to such systems and data is lost or compromised, it could have a material impact on Opera's operations. Downtime can, for example, hurt our reputation with our consumer customers, as well as increase the risk of damage claims and monetary penalties from our customers.

If our data centers malfunction or become damaged, service can be interrupted for long periods of time. Damage can result from any number of factors, including natural disasters, such as earthquakes, floods, lightning strikes, and fires, terrorist attacks, power loss or failure, telecommunication equipment failures, severed or damaged fiber optic cables, computer viruses, security breaches, sabotage, vandalism, negligence of our suppliers, or deliberate attempts to harm our equipment and/or systems. Furthermore, actions or inactions of third-party hosting centers or telecommunications providers, including financial difficulties, can result in service disruption, which would have negative impact on our products and services.

If our centers or systems are subject to a security breach, customers' confidential or personal information could be obtained and used by third parties, which could have a negative impact on our brand and the market perception that we are a reliable company, as well as subjecting us to significant regulatory fines or claims or damages from our customers.

For certain business models, we depend on internal systems to collect and produce accurate statistics regarding the use of our products and services, especially for products that rely on an active user royalty model. Failures or malfunctioning of these systems can have a significant impact on our financial results. Failure to adequately back up our internal systems can also have a material impact on the running of our business.

Brand name

Opera has a strong brand name in our markets. In order to expand our user and customer base, we must maintain and strengthen the "Opera" brand by producing excellent products and services and maintaining and improving end users'

and customers' perceptions of Opera. Issues such as data privacy and security issues, product and service outages, compatibility issues and product/service malfunctions can have a negative impact on our brand name, which can, in turn, impact our results and business.

Opera is exposed to reputational risk, as Opera is heavily reliant on browser products and other related products and services, while maintaining a relatively low marketing budget. In the past, Opera's reputation has been spread via word of mouth by satisfied users and customers. Failure to continue to release and develop high-quality, user-friendly and customer-attractive products and services would adversely impact our reputation, this marketing channel and Opera's business.

Growth or change in headcount

Our business has always experienced growth and dynamic change, which may require an increase in headcount and/or the need to restructure the work force's competence, leading to downsizing and the rehiring of people with different skill sets. If we fail to manage this growth and change effectively, the quality of our products, services and technology could be negatively affected, and our business and operating results could be impacted. Our presence and expansion in many international markets amplifies these risks due to multiple legal and regulatory systems, languages, cultures and customs. Failing to improve our operational, financial, management, reporting and compliance procedures continuously could negatively impact our growth and financial position.

Senior management and key employees

Executing on our strategic objectives depends on our ability to retain and attract key executives and members of senior management, as

well as skilled personnel, including software engineers and developers. There is strong competition for employees in our business, and our competitors often try to lure away our personnel. If our competitors are able to offer more competitive compensation arrangements and/or more attractive workplaces, our ability to attract and retain key employees will be hampered. Losing members of the team can negatively affect our ability to execute on our strategic objectives and compete effectively.

Regulatory risk

Opera operates on a global scale and is therefore subject to regulatory regimes across the globe. Not only is it a challenge for a company the size of Opera to remain current on all the regulatory regimes that may apply to Opera at any one time, but also some regulators have a particular interest in the markets within which Opera is operating. As a result, Opera may become subject to increased regulatory scrutiny in the future. If lawmakers and regulators make new laws or interpret current laws in different ways or subject Opera to regulatory scrutiny, Opera may be required to, for example, invest significant amounts of money to participate in or defend ourselves in regulatory proceedings in multiple jurisdictions and to adapt our products and services to conform to the regulatory regimes in multiple jurisdictions. Such product adaptations may be very costly and might ultimately result in Opera's products and services becoming less attractive to our customers and end users and/or in Opera being forced to maintain different software builds for different countries.

Lawsuits, government investigations and other claims

Opera has many customers, partners and end users around the world, and, as a result,

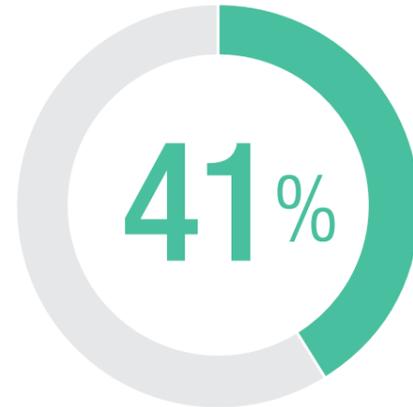
we can be exposed to lawsuits, government investigations and other claims or proceedings on a global basis. Such lawsuits, investigations and proceedings could be related to, for example, intellectual property (issues including trademark and patent suits), labor law issues, commercial lawsuits, data protection and privacy matters, consumer law, marketing law, tax issues and so forth. All such proceedings can have a significant impact on Opera, whether or not we are ultimately successful, due to the legal cost and the internal resources we would have to employ to defend ourselves. In the event of an adverse result against Opera in such a proceeding, Opera could be required to pay significant monetary damages or fines and/or re-design our products or services, causing a material impact on Opera's business, financial results, operations and cash flow.

Intellectual property lawsuits are very common in the market within which Opera operates. Regardless of the merits of such lawsuits, they are extremely expensive to defend and litigate, and the damages awarded in such suits can be high. In addition, Opera has contractually undertaken to indemnify certain of our customers and partners, so, in the event they are sued for alleged intellectual property infringement, Opera would be required to defend them and pay their damages. Furthermore, an adverse judgment could require Opera to cease using certain technologies in our products or names for our products, requiring Opera to re-engineer or re-name our products.

Compared to Opera, many of our competitors own large numbers of patents and other intellectual property rights. Although we do seek patent protection for certain innovations, we may not have sufficient protection for important innovations. Furthermore, because

STRUCTURE OF OWNERSHIP

The 10 biggest shareholders of Opera Software ASA as of December 31, 2013, had 41% ownership of the total shares.



TOTAL STOCK-BASED COMPENSATION EXPENSES FOR EMPLOYEES



Consolidated
2013 ■ 4.0 MUSD
2012 ■ 3.6 MUSD

many large companies are able to settle intellectual property lawsuits by cross-licensing each other's technology, the fact that our patent portfolio is not as extensive as our competitors' portfolios could have a negative impact in a cross-licensing situation.

Acquisitions

Opera has made a number of acquisitions in the past and will likely make future acquisitions. Acquisitions and other strategic transactions can create operational and integration challenges, diversion of management attention, dilution, cultural challenges, assumption of liabilities or debt, and other challenges that can impact our business and results. In addition, making such acquisitions requires significant costs for legal and financial advice and can take management's focus away from achieving other strategic objectives.

Fluctuations

Opera's operating results fluctuate from period to period, due to, for example, changing business models and factors that are outside our span of control. Furthermore, our business and the market are dynamic and evolving, and our spending has historically been cyclical in nature and user traffic tends to be seasonal.

Other factors

Risk factors not mentioned above and which are currently believed to be immaterial, or which are currently not known, could also materialize in a manner which could lead to a material adverse effect on the Opera Group's business, operations and financial position.

Shareholders and equity-related issues

As of December 31, 2013, Opera Software had 132,288,232 outstanding shares. Total

stock-based compensation expenses for employees in 2013 were MUSD 4.0 (parent company: 4.0), compared to MUSD 3.6 (parent company: 2.4) in 2012.

As of December 31, 2013, the Group had MUSD 203.6 in total paid in capital. Total equity was MUSD 314.0 (parent company: 306.6).

Allocation of the annual profit

The total comprehensive income for the period for Opera Software ASA was MUSD 44.0 in 2013. The Board of Directors recommends a NOK 0.24 per share dividend payment for the 2013 accounting year. The proposed dividend payout is consistent with the Company's dividend policy. The dividend disbursement amounts to approximately MUSD 5.2. The Board proposes that the remainder of the total comprehensive income for the period is transferred to other equity. As the financial statements for the parent company are reported according to IFRS, the total comprehensive income is included in other equity. The Company's unrestricted capital as of December 31, 2013, after deducting allocations for the proposed dividend disbursement for the 2013 accounting year, amounted to approximately MUSD 106.9.

Going concern

In accordance with Norwegian accounting regulations, the Board confirms the annual financial statements have been prepared on a going-concern basis.

Subsequent events

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

For announcements of new contracts, please see the announcements published



Country/Account Type	Percentage
Norway-based accounts	74.2%
U.K.-based accounts	8.8%
U.S.-based accounts	6.3%
Accounts based elsewhere	10.7%



Country/Account Type	Percentage
Norway-based accounts	57.7%
U.K.-based accounts	16.4%
U.S.-based accounts	7.7%
Accounts based elsewhere	18.2%

on the Oslo Stock Exchange website (www.oslobors.no).

Share incentive program

The Annual General Meeting held on June 14, 2011, approved a new stock incentive program. The maximum number of options to be granted during 2011, 2012, 2013 and 2014 is 11,950,000. This represents slightly less than 10% of the registered share capital of the Company. However, options cannot be granted if the aggregate of all issued, un-exercised, and not-terminated options represents more than 10% of the then-registered share capital of the Company. No employee can be granted options annually which in value exceed 200% of that employee's base salary. The value is to be based on valuation principles for options as applied under IFRS and in accordance with Opera Software's financial statements. The options are to be granted in accordance with the Company's standard option agreement as approved by the Ordinary General Meeting in 2010, which means that the vesting structure is 50% after 3 years and 50% after 4 years, with a strike price equal to the market price at grant. After June 14, 2011, and up to December 31, 2013, 4,548,850 options have been granted under the program.

Stock Buyback Program

During 2013, Opera did not purchase any own shares.

Shareholders

As of December 31, 2013, there were 132,288,232 (119,574,782 as of December 31, 2012) shares outstanding. The Company had 3,638 (2012: 3,286) shareholders at year's end. At that time, 57.7% (2012: 74.2%) of the shares were held in Norway-based accounts, 16.4% (2012: 8.8%) in U.K.-based accounts,

7.7% (2012: 6.3%) in U.S.-based accounts and 18.2% (2012: 10.7%) in accounts based elsewhere.

A key concept in Opera's approach to corporate governance is the equal treatment of shareholders. Opera has one class of shares and all shares are freely transferable (with possible exceptions due to foreign law restrictions on sale and offering of securities). Opera is not aware of any agreements between shareholders that restrict the ability to transfer shares or cast votes. All shares in the Company carry equal voting rights. Any decision to waive the preemption rights of existing shareholders to subscribe for shares in the event of an increase in share capital will be explained. Where the Board of Directors resolves to carry out an increase in the share capital and waive the preemption rights of the existing shareholders on the basis of a mandate granted to the Board, an explanation will be publicly disclosed in a stock exchange announcement issued in connection with the increase of the capital. Please see the section entitled "Principles of corporate governance" in the Annual Report for more information.

Environmental statement

Opera Software ASA understands the importance of protecting the environment.

Opera shall:

- Act according to environmental laws.
- Commit to using environmentally safe products in the workplace.
- Evaluate the consumption of energy and other resources to determine means of control.
- Ensure the development of environmentally protective procedures.

OUTLOOK

Entering 2014, Opera remains positive about



HYUN IS GETTING READY FOR A NEW DAY

WITH OPERA IN HAND, SHE GETS A DELIGHTFUL START

PRIORITIES 2014

Opera's key operational priorities in 2014 include continuing to

- Sign operator agreements.
- Grow revenue and users (smartphones).
- Expand Opera's demand-side on advertising.
- Grow the desktop user base.
- Increase overall profitability and margins.

the Company's overall growth prospects, which is expected to be driven primarily by our mobile businesses going forward.

Within our mobile business, Opera continues to drive a compelling value proposition for operators, helping them increase data and services revenue streams and profitability. With the continued rollout of the cloud-based Rocket Optimizer™ solution and other smartphone-targeted products and services to the Company's existing and prospective customers, Opera expects to generate solid revenue growth from our operator business in 2014, compared to 2013.

Moreover, the Company continues to deliver a very compelling value proposition to our rapidly burgeoning mobile consumer base, providing a fast and data saving, and therefore cheaper, browsing experience. Opera's strategy is to capitalize on our over 270 million mobile browser user base by building and expanding Opera's owned and operated properties and monetizing these properties via mobile advertising, mobile search and mobile applications. Opera expects to generate solid revenue growth from our mobile-consumer user base in 2014, versus 2013, due to much

larger mobile advertising revenue streams in particular from our owned and operated mobile properties, including the Smart Page and the Opera Mobile Store.

Within Opera's Mobile Publisher & Advertiser business (Opera Publisher Partner members), Opera expects to generate meaningfully more revenue from this business in 2014, compared to 2013, as Opera continues to ramp up revenue from brand and performance advertisers and application developers.

Opera's key operational priorities in 2014 include continuing to (i) sign operator agreements for Opera's existing and new products and services, including the Rocket Optimizer™ solution; (ii) grow revenues and users of Opera's mobile consumer products, particularly on the Android and iOS smartphone platforms, and expand usage and monetization of Opera's owned and operated properties; (iii) increase revenue from Mobile Publishers and Advertisers (Opera Publisher Partner members), by expanding Opera's demand-side advertising reach and capabilities; (iv) grow Opera's desktop user base, particularly in Russia/CIS; and (v) increase Opera's overall profitability and margins.

Report from the Board of Directors — Parent company information only

Below, please find financial information and commentary on Opera Software ASA, the Opera Software parent company. Please note that the numbers and comments below are only applicable to the parent company and not for the Group. However, the information described above for the Group is also applicable for the parent company, except for the information below.

FINANCIAL SUMMARY

Opera's operating revenues grew by 6% to MUSD 169.8 in 2013 (2012: 160.8). Operating expenses increased by 9% to MUSD 131.0 (2012: 120.5), with non-headcount expenses increasing primarily due to higher intercompany costs related to purchases of marketing and technical services from the subsidiaries and an overall increase in marketing expenses. Opera delivered EBIT (excluding costs for restructuring the business) of MUSD 37.7 (2012: 40.4), a decrease of 4%, and profit before income taxes (including costs for restructuring the business) ended at MUSD 36.9 (2012: 33.1). Income taxes were MUSD

17.4 (2012: 9.3), and the Company's profit for the period was MUSD 57.6 (2012: 21.0). Earnings per share was USD 0.47 (USD 0.18), and diluted earnings per share was USD 0.46 (USD 0.17).

Net cash flow from operating activities in 2013 totaled MUSD 69.3 (2012: 38.3). Opera's cash balance in 2013, versus 2012, was impacted positively by pre-tax profits and proceeds from share issues of MUSD 87.2 (2012: 0). Opera's cash balance in 2013, versus 2012, was reduced by MUSD 143.7 (2012: 0.8) related to acquisitions, MUSD 2.1 (2012: 5.2) for capital expenditure and MUSD 4.4 (2012: 4.0) related to dividends. As of December 31, 2013, the Company had a cash balance of MUSD 128.4 (2012: 128.2) and MUSD 0 (2012: 0) in interest-bearing debt. The Company's interest-coverage was 55 (2012: 437), and the equity ratio was 77% (2012: 76%).

It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2013.

Oslo, April 10, 2014

Arve Johansen
Chairman

Audun Wickstrand Iversen

Kari Stautland

Marianne Blystad

Gregory Gerard Coleman

Erik Möller
Employee Representative

Christian Mauricio Uribe Espinoza
Employee Representative

Krystian Kolondra
Employee Representative

Lars Boilesen
CEO

Statement by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer (CEO) have reviewed and approved the Board of Directors' report and the financial statements for Opera Software Group and Opera Software ASA as of December 31, 2013, (Annual Report for FY 2013).

The consolidated financial statements and the financial statements for the parent company have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations adopted by the International Accounting Standards Board (IASB). The consolidated financial statements have also been prepared according to applicable regulations and paragraphs in the Norwegian Accounting Act and the relevant paragraphs in the Security Trading Act.

To the best of our knowledge:

- The consolidated financial statements and the financial statements for the parent company for 2013 have been prepared in accordance with applicable accounting standards.
- The consolidated financial statements and the financial statements for the parent company give a true and fair view of the assets, liabilities, financial position and profits as a whole as of December 31, 2013, for the Group and the parent company.
- The Board of Directors' report for the group and the parent company includes a true and fair review of:
 - The development and performance of the business and the position of the Group and the parent company
 - The principal risks and uncertainties the Group and the parent company face

Oslo, April 10, 2014



Arve Johansen
Chairman



Audun Wickstrand Iversen



Kari Stautland



Marianne Blystad



Gregory Gerard Coleman



Erik Möller
Employee Representative



Christian Mauricio Uribe Espinoza
Employee Representative



Krystian Kolondra
Employee Representative



Lars Boilesen
CEO

Consolidated group annual accounts report 2013 Opera Software ASA

The consolidated group annual accounts report for Opera Software ASA contains the following documents:

- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Consolidated notes to the financial statements

The consolidated financial statements, which have been drawn up by the Board and management, should be read in relation to the Annual Report and the independent auditor's opinion.

Consolidated statement of comprehensive income

<i>Numbers in MUSD</i>	Note	1/1 - 12/31 2013	1/1 - 12/31 2012
Revenue	1, 2, 5	300.1	216.0
Total operating revenue		300.1	216.0
Cost of goods sold	1, 2, 5	58.2	24.9
Payroll and related expenses	3, 5	108.6	94.7
Depreciation expenses	5, 7	20.8	9.7
Other operating expenses	3, 4, 5, 7, 14	50.8	36.4
Total operating expenses		238.3	165.8
Results from operating activities ("EBIT"), excl. restructuring costs		61.8	50.2
Costs for restructuring the business	12	2.5	12.8
Results from operating activities ("EBIT")		59.3	37.4
Interest income	5	2.2	1.3
Other financial income	5	15.9	1.8
Interest expenses	5	-4.2	-0.1
Interest expense related to contingent consideration	11	-17.0	-7.7
FX gains/losses related to contingent consideration, net	11	-6.3	1.4
Revaluation of contingent consideration	11	28.8	0.2
Other financial expenses	5	-7.8	-5.1
Share of the profit/loss of associates accounted for using the equity method	8	-3.3	-3.7
Profit before income tax		67.5	25.6
Income tax on ordinary result	6	7.2	8.6
Profit for the period		60.3	17.0
Other comprehensive income may be reclassified to profit and loss:			
Foreign currency translation differences for foreign operations		-0.2	4.4
Total comprehensive income for the period		60.1	21.4
Profit attributable to:			
Owners of the Company		60.3	17.0
Non-controlling interest		0.0	0.0
Profit for the period		60.3	17.0
Total comprehensive income attributable to:			
Owners of the Company		60.1	21.4
Non-controlling interest		0.0	0.0
Total comprehensive income for the period		60.1	21.4
Earnings per share:			
Basic earnings per share (USD)	15	0.490	0.143
Diluted earnings per share (USD)	15	0.479	0.140

Consolidated statement of financial position

Numbers in MUSD	Note	12/31/2013	12/31/2012
Assets			
Non-current assets			
Intangible assets			
Goodwill	7, 8	149.5	70.3
Other intangible assets	7, 8	46.6	12.5
Total intangible assets		196.2	82.8
Property, plant and equipment			
Office machinery, equipment, etc.	7	15.4	15.8
Total property, plant and equipment		15.4	15.8
Financial assets and deferred tax assets			
Deferred tax assets	6	23.6	3.8
Investments in other shares	8, 10	0.1	2.1
Other investments and deposits	4, 8, 10	4.9	3.6
Total financial assets and deferred tax assets		28.6	9.4
Total non-current assets		240.1	108.0
Current assets			
Trade and other receivables			
Accounts receivable	5, 10	61.5	35.2
Unbilled revenue	10	32.4	26.7
Other receivables	6	35.6	12.4
Total trade and other receivables		129.5	74.3
Cash and cash equivalents	5	163.4	57.2
Total current assets		292.9	131.5
Total assets		533.0	239.5

Consolidated statement of financial position

Numbers in MUSD	Note	12/31/2013	12/31/2012
Shareholders' equity and liabilities			
Equity			
Paid in capital			
Share capital	9	0.4	0.4
Share premium		184.2	81.9
Other reserves		18.9	17.0
Total paid in capital		203.6	99.3
Retained earnings			
Other equity		110.4	44.4
Total retained earnings		110.4	44.4
Total equity		314.0	143.8
Liabilities			
Non-current liabilities			
Other long-term liabilities	5, 10	60.1	0.0
Provisions	10, 11	14.8	26.1
Total non-current liabilities		74.9	26.1
Current liabilities			
Accounts payable	10	22.2	19.6
Taxes payable	6	20.2	7.7
Social security, VAT and other taxation payable		9.8	5.9
Deferred revenue	5	17.9	11.2
Option liability	3	0.0	0.1
Other short-term liabilities	5, 10	29.1	22.4
Provisions	10, 11	44.9	2.7
Total current liabilities		144.1	69.7
Total liabilities		219.0	95.8
Total equity and liabilities		533.0	239.5

Oslo, April 10, 2014


Arve Johansen
Chairman


Marianne Blystad


Christian Mauricio Uribe Espinoza
Employee Representative


Audun Wickstrand Iversen



Gregory Gerard Coleman


Krystian Kolondra
Employee Representative


Kari Stautland


Erik Möller
Employee Representative

Lars Boilesen
CEO

Consolidated statement of cash flows

<i>Numbers in MUSD</i>	Note	1/1 - 12/31 2013	1/1 - 12/31 2012
Cash flow from operating activities			
Profit/loss before taxes		67.5	25.6
Taxes paid	6	-13.0	-9.2
Depreciation expenses	7	20.8	9.7
Profit/loss from sales of property, plant and equipment		-0.0	0.1
Impairment of intangible assets	7, 12	0.0	3.0
Changes in accounts receivable **		-29.5	-24.3
Changes in accounts payable		-1.1	5.4
Changes in other liabilities and receivables, net		2.9	4.9
Equity method accounting for associate companies	8	7.3	4.6
Share-based remuneration	3	3.4	3.6
Interest and FX related to contingent payment */***	8, 11	-5.5	6.0
Conversion discrepancy		-3.1	8.1
Net cash flow from operating activities		49.5	37.6
Cash flow from investment activities			
Capital expenditures	7	-10.2	-10.4
Investment in R&D ****	4, 7	-14.4	-3.4
Acquisitions ***	8	-62.7	-44.2
Other investments*****	8	-7.9	-4.9
Net cash flow from investment activities		-95.2	-62.9
Cash flow from financing activities			
Proceeds from exercise of own shares (incentive program)	9	1.5	3.4
Proceeds of share issues, net (incentive program)	9	8.4	0.0
Proceeds of share issues, net (equity increase)	9	87.2	0.0
Proceeds from sale of shares	8	0.7	0.0
Proceeds from loans and borrowings	5	60.0	0.0
Payments of loans and borrowings	5	-1.6	0.0
Dividends paid	9	-4.4	-4.0
Purchase of own shares	9	0.0	0.0
Net cash flow from financing activities		151.9	-0.6
Net change in cash and cash equivalents		106.2	-25.9
Cash and cash equivalents (beginning of period)		57.2	83.1
Cash and cash equivalents *****		163.4	57.2

*Interest income and interest expenses are included in the profit and loss. Interest paid and interest received are recognized in the same year that interest income and interest expenses are recognized in the profit and loss, with the exception of interest related to re-evaluation of the contingent payment related to acquisitions. Conversion differences and interest related to re-valuation of the contingent payment are booked on a separate line as net cash flow from operating activities.

**Changes in unbilled revenue are included in changes in accounts receivables in the statement of cash flows.

***On March 14, 2013, Opera Software ASA acquired 100% of the shares and voting interest of the privately-held company Skyfire Labs, Inc., following a payment equivalent to MUSD 49.1 comprising MUSD 35.9 in cash and MUSD 13.2 in shares (no cash-flow effect) of Opera Software ASA. At the same time, a second payment of MUSD 25.7 was set in escrow and is to be released if certain financial targets are achieved. Net cash of MUSD 8.2 in Skyfire Labs, Inc., existing on the day of acquisition, has been netted in acquisitions in the statement of cash flows.

In 2Q 2013, Opera paid the final part of the FY 2012 earnout payment of MUSD 0.5 related to the Mobile Theory acquisition deal. The payment has been included in acquisitions in the statement of cash flows. Please see note 11 for more information.

In 1Q 2013, Opera paid the FY 2012 earnout payment of MUSD 1.9 related to the 4th Screen Advertising acquisi-

tion deal. The payment has been included in acquisitions in the statement of cash flows. Please see note 11 for more information.

In 1Q 2013, Opera paid the FY 2012 earnout payment of MUSD 0.6 related to the Handster acquisition deal. The payment has been included in acquisitions in the statement of cash flows. Please see note 11 for more information.

In 1Q 2013, a cash payment of MUSD 4.4, for an immaterial transaction, has been included in acquisitions in the statement of cash flows. At the same time, a second payment of MUSD 3.0 was set in escrow and is to be released if certain financial targets are achieved. Net cash of MUSD 1.9, existing on the day of acquisition, has been netted in acquisitions in the statement of cash flows.

****In 2013, MUSD 14.4 (2012: 3.4) of Opera's investment in product development was capitalized in the consolidated statement of financial position.

*****In 3Q 2013, Opera invested MUSD 5.7 in nHorizon Innovation, of which MUSD 2.8 was payable in 4Q 2013. This investment comes in addition to a loan of MUSD 2.3 granted in 4Q 2013. Please see note 8 for more for more information.

*****As of December 31, 2013, the conversion discrepancy profit booked on cash and cash equivalents was MUSD -1.0, and the comparative number as of December 31, 2012, was MUSD 1.3.

Consolidated statement of changes in equity

<i>Numbers in MUSD</i>	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2012	119.2	0.4	77.3	17.6	-0.0	2.0	46.4	143.7
Comprehensive income for the period								
Profit for the period							60.3	60.3
Other comprehensive income								
Foreign currency translation differences						-0.2		-0.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	-0.2	60.3	60.1
Contributions by and distributions to owners								
Dividend to equity holders							-4.4	-4.4
Issue of ordinary shares related to business combinations	2.0	0.0	13.2					13.2
Issue of ordinary shares related to the incentive program	2.7	0.0	8.4					8.4
Issue of ordinary shares related to equity increase	8.0	0.0	87.2					87.2
Own shares acquired								0.0
Own shares sold	0.3				0.0		1.5	1.5
Tax deduction on equity bookings			0.9				0.0	0.9
Share-based payment transactions				3.4				3.4
Total contributions by and distributions to owners	13.1	0.0	109.7	3.4	0.0	0.0	-2.9	110.2
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	0.0	0.0
Balance as of 12/31/2013	132.3	0.4	186.9	20.9	0.0	1.8	103.8	314.0

Face value of the shares

The face value of the shares is NOK 0.02.

Other reserves

Other reserves consist of option costs booked according to the equity settled method and issued shares registered in the period after the current financial year.

Reserve for own shares

The reserve for the Group's own shares comprises the face value cost of the Company's shares held by the Company.

Translation reserve

The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other equity

Other equity consists of all other transactions, including but not limited to, total recognized income and expense for the current period and excess value of the Company's own shares.

Consolidated statement of changes in equity

<i>Numbers in MUSD</i>	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2011	117.9	0.4	77.4	12.8	0.0	-2.4	29.4	117.5
Comprehensive income for the period								
Profit for the period							17.0	17.0
Other comprehensive income								
Foreign currency translation differences						4.4		4.4
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	4.4	17.0	21.4
Contributions by and distributions to owners								
Dividend to equity holders							-4.0	-4.0
Own shares acquired	0.0				0.0		0.0	0.0
Own shares sold	1.3				0.0		3.4	3.4
Tax deduction loss own shares							0.7	0.7
Issue expenses							0.0	0.0
Tax deduction on equity bookings			0.0				0.0	0.0
Share-based payment transactions				4.8			0.0	4.8
Total contributions by and distributions to owners	1.3	0.0	0.0	4.8	0.0	0.0	0.1	4.9
Other equity changes								
Other changes			0.0				0.0	0.0
Total other equity changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of 12/31/2012	119.2	0.4	77.3	17.6	-0.0	2.0	46.4	143.8

Note 1. Accounting principles

Opera Software ASA (the "Company") is a company domiciled in Norway. The consolidated financial statements of the Company for the year ended December 31, 2013, comprise the Company, its subsidiaries Hern Labs AB, Opera Distribution AS, Netview Technology AS, and Opera Software International AS (which, in turn, include the subsidiaries Opera Software Korea Ltd, Opera Software Technology (Beijing) Co., Ltd, Opera Software Poland Sp. z o.o, Opera Software Singapore PTE. LTD., AdMarvel, Inc., LLC Opera Software (Russia), LLC Opera Software Ukraine, Opera Software Iceland ehf, Opera Web Technologies Pvt. Ltd, Handster, Inc., Mobile Theory, Inc., 4th Screen Advertising Ltd, 4th Screen Advertising Holdings Ltd, Skyfire Labs, Inc., Opera Software International US, Inc., Opera Mediaworks, LLC., Opera Mediawork Performance, LLC, OMWMSG, LLC, Opera Holdings Ireland Limited, Opera Mediaworks Ireland Limited, Opera Software Ireland Limited, Opera Mediaworks Ad Exchange, Inc, Opera Software Netherland BV, Opera Software Americas, LLC., Opera Commerce, LLC.), and the limited company Beijing Yuege Software Technology Service Co., Ltd. (of which Opera had full control) together referred to as the "Group". In 2013, Opera Software International AS had branches in Japan, Poland and Taiwan.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations adopted by the International Accounting Standards Board (IASB). The consolidated financial statements have also been prepared according to applicable regulations and paragraphs in the Norwegian Accounting Act and the relevant paragraph in the Securities Trading Act.

BASIS OF PREPARATION

The consolidated financial statements are presented in USD, rounded to the nearest million. They are prepared on a historical cost basis.

Except for liabilities for derivative financial instruments, cash-settled, share-based payment arrangements and contingent considerations obtained in business combinations, no other assets or liabilities are stated at their fair value. Assets and liabilities in the business combinations are valued at fair value at the acquisition date according to IFRS 13. No subsequent changes in fair value are recognized except for impairment losses. Receivables and debts are assumed to have a market value equal to book value.

The preparation of consolidated financial statements, in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form

the basis of making the judgments about carrying values of assets and liabilities. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments made by management in the application of IFRS, which have a significant effect on the consolidated financial statements and estimates, with a significant risk of material adjustment in the next year, are discussed in note 13.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by Group entities.

CHANGES IN ACCOUNTING POLICIES

The Group has not changed its accounting policies during FY 2013 except for implementing IFRS 13. IFRS 13 is applicable from 2013. The new standard did not have significant effect for the group. Opera's assets and liabilities to be valued according to fair value are primarily level 3 valuations. Note 5 includes disclosures according to IFRS 13.

Opera does not have defined benefit plans for pensions. Hence, the amended IAS 19 has had no effect for the company.

BASIS OF CONSOLIDATION

Business combinations

From January 1, 2010, the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and has had no material impact on earnings per share.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after January 1, 2010

For acquisitions on or after January 1, 2010, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests

in the acquiree, plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less

- The net recognized amount (generally, fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not premeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquirer's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between January 1, 2004, and January 1, 2010

For acquisitions between January 1, 2004, and January 1, 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognized amount (generally, fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurred in connection with business combinations, were capitalized as part of the cost of the acquisition.

Acquisitions prior to January 1, 2004 (date of transition to IFRS)

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after January 1, 2004. A portion of the goodwill relates to the purchase of Hern Labs AB. As the goodwill existed before January 1, 2004, the goodwill is based on the amount recognized according to NGAAP. Goodwill from the purchase of Hern Labs AB booked on December 31, 2010, has the same value as goodwill on January 1, 2004.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests, and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments, to align the accounting policies with those of the Group from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, any unrealized gains and losses, or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners, and, therefore, no goodwill is recognized as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

FOREIGN CURRENCY**Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate prevailing on that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to USD at foreign exchange rates prevailing on the date the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from consolidation, are translated to USD at foreign exchange rates prevailing on the balance sheet date. Revenues and expenses of foreign operations are translated to USD using the approximate foreign exchange rates prevailing on the transaction date. Foreign exchange differences arising from re-translation are recognized directly in a separate component of equity.

PROPERTY, PLANT AND EQUIPMENT**Owned assets**

Property, plant and equipment are stated at cost, less accumulated depreciation (see below) and impairment losses (see accounting policy regarding impairment).

Where parts of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases, where the Group assumes substantially all the risks and rewards of ownership, are classified as finance leases. The Group has only operational lease contracts as of December 31, 2013. Expenses concerning the upgrading of leased premises have been capitalized and are amortized over the remaining term of the contract.

Subsequent costs

The Group recognizes, in the carrying amount of an item

of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Group, and the cost of the item can be measured reliably. All other costs are recognized in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements Up to 6 years
- Machinery and equipment Up to 10 years
- Fixtures and fittings Up to 5 years

The residual value, if not insignificant, is reassessed annually.

INTANGIBLE ASSETS**Goodwill**

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see above.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortized but is tested annually for impairment (see accounting policy regarding impairment).

Negative goodwill arising on an acquisition is recognized directly in the profit or loss.

Research and development

Expenses related to research activities, which are expected to lead to scientific or technological knowledge and understanding, are recognized as costs in the statement of comprehensive income in the period they are incurred.

The Company develops specifically designed browsers for use in its customers' products. A fee is paid to the Company for this service, and this fee should cover the costs related to the development of these custom-made browsers. As the customer's payment covers the development costs, these costs are not reported in the statement of financial position.

Cost of building new features, together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line, 3-year basis.

A significant portion of the work that engineering performs (beyond specifically designed browsers) is related to the

implementation of the ongoing updates that are required to maintain the browser's functionality. Examples of updates include "bug fixes", updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest web trends. These costs are expensed as maintenance costs.

Other intangible assets

Other intangible assets, excluding deferred tax assets (see accounting policy regarding income tax) that are acquired by the Group, are stated at cost less accumulated amortization (see below) and impairment losses (see accounting policy regarding impairment).

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Goodwill and intangible assets with indefinite useful lives are systematically tested for impairment at each balance sheet date.

FINANCIAL INSTRUMENTS**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially measured at fair value plus transaction costs, except for those non-derivative financial instruments classified as at fair value through profit or loss, which are initially measured at fair value without transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Derivative financial instruments

From time to time, the Group holds derivative financial instruments to hedge its foreign currency exposures. Derivatives are recognized initially at fair value; associated transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognized in the profit or loss. No hedge accounting has been applied.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy regarding impairment).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Deposits in money market funds are included in cash and cash equivalents, as the funds can be withdrawn from the money market fund at will.

IMPAIRMENT**Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The cash-generating unit is considered to be the acquired companies except for Hern Labs AB, Netview Technology AS and Opera Software Poland Sp. z o.o. Please see note 8. Impairment losses are recognized in the statement of comprehensive income.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity, and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in the profit or loss is the difference between the acquisition cost and current fair value less any impairment loss on that financial asset previously recognized in the profit or loss.

Calculation of recoverable amount

The recoverable amount of the Group's assets is the greater of their fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount do not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

DETERMINATION OF FAIR VALUES

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

DIVIDENDS

Dividends on shares are recognized as a liability in the period in which they are declared.

DISTRIBUTIONS OF NON-CASH ASSETS TO OWNERS OF THE COMPANY

The Group book a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value. The carrying amount of the dividend is re-measured at each reporting date and at the settlement date, with any changes recognized directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognizes the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in the profit or loss.

TREASURY SHARES

The purchase and sale of treasury shares have been recognized directly in equity.

EMPLOYEE BENEFITS — DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Restructuring

A provision for restructuring costs is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Further, operating losses are not provided for.

TERMINATION BENEFITS

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. If benefits are not expected to be settled within 12 months of the end of the reporting period, then they are discounted.

SHARE-BASED PAYMENT TRANSACTIONS

The share option program allows Group employees to acquire shares of the Company. The fair value of options granted is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black & Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting. For options granted between March 2007 and June 15, 2010, 20% of the options vest after one year, another 20% after two years, 25% after three years and the last 35% after four years. For options granted from June 16, 2010, 50% of the options vest after three years and the last 50% after four years. Option costs related to the options granted in 2007-2013 are accrued according to the principle of graded vesting. Those employees, who were granted options in 2007-2013, are responsible for the social security taxes. Opera pays the social security taxes but is reimbursed by the employee. The employees can exercise the options until three years after they have vested. This condition is included in the calculation of the fair value of the options.

PROVISIONS

A provision is recognized in the statement of financial position when the Group has a current existing legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The fair value of a contingent consideration is calculated using the income approach based on the expected payment amounts and their associated probabilities (i.e., probability-weighted). Since a part of the contingent consideration is long-term in nature, it is discounted to present value.

WARRANTIES

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

ONEROUS CONTRACTS

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

TRADE AND OTHER PAYABLES

Trade and other payables are stated at cost.

REVENUE RECOGNITION

The Company has the following primary sources of revenue:

- Licenses/royalties
- Development fees
- Maintenance, support and hosting
- Search
- Advertising
- Application and content
- Payment
- Subscription

Opera's main revenue recognition principles are as follows: Opera only recognizes revenues when: (i) persuasive evidence of an arrangement exists (signed agreement), (ii) delivery of the product and/or service has occurred, (iii) revenue is fixed and determinable, and the amount of revenue can be measured reliably and (iv) collection is reasonably assured.

Licenses/royalties

Customer device agreements typically involve multiple sources of revenue, including license/royalty income, development fees and maintenance and support. For customer contracts where development and customization have already been completed, or, if no development or customization is required, Opera typically recognizes license/royalty revenue in the same period as the customer ships the devices with Opera preinstalled. In cases where Opera is not preinstalled, Opera recognizes license/royalty income when the customer or customer's customer downloads the Opera browser to its device.

In some contracts, the customer prepays for a minimum number of copies of the customized browser. Opera receives this license/royalty fee irrespective of whether the customer actually uses or ships the number of minimum licenses. Where there is significant customization of the browser or significant engineering is required to port the browser to the operating system, the prepaid minimum license/royalty fees are recognized on a percentage-of-completion basis along with the development fee

revenue. Where there is no customization, no significant customization of the browser is required, or, if there is no porting or no significant engineering is required to port the browser to the operating system, the prepaid minimum license/royalty fees are typically recognized when the master copy of the product is delivered to the customer. For certain agreements, a customer commits on contract signature to pay, on an installment basis, for a fixed or unlimited number of licenses over an extended time period. In these cases, provided that Opera has no substantive customization obligations attached to these committed licenses, Opera recognizes revenues on these licenses in the accounting period in which the installment payment is due from the customer, as these contracts include extended payment terms.

Opera also enters into customer agreements for a customer-branded or joint customer/Opera "co-branded" version of our Opera Mini product offering (typically with operators), where license/royalty income is generated over a defined period predicated on the number of active users of the browser in that period (where an active user is generally defined as a user who uses the Opera Mini browser to access the internet at least once in that period). Opera also enters into agreements with operators where a portion of revenue generated by the operator from data services and content is shared with Opera. For these revenue-share agreements, Opera typically hosts the Opera Mini solution and recognizes the revenue according to revenue-share reports provided by the operator. For the active user agreements, Opera typically hosts the Opera Mini solution and recognizes the revenue based on the active user information the Company has available from its own computer servers. Opera also enters into customer agreements where the customer pays for delivery of an unlimited number of copies of active user licenses in a limited time frame with no future obligations for Opera. These revenues are recognized on an installment basis, as these contracts include extended payment terms. Some customers also pay a fee that covers the set-up of the co-branded Opera Mini product and the right to use the co-branded product technology, links, trademarks, etc., as specified in the agreements. These revenues are typically recognized ratably over the term of the agreements.

Development fees

Development fees are recognized in the month the service is provided. Development fees, or non-recurring engineering, where the Company customizes the browser for its customers and/or ports the browser to an operating system, typically spans a number of accounting periods. Consequently, a portion of the revenue is taken each period using the percentage of completion method. This calculation is made by taking the total number of hours delivered during an accounting period divided by the total estimated hours to fulfill the terms of the contract. The total estimated hours to fulfill the contract are constantly monitored by the Company and updated periodically

where appropriate. The portion of income not yet invoiced to the customer is presented as unbilled revenue. Percentage of completion calculations are made using the contract currency and converted to USD.

Maintenance, support and hosting

Maintenance, support and hosting revenues are recognized ratably over the term of the maintenance, support and hosting agreements with the customer.

Search

Search revenue is generated when an Opera user conducts a qualified search using an Opera search partner (such as Google and Yandex) through the built-in combined address and search bar provided in Opera's desktop and mobile browsers.

Advertising

Opera recognizes revenue based on the activity of mobile users viewing ads through Opera-owned properties, developer applications and mobile websites. Our revenue is recognized when our advertising services are delivered based on the specific terms of the advertising contract, which are commonly based on the number of ads delivered, or views, clicks or actions by users on mobile advertisements. At that time, our services have been provided, the fees charged are fixed or determinable, persuasive evidence of an arrangement exists, and collectability is reasonably assured.

Opera sells advertising on several bases: CPM (cost per thousand), where Opera charges advertisers and recognizes revenue based on when an ad is delivered to a consumer; CPC (cost per click), where Opera charges advertisers and recognizes revenue for each ad clicked on by a consumer; and CPA (cost per action), where Opera charges advertisers and recognizes revenue each time a consumer takes a specified action, such as downloading an application. The vast majority of our revenue today is earned on a CPM basis, although Opera expects advertising revenue delivered on a CPC and CPA basis to increase in the future.

For the revenue generated through Opera-owned properties, revenue is reported on a gross basis, as Opera is the principal in our transactions with advertisers. Opera is responsible for identifying and contracting with third-party advertisers, establishing the selling prices of the advertisements sold, and performing all billing and collection activities, including retaining credit risk, as well as bearing sole responsibility for fulfillment of the advertising. Accordingly, Opera acts as the principal in these arrangements and, therefore, reports revenue earned and costs incurred related to these transactions on a gross basis.

In the normal course of business, Opera acts as an intermediary in executing transactions with third parties. The determination of whether revenue should be reported on a

gross or net basis is based on an assessment of whether Opera is acting as the principal or an agent in our transactions with advertisers. The determination of whether Opera is acting as a principal or an agent in a transaction involves judgment and is based on an evaluation of the terms of each arrangement. While none of the factors individually are considered presumptive or determinative, in reaching our conclusions on gross versus net revenue recognition, Opera places the most weight on the analysis of whether Opera is the primary obligor in the arrangement. For agreements where Opera has a contractual relationship with both the publisher and the associated advertisement supplier, Opera is responsible for identifying and contracting with third-party advertisers, establishing the selling prices of the advertisements sold and performing all billing and collection activities, including retaining credit risk, as well as bearing sole responsibility for fulfillment of the advertising. Accordingly, Opera acts as the principal in these arrangements and, therefore, reports revenue earned and costs incurred related to these transactions on a gross basis. For agreements where the publisher has a direct contractual relationship with the advertiser, revenue is recognized on a net basis, as Opera is not the primary obligor and does not assume the fulfillment and credit risk.

Opera also offers additional services to assist in both forecasting and/or transmission of information between publishers and advertisers. Opera recognizes revenue once our services have been provided, the fees charged are fixed or determinable, persuasive evidence of an arrangement exists and collectability is reasonably assured.

Application and content

Content revenue is generated when a user purchases a premium application from the Opera-branded Opera Mobile Store (OMS) or a white-label, operator-controlled version of the mobile store. When a transaction occurs in OMS, Opera collects the payment and shares a percentage of the revenue with the developer. When a transaction occurs in an operator-controlled version of the mobile store, two payment methods will exist. The user may pay using the Opera Payment Exchange, in which case Opera would collect and share a percentage of the revenue with both the operator and the developer, or the user may use a form of carrier billing, where the operator would collect the payment and share a portion of the revenue with Opera, who would in turn share a percentage of revenue with the developer. The revenue will occur on a transaction basis, and the sales are booked as income in the period in which the transaction occurs.

Payment

Payment revenue is generated through the Opera Payment Exchange (OPX), when a user completes a transaction using a payment service that was made available via OPX. Opera generally receives a percentage of the transaction value, and the income is booked in the period in which the transaction occurs.

Subscription

Subscription revenue was generated by our FastMail email service. FastMail was sold in 2013. FastMail provided both a paid premium subscription based email service and a free email service. For FastMail's paid premium, subscription-based email service, the company offers subscription based options to customers for a range of periods, generally one year, all of which require payment in advance. Revenue is recognized on a straight-line basis over the period in which the subscription relates. That portion of revenue recorded as received in advance is carried on the balance sheet as deferred income.

Bundled agreements

Some agreements are bundled agreements, where Opera receives a fee that covers development, licenses, maintenance, and other services. The total fee is allocated to the different elements, if measurable, and the allocated fee is recognized according to the principles described above.

COST OF GOODS SOLD

Cost of goods sold comprises publisher costs and the cost of licenses purchased from third-party suppliers. Publisher costs consist of the agreed-upon payments Opera makes to publishers for their advertising space, in which we deliver mobile ads. These payments are typically determined in advance as either a fixed percentage of the advertising revenue we earn from mobile ads placed on the publisher's application or website or as a fixed fee for that ad space. Opera recognizes publisher cost at the same time we recognize the associated revenue. License costs are the costs of licenses purchased from third-party suppliers.

OTHER INCOME (COSTS)

Material income and costs, which are not related to the normal course of business, are classified as other operating income (cost).

EXPENSES

Operating lease payments

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease expense.

Net financing costs

Other finance income and costs comprise foreign exchange gains and losses and contingent consideration, which are recognized in the statement of comprehensive income.

Interest income is recognized in the statement of comprehensive income as it accrues, using the effective interest method.

Dividend income is recognized in the statement of comprehensive income on the date upon which the entity's right to receive payments is established.

INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred taxes. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable profit, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Taxes paid abroad for the parent company will be deducted in Norwegian taxes if the Company has taxes payable in Norway. If Opera has no Norwegian taxes payable, the taxes paid abroad will be carried forward as a deductible in future taxes payable.

FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies have been established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss that exists due to the potential failure of a customer or counterparty meeting their contractual obligations. Credit risk arises principally from the Group's customer receivables.

The Group's exposure to credit risk is primarily influenced by the characteristics of each customer. The majority of the Group's customers are large global companies. Each new customer is analyzed individually for creditworthiness, and large customers are arranged by region and monitored by the account executive responsible for that region. The guidelines for extending credit to customers are determined by management and the credit risk exposure is evaluated continuously.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individual exposures. The provision for bad debt is determined case by case upon evaluation of each customer in addition to a collective loss component. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and abnormal circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

The Board has instructed management to invest surplus cash in instruments with low credit and liquidity risk. Investments are only made in funds operated by institutions rated by S&P or Moody's, with a minimum rating of BBB or Baa2, respectively.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The majority of the financial risk that the Group carries, as a result of its subsidiaries, relates to foreign exchange fluctuations. The Group is exposed to currency risk on both sales and purchases.

Capital management

In order to achieve the Company's aggressive, long-term objectives, the policy has been to maintain a solid equity-to-asset ratio and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has issued options to its employees in accordance with its objective that employees shall hold company shares.

From time to time, the Group purchases its own shares on the market, as determined by the Board of Directors, if mandated by the General Assembly. These shares are primarily intended to be used for issuing shares under the Group's share option program.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which include share options granted to employees.

SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Opera's chief operating decision makers are members of the Executive Team. The Executive Team meets regularly to review the period's assets, liabilities, revenues and costs for the Group, as well as to make decisions about how resources are to be allocated based on this information.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are not yet effective for the year end-

ing December 31, 2013, and have not been applied in preparing these consolidated financial statements.

The most significant new standards are:

- IFRS 9 Financial instruments
- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interest in other entities
- IAS 27 Separate financial (amendments not yet adopted)
- IAS 28 Investment in Associates and Joint Ventures (amendments not yet adopted)

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

Note 2. Revenue, cost of goods sold and segment information

The Group's business activities stem from browser-related sales (i.e., revenue generated from Opera's owned-and-operated properties, such as license, search, and advertising revenue) and advertising revenue generated from the Opera Advertising Network (i.e., non-Opera-owned-and-operated properties) primarily from Opera's AdMarvel, Mobile Theory, 4th Screen Advertising and Opera Mediaworks subsidiaries.

Opera's chief operating decision makers are members of the Executive Team. The Executive Team meets regular-

ly to review the period's assets, liabilities, revenues and costs for the Group as a whole, as well as to make decisions about how resources are to be allocated based on this information.

Members of the Executive Team are specified in note 3.

Based on the above, Opera has determined that it has one segment. Please see note 1 for a definition of products and services for each reportable segment.

Revenue by region [Numbers in MUSD]	2013	2012
EMEA	104.0	78.1
Americas	166.3	107.0
Asia Pacific	29.9	31.0
Total	300.1	216.0

The geographical revenue breakdown reflects revenues from external customers attributed to the entity's country of domicile. Consequently, the revenue breakdown reflects the location of Opera's customers and partners. Because the products of Opera's customers and partners are distributed globally, the breakdown above does not accurately reflect where Opera's derivative products are actually used.

In 2013, Opera had sales to one customer that account-

ed for more than 10% of total Group revenues. The customer's FY 2013 revenue ranged between MUSD 35 and MUSD 40 in total. Revenue attributed to customers domiciled in the United States amounted to MUSD 161.7 (2012: 104.0).

Revenues attributed to Norway for 2013 were MUSD 0.1 (2012: 0.2), and revenue attributed to all foreign countries in total were MUSD 300.1 (2012: 215.9).

Non-current assets [Numbers in MUSD]	2013	2012
Non-current assets located in Norway	25.3	17.8
Non-current assets located in foreign countries	191.2	86.4
Total	216.5	104.3

The breakdown above reflects non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) located in Norway and located in all foreign countries.

Assets located in the United States account for MUSD

167.2 (2012: 70.6) of the total non-current assets. The vast majority of the value is related to the acquisitions described in more details in note 8.

A more detailed overview of the assets domiciled in Norway is provided in the "Statement of financial position" for the parent company.

Cost of goods sold [Numbers in MUSD]	2013	2012
Publisher cost	58.1	24.9
License cost	0.0	0.0
Total	58.2	24.9

Publisher cost consists of the agreed-upon payments we make to publishers for their advertising space in which we deliver mobile ads. These payments are typically determined in advance as either a fixed percentage of the advertising revenue we earn from mobile ads placed on the publisher's application or website or as a fixed fee for

that ad space. We recognize publisher cost at the same time we recognize the associated revenue.

License cost is cost from the purchase of licenses from third-party suppliers.

Revenue type [Numbers in MUSD]	2013	2012
Licenses/royalties	84.2	67.3
Development fees	7.6	10.8
Maintenance, support and hosting	7.7	6.7
Search	55.3	62.6
Advertising	142.7	63.1
Application and content	1.6	4.3
Subscription	1.1	1.2
Other revenue	0.0	0.1
Total	300.1	216.0

Revenue customer type [Numbers in MUSD]	2013	2012
Mobile Operators	62.1	41.7
Mobile Consumers	37.9	19.5
Mobile Publishers and Advertisers	119.1	54.1
Desktop Consumers	60.9	67.5
Device OEMs	18.3	28.2
Other	1.7	4.9
Total	300.1	216.0

Mobile Operators: Opera is a trusted partner for operators globally. The Company currently offers four major cloud-based solutions and services to Operators worldwide: (i) Operator/co-branded versions of Opera Mini, whereby Operators are able to offer their mass-market subscribers content compression, fast internet download speeds, convenient access to operator portal services in order to drive incremental revenue and lower-priced data plans and data packages, capitalizing on the up to 90% data compression that Opera's cloud services enable; (ii) the Rocket Optimizer™ solution, which allows mobile

operators to leverage cloud computing to optimize and compress video and other multimedia traffic on crowded mobile towers, including 3G and 4G LTE networks, enabling operators to both boost the capacity of their networks by up to 60% and offer better network performance and quality to their subscribers; (iii) the Horizon™ solution, a mobile browser extension and toolbar platform that allows users to personalize their smartphone browser and operators to gain new monetization opportunities, such as advertising; and (iv) Opera Web Pass, which allows users to easily buy time-based or content-based mobile data

packages through a simple, one-click purchase, similar to how users buy apps today, enabling operators to both offer a broad array of personalized data package alternatives for their subscribers and increase average revenue generated per subscriber.

Mobile Consumers (Opera-owned-and-operated properties): Opera has around 270 million mobile users of consumer products on a monthly basis. Opera is placing a significant emphasis on developing and expanding its owned-and-operated properties and capitalizing on its extensive mobile consumer user base. These owned-and-operated properties include the Speed Dial page, the Smart Page, the Opera Mobile Store and the Discover feature. These Opera-owned-and-operated properties are expected to be monetized primarily via mobile advertising, mobile search and mobile applications.

Mobile Publishers and Advertisers (Opera Network Members): Opera's goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, targeting premium and performance advertisers, ad agencies, publishers and developers. Opera's ultimate mission is both to help publishers increase revenue from their mobile properties and content and advertisers reach and acquire potential customers.

Desktop Consumers: 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 and enjoyable browsing experience. Today, the vast majority of Opera's desktop users are in the Russia/CIS region and in the emerging markets. Opera is particularly focused on gaining users in regions where it already has a strong base of users, such as Russia.

Global Device Original Equipment Manufacturers (Device OEMs): With the Opera Devices Software Developer Kit (SDK), device manufacturers are able to offer not only web browsing capabilities and full internet access to their operator and consumer end customers, but also customized web applications that are accessible from the home screen of the device. Moreover, with the Opera Devices SDK, device manufacturers are able to use their own (and third-party) developers to enable full web browsing, create user interfaces, widgets and menu systems using web technologies, such as HTML5 and CSS, HbbTV and OIPF, while accelerating time to market for new consumer electronic devices.

Note 3. Wage costs/ Number of employees/Remuneration

Wage costs [Numbers in MUSD]	2013	2012
Salaries/bonuses	74.9	70.2
Social security cost	10.4	9.4
Pension cost	2.9	2.9
Share-based remuneration including social security cost	4.0	3.6
Other payments	9.5	6.0
Consultancy fees for technical development	7.0	2.5
Total	108.6	94.7
Average number of employees	985	854

The company has incorporated the requirements with regards to Obligatorisk Tjeneste Pensjon (OTP).

Fees to the CEO and Chairman of the Board

In January 2010, Opera appointed Mr. Lars Boilesen as the new Chief Executive Officer. He has waived his rights under Section 15-16 of the Norwegian 2005 Act related to employees' protection, etc. As compensation, Mr. Boilesen is entitled to a termination amount of two years' base salary if the employment is terminated by the Company.

As of December 31, 2013, there was no existing severance agreement between Opera and the Chairman of the Board.

The Group has not given any loans or security deposits

to the CEO, the Chairman of the Board or their related parties.

A bonus program exists for the senior Executive Team at Opera. For each individual executive, there is a limited amount of bonus that can be achieved. The size of the bonus payment is dependent on actual company performance compared to a set of predefined targets.

All 2013 bonuses for senior executives have been accrued for in the accounts. Bonuses will be paid in 2014.

Independent auditors

The total fees billed by independent auditors during 2013 was MUSD 0.5 (2012: 0.5). This is broken down as follows:

Audit fees [Numbers in MUSD]	2013	2012
Statutory audit	0.3	0.4
Assurance services	0.0	0.0
Tax advisory fee	0.0	0.0
Other services	0.1	0.1
Total	0.5	0.5

Other services include services from KPMG Law.

Employee Stock Option Plan

The Company has established a stock option program for eligible employees.

Modification to the option program in June 2013

The strike price of non-vested options was adjusted for the dividend of NOK 0.22 that was paid out following the resolution of the Annual General Meeting.

Options to Executives

On June 5, 2012, the Board of Directors granted 400,000 options each to executives Erik Harrell and Andreas Thome. Rikard Gillemyr was granted 250,000 options. In all, 200,000 of the options granted to Erik Harrell and Andreas Thome, and 50,000 of the options granted to Rikard Gillemyr, were subject to approval from the AGM. The vesting period started from June 6, 2012, and the options are originally booked as an option liability and are included in total current liabilities. These options were approved by the AGM in June 2013.

Approval of maximum number of options

The Annual General Meeting held on June 14, 2011, passed the following resolutions:

a) The maximum number of options to be granted during 2011, 2012, 2013 and 2014 is 11,950,000. This represents slightly less than 10% of the registered share capital of the Company. However, options cannot be granted if the aggregate of all issued, un-exercised and not-terminated options represents more than 10% of the then-registered share capital of the Company.

b) No employee can be granted options annually that in value exceed 200% of that employee's base salary. The value is to be based on valuation principles for options as applied under IFRS and in accordance with Opera Software's financial statements.

c) The options are to be granted in accordance with the Company's standard option agreement as approved by the Ordinary General Meeting in 2010, which means that the vesting structure is 50% after 3 years and 50% after 4 years, with a strike price equal to the market price at grant.

d) No changes are made to the already approved standard option agreement. The proposal does not constitute any authority for the Board to change the terms in the standard agreement, including strike price and time of vesting, for the options that may be granted, and does not include the possibility to grant options to Board members.

After June 14, 2011, and up to December 31, 2013, 4,548,850 options have been granted under the program.

Own shares and capital increase

On June 4, 2013, the General Meeting decided to give the Board of Directors the authority to increase the share capital. Please see note 9 for more information.

On June 4, 2013, the General Meeting decided to authorize the Board of Directors to buy back Opera shares. Please see note 9 for more information.

Weighted average exercise price

The number and weighted average exercise price of share options are as follows:

<i>[In thousands of options]</i>	Weighted average exercise price 2013 (NOK)	Number of options 2013	Weighted average exercise price 2012 (NOK)	Number of options 2012
Outstanding at the beginning of the period	26.68	9 577	23.24	9 391
Terminated (employee terminations)	34.64	314	25.10	156
Forfeited during the period	0	0	0	0
Expired during the period	26.00	3	0	0
Exercised during the period	24.79	3 035	18.05	1 552
Granted during the period	35.05	885	37.97	1 894
Outstanding at the end of the period		7 109		9 577
Exercisable at the end of the period		1 226		2 210

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model.

The expected volatility is based on historic volatility (calculated using the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

Share options are granted under service conditions, not market-based conditions. Such conditions are not taken into account in the grant date fair-value measurement. There are no market conditions associated with the share option grants. For both 2013 and 2012, an annual average

attrition rate of 15% is used. This average attrition rate, and the employees responsibility for paying the Company's contributions related to the options, are taken into consideration when estimating the cost of the options in accordance with IFRS 2. Given that employees have the right to exercise their options one or three years after the vesting date (depending on when the options were granted), the estimate is based on an assumption that the employees, on average, are exercising their options 18 months after the vesting date.

The total number of options granted in 2013 was 1,335,000 (2012: 1,893,850).

Fair value of share options and assumptions <i>[Numbers in NOK]</i>	2013	2012
Fair value at measurement date (average per option)	12.72	13.66
Expected volatility (weighted average)	45.00	45.00
Option life (adjusted for expectations of early exercise)	5.00	4.62
Expected dividends	0.00	0.00
Risk-free interest rate (based on national government bonds)	1.90	1.40

Options that have not yet vested shall be adjusted for any dividend paid out during the vesting period.

The table below shows the number of options issued to employees at various strike prices and exercise dates.

Exercise price <i>[In thousands of options]</i>	Total outstanding options			Vested options	
	Outstanding options per 12/31/2013	Weighted average remaining lifetime	Weighted average exercise price (NOK)	Vested options 12/31/2013	Weighted average exercise price (NOK)
10.00 - 12.30	87.50	0.92	11.99	87.50	11.99
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	711.90	1.65	19.10	711.90	19.10
20.00 - 25.00	1 174.20	4.17	21.32	272.20	21.55
25.00 - 30.00	2 479.51	4.11	27.45	134.50	27.47
30.00 - 35.00	965.00	6.29	34.47	20.00	32.10
35.00 - 40.00	1 661.17	5.92	37.81	-	-
40.00 - 45.00	30.00	6.14	44.18	-	-
Total	7 109	4.56	28.86	1 226	20.27

Exercise price = strike price

The table below shows the date, number and achieved selling price of options exercised.

Date of exercise <i>[In thousands of options]</i>	Number of exercised options	Achieved selling price (NOK)
1/11/2013	206	34.10
3/13/2013	224	38.37
6/17/2013	30	45.00
6/18/2013	511	45.18
9/10/2013	1 228	57.31
12/6/2013	836	78.05

Compensation to executive management

The Group has an Executive Team consisting of senior executive managers hired by Opera Software ASA.

Compensation to executive management 2013 <i>[Numbers in MUSD]</i>	Remuneration	Salary	Bonus	Other compensation	Pension compensation	Benefit exercised options	Total compensation
Executives							
Lars Boilesen, Chief Executive Officer		0.61	0.49	0.05	0.10	5.53	6.79
Erik C. Harrell, Chief Financial Officer/Chief Strategy Officer		0.40	0.36	0.09	0.04	2.61	3.50
Rikard Gillemyr, EVP Product Development		0.31	0.19	0.00	0.03	1.05	1.58
Tove Selnes, EVP Human Resources		0.27	0.11	0.04	0.03	0.38	0.83
Andreas Thome, EVP Commercial and Operations		0.31	0.29	0.00	0.03	1.22	1.86
Mahi de Silva, EVP Consumer Mobile		0.27	0.31	0.00		0.04	0.62
Jeffrey S. Glueck, EVP Operator Solutions, director from March 14, 2013		0.23					0.23

The Board of Directors

Arve Johansen, Chairman	0.10					0.05	0.15
Gregory Gerard Coleman, Board Member	0.09						0.09
Kari Stautland, Board Member	0.05					0.13	0.18
Audun Wickstrand Iversen, Board Member	0.05					0.03	0.08
Marianne Blystad, Board Member	0.04						0.04
Christian Mauricio Uribe Espinoza, Employee Representative	0.01	0.14		0.00	0.01	0.04	0.20
Krystian Kolondra, Employee Representative from February 1, 2013	0.02	0.12	0.00	0.00		0.08	0.21
Erik Möller, Employee Representative from February 1, 2013	0.02	0.09	0.01				0.12
The Nomination Committee							
Jakob Iqbal, Chairman	0.01						0.01
Michael Tetzschner, Member	0.01						0.01
Nils Foldal, Member	0.01						0.01
Total	0.39	2.75	1.76	0.19	0.25	11.18	16.52

Presented above are the actual bonuses paid out in 2013, which are based on the 2012 results. Bonuses earned, but unpaid in 2013, have been excluded from the table.

Other remuneration mentioned in the Norwegian Accounting Act § 7-31b has no relevance for the Company.

The Executive Team is included in the Company's employee pension scheme, which is a defined contribution plan.

There has been no compensation or other economic benefit provided to any member of the Executive Team or Board of Directors

from the Company or any business owned by the Company, except that mentioned above.

There has been no significant additional compensation given to directors with regard to special services performed outside of their normal function.

Christian Mauricio Uribe Espinoza was re-elected as the Company's Employee Representative in 2012. Effective from February 1, 2013, Stig Halvorsen and Karl Anders Øygard have stepped down as Employee Representatives, while Erik Möller and Krystian Kolondra have joined the Board of Directors as Employee Representatives.

Compensation to Executive Management 2012

<i>[Numbers in MUSD]</i>	Remuneration	Salary	Bonus	Other compensation	Pension compensation	Benefit exercised options	Total compensation
Executives							
Lars Boilesen, Chief Executive Officer		0.57	0.46	0.05	0.01	0.70	1.79
Erik C. Harrell, Chief Financial Officer/Chief Strategy Officer		0.29	0.28	0.00	0.01	0.90	1.48
Rikard Gillemyr, EVP Product Development		0.27	0.12	0.00	0.01	0.24	0.64
Tove Selnes, EVP Human Resources		0.24	0.07	0.04	0.01	0.02	0.38
Andreas Thome, EVP Sales & Marketing		0.28	0.28	0.00	0.01	0.05	0.62
Mahi de Silva, EVP Consumer Mobile		0.24	0.22				0.46
Tom Christian Gotschalksen, EVP Mobile Services from June 1, 2012		0.13	0.02	0.02	0.01		0.17
The Board of Directors							
Arve Johansen, Chairman	0.10			0.00			0.10
Alberto Torres, Board Member until November 13, 2012	0.10			0.00			0.10
Gregory Gerard Coleman, Board Member from November 14, 2012	0.02						0.02
Kari Stautland, Board Member	0.05					0.00	0.05
Audun Wickstrand Iversen, Board Member	0.05					0.02	0.07
Marianne Blystad, Board Member	0.04					0.02	0.06
Stig Halvorsen, Employee Representative	0.01	0.14		0.00	0.01	0.01	0.16
Karl Anders Øygaard, Employee Representative	0.01	0.14		0.00	0.01	0.04	0.20
Christian Mauricio Uribe Espinoza, Employee Representative from June 6, 2012	0.00	0.13		0.00	0.01	0.01	0.15
Charles McCathieNevile, Employee Representative to June 5, 2012	0.00	0.08		0.00	0.00	0.01	0.09
The Nomination Committee							
Jakob Iqbal, Chairman	0.01						0.01
Michael Tetzschner, Member	0.01						0.01
Nils Foldal, Member	0.01						0.01
Total	0.40	2.49	1.44	0.12	0.08	2.02	6.56

Presented above are the actual bonuses paid out in 2012, which are based on the 2011 results. Bonuses earned, but unpaid in 2012, have been excluded from the table.

Other remuneration mentioned in the Norwegian Accounting Act § 7-31b has no relevance for the Company.

or Board of Directors from the Company or any business owned by the Company, except that mentioned above.

The Executive Team is included in the Company's employee pension scheme, which is a defined contribution plan. There has been no compensation or other economic benefit provided to any member of the Executive Team

There has been no significant additional compensation given to directors with regard to special services performed outside of their normal function.

Options to executive management 2013

There are no existing agreements regarding the dispensation of loans or security deposits to key personnel, members of the board or their related parties.

The following table shows the number of options held by executive management.

<i>[In thousands of options]</i>	Opening balance	Issued options	Terminated options	Executed options	Average exercise price — A (NOK)	Closing balance	Weighted average exercise price — B (NOK)	Weighted average lifetime — C	Value of outstanding options (MUSD)	IFRS 2 cost for the period (MUSD)
Executives										
Lars Boilesen, Chief Executive Officer	1 500			800	18.2	700	19.14	1.63	6.4	0.4
Erik C. Harrell, Chief Financial Officer/Chief Strategy Officer	923			311	14.9	613	32.86	5.58	4.4	0.4
Rikard Gillemyr, EVP Product Development	785			123	11.7	663	27.05	4.54	5.1	0.4
Mahi de Silva, EVP Consumer Mobile	131			43	28.6	88	28.40	0.51	0.8	0.1
Tove Selnes, EVP Human Resources	179	50		72	22.2	158	27.75	5.51	1.3	0.1
Jeffrey S. Glueck, EVP Operator Solutions										
Tom Christian Gotschalksen, EVP Mobile Services	150					150	37.58	5.93	1.0	0.1
Andreas Thome, EVP Commercial and Operations	972			220	24.0	753	31.88	5.33	5.5	0.5
Total	4 640	50	-	1 567		3 123			24.6	1.8

A — average exercise price for options executed in the financial year

B — average exercise price for the number of options held by the end of the financial year

Options to executive management 2012

There are no existing agreements regarding the dispensation of loans or security deposits to key personnel, members of the board or their related parties.

The following table shows the number of options held by executive management.

	Opening balance	Issued options	Terminated options	Executed options	Average exercise price — A (NOK)	Closing balance	Weighted average exercise price — B (NOK)	Weighted average lifetime — C	Value of outstanding options (MUSD)	IFRS 2 cost for the period (MUSD)
<i>[In thousands of options]</i>										
Executives										
Lars Boilesen, Chief Executive Officer	1 750			250	17.0	1 500	19.34	2.50	3.0	0.4
Erik C. Harrell, Chief Financial Officer/Chief Strategy Officer	773	400		250	11.7	923	27.20	5.17	1.2	0.2
Rikard Gillemyr, EVP Product Development	605	250		70	12.1	785	25.14	4.80	0.1	0.2
Mahi de Silva, EVP Consumer Mobile	175			44	28.6	131	28.62	1.01	0.1	0.1
Tove Selnes, EVP Human Resources	187			8	24.4	179	24.10	4.87	0.2	0.1
Tom Christian Gotschalksen, EVP Mobile Services		150				150	37.80	6.93	0.0	0.0
Andreas Thome, EVP Sales & Marketing	591	400		19	15.4	972	30.56	5.65	0.6	0.3
Total	4 081	1 200	-	641		4 640			5.2	1.3

A — average exercise price for options executed in the financial year

B — average exercise price for the number of options held by the end of the financial year

Shares and options owned by members of the Board and the Chief Executive Officer as of December 31, 2013

Name <i>[In thousands of shares and options]</i>	Commission	Shares	Options	Weighted average strike price (NOK)	Total
Arve Johansen	Chairman	70	80	30.58	150
Kari Stautland *	Board Member	9 512	30	32.10	9 542
Alberto Torres	Board Member	0	30	32.10	30
Audun Wickstrand Iversen**	Board Member	90	30	22.14	120
Marianne Blystad***	Board Member	100	30	23.90	130
Christian Mauricio Uribe Espinoza ****	Board Member	0	5	21.20	5
Krystian Kolondra ****	Board Member	0	130	30.18	130
Erik Möller ****	Board Member	0			0
Lars Boilesen	Chief Executive Officer	10	700	19.14	710
		9 782	1 035		10 817

* Kari Stautland owns 100% of Arepo AS, which owns 9,512,120 shares in Opera Software ASA.

**Audun Wickstrand Iversen holds 90,000 shares in the company through Naben, 100% owned by Iversen.

*** Marianne Blystad holds a total of 0 shares in Opera Software and, with family, owns 100% of the shares in the investment company Spencer Trading, which holds 100,000 shares in the company.

**** Employee Representative

Shares and options owned by other leading employees as of December 31, 2013

Name <i>[In thousands of shares and options]</i>	Title	Shares	Options	Weighted average strike price (NOK)	Total
Erik C. Harrell	Chief Financial Officer/Chief Strategy Officer	77	613	32.86	690
Rikard Gillemyr	EVP Product Development	360	663	27.05	1 023
Mahi De Silva	EVP Consumer Mobile	0	88	28.40	88
Tove Selnes	EVP Human Resources	9	158	27.75	166
Jeffrey S. Glueck	EVP Operator Solutions	10			10
Tom Christian Gotschalksen	EVP Mobile Services	0	150	37.58	150
Andreas Thome	EVP Commercial and Operations	10	753	31.88	763
		466	2 423		2 888

Shares and options owned by members of the Board and the Chief Executive Officer as of December 31, 2012

Name <i>[In thousands of shares and options]</i>	Commission	Shares	Options	Weighted average strike price (NOK)	Total
Arve Johansen	Chairman	70	100	30.50	170
Kari Stautland *	Board Member	11 012	50	32.32	11 062
Alberto Torres	Board Member	0	50	32.32	50
Audun Wickstrand Iversen****	Board Member	90	40	22.90	130
Marianne Blystad	Board Member	10	30	24.66	40
Stig Halvorsen ***	Board Member	3	4	16.60	7
Christian Mauricio Uribe Espinoza ****	Board Member	0	15	20.01	15
Karl Anders Øygard **, ***	Board Member	754	74	24.48	828
Lars Boilesen	Chief Executive Officer	10	1 500	19.34	1 510
		11 949	1 862		13 811

* Kari Stautland owns 100% of Arepo AS, which owns 11,012,120 shares in Opera Software ASA.

** Karl Anders Øygard holds 753,931 shares in Opera Software through Villemhaugen Invest AS, which is 100% owned by Øygard. In addition, Karl Anders Øygard holds 200 shares in the Company.

*** Employee Representative

****Audun Wickstrand Iversen holds 90,000 shares in the company through Naben, 100% owned by Iversen.

Shares and options owned by other leading employees as of December 31, 2012

Name <i>[In thousands of shares and options]</i>	Title	Shares	Options	Weighted average strike price (NOK)	Total
Erik C. Harrell	Chief Financial Officer/Chief Strategy Officer	77	923	27.20	1 000
Rikard Gillemyr	EVP Product Development	360	785	25.14	1 145
Mahi De Silva	EVP Consumer Mobile	0	131	28.62	131
Tove Selnes	EVP Human Resources	9	179	24.10	188
Tom Christian Gotschalksen	EVP Mobile Services	0	150	37.80	150
Andreas Thome	EVP Sales & Marketing	10	972	30.56	982
		456	3 140		3 596

Note 4. Other expenses

Other expenses <i>[Numbers in MUSD]</i>	2013	2012
Rent and other office expenses	9.0	6.1
Equipment	3.5	2.4
Audit, legal and other advisory services	6.4	4.6
Marketing expenses	7.6	4.7
Travel expenses	7.1	5.9
Hosting expenses, excl. depreciation cost	10.5	8.4
Other expenses	6.7	4.2
Total	50.8	36.4

Research

Engineering salaries are the primary expense incurred in terms of costs related to source code research, development, and maintenance. For FY 2013, engineering salaries, expensed in the financial statement, were MUSD 39.3 (2012: 45.9). Development costs capitalized in FY 2013 were MUSD 14.4 (2012: 3.4). For additional information, please see notes 7 and 13.

Other investments and deposits

Rental deposits in various countries comprise the majority of other non-current investments and deposits together with a loan to nHorizon Innovation of MUSD 2.3. Please see note 8 for more information.

Note 5. Financial risk

The majority of the financial risk carried by the Group, as a result of its subsidiaries, relates to foreign exchange fluctuations. Both sales and expenses are exposed to currency risk.

Most of the Company's foreign exchange risk relates to sales and is the result of revenue contracts signed in EUR and other currencies.

For FY 2013, approximately 76% (2012: 71%) of revenues were in USD, 13% (2012: 22%) in EUR, 5% (2012: 4%) in GBP, 4% (2012: 1%) in CNY, and 2% (2012: 2%) in other currencies.

The majority of the Company's purchases are made in the following denominations: NOK, USD, SEK, PLN, GBP, JPY, CNY, KRW, TWD, AUD, UAH, ISK, SGD, EUR and INR. Exchange rate fluctuations in these currencies do impact

Opera's income statement. For FY 2013 approximately 54% (2012: 36%) was in USD, 20% (2012: 30%) in NOK, 6% (2012: 7%) in SEK, 6% (2012: 5%) in GBP, 5% (2012: 7%) in PLN, 2% (2012: 3%) in CNY, and 6% (2012: 12%) in other currencies.

For FY 2013, Opera had a foreign exchange gain of MUSD 1.8 that was comprised of MUSD 5.5 realized foreign exchange gain and MUSD 3.7 net unrealized foreign exchange loss. Opera has not entered into any foreign exchange contracts as of December 31, 2013.

For FY 2012, Opera had a foreign exchange loss of MUSD 1.9 that was comprised of MUSD 4.3 realized foreign exchange gain and MUSD 6.2 net unrealized foreign exchange loss. Opera has not entered into any foreign exchange contracts as of December 31, 2012.

Currency risk

As the majority of the Groups's income is earned in USD and EUR, changes in exchange rates have an immediate effect on the Group's revenue.

[Numbers in MUSD]	2013		2012	
	MUSD	%	MUSD	%
NOK	0.3	0.12	0.2	0.11
USD	229.6	76.50	152.4	70.54
GBP	15.8	5.26	9.6	4.45
JPY	0.5	0.16	0.8	0.39
CAD	0.0	0.00	0.0	0.01
CHF	0.2	0.05	0.0	0.00
PLN	0.0	0.01	0.0	0.02
CNY	12.7	4.22	2.6	1.20
BYR	1.4	0.47	1.8	0.83
SEK	0.0	0.00	0.0	0.00
EUR	38.6	12.87	47.3	21.88
SGD	0.0	0.01	0.1	0.04
INR	0.0	0.00	0.0	0.00
AUD	1.0	0.33	1.2	0.54
Total	300.1	100.00	216.0	100.00

Conversion of the Group's revenues from foreign currencies into USD yields the following average exchange rates:

	2013	2012
NOK	0.1708	0.1733
GBP	1.5805	1.5918
JPY	0.0103	0.0124
CAD	0.9609	1.0015
CHF	1.0931	
PLN	0.3160	0.3053
CNY	0.1617	0.1585
BYR	0.0001	0.0001
SEK	0.1536	
EUR	1.3314	1.2933
SGD	0.8075	0.8008
INR	0.0172	
AUD	0.9705	1.0338

A 10% increase in the average exchange rate would have the following positive effect on the Group's revenue (MUSD):

	2013	2012
NOK	0.0	0.0
GBP	1.6	1.0
JPY	0.0	0.1
CAD	0.0	0.0
CHF	0.0	0.0
PLN	0.0	0.0
CNY	1.3	0.3
BYR	0.1	0.2
SEK	0.0	0.0
EUR	3.9	4.7
SGD	0.0	0.0
INR	0.0	0.0
AUD	0.1	0.1

Conversely, a 10% decrease in the average exchange rate would have a similar negative effect on the Group's revenue as shown above (MUSD).

Accounts receivable as of December 31, 2013, are converted using the following exchange rates: EUR 1.3787, JPY 0.0095, NOK 0.1646, GBP 1.6521, PLN 0.3321, CNY 0.1637 and INR 0.0162.

The receivables, as of December 31, are distributed as follows:

	2013	2012
USD	45.1	22.2
EUR	9.4	9.1
JPY	0.8	3.5
NOK	0.7	0.1
GBP	3.9	2.2
PLN	0.1	0.0
CAD	0.0	0.0
SEK	0.0	0.0
CNY	7.0	2.9
ISK	2.1	0.0
INR	0.1	0.0
CZK	0.0	0.0
TWD	0.0	0.0
AUD	0.0	0.0
SGD	0.0	0.0

The numbers above are presented in local currencies.

Credit risk

Opera conducts most of its business with large global companies. Throughout last year, the Group conducted business with a number of its customers without suffering significant credit-related losses.

The customers have not committed any collateral or other means to secure their outstanding debt.

Credit risk regarding accounts receivable may be specified per region as follows (MUSD):

	2013	2012
EMEA	19.0	8.9
Americas	40.1	19.5
Asia Pacific	7.9	10.0
Total	66.9	38.3

Accounts receivable, as of December 31, by age, are as follows (MUSD):

	2013		2012	
	Gross receivables	Provision for bad debt	Gross receivables	Provision for bad debt
Not past due	17.5	0.2	17.0	0.0
Past due 0-30 days	9.7	0.0	10.0	0.2
Past due 31-60 days	14.7	0.1	2.7	0.1
Past due 61-90 days	14.0	1.2	2.9	0.1
More than 90 days	11.0	3.9	5.8	2.6
Total	66.9	5.4	38.3	3.1

The majority of the 2013 receivables that are more than 90 days outstanding have been paid in 2014 or booked against deferred income in the "Statement of financial position".

Changes in the provision for bad debt may be specified as follows (MUSD):

	2013	2012
Provision as of January 1	3.1	1.8
Change in the provision for bad debt recognized in the "Statement of comprehensive income"	2.6	0.7
Change in the provision for bad debt not recognized in the "Statement of comprehensive income"	0.1	0.5
Change in the provision for bad debt not recognized in the "Statement of comprehensive income" **	0.0	0.1
Currency adjustment	-0.4	0.0
Provision as of December 31	5.4	3.1
Realized losses, recognized directly in the "Statement of comprehensive income"	1.3	0.2
Received from previously written-down bad debts	0.0	0.0

* Opening balance acquisitions 2013.

** Currency adjustment provision as of January 1

Liquidity risk

The Group had the following liquidity reserve and credit facility as of December 31, 2013:

Liquidity reserve [Numbers in MUSD]	12/31/2013	12/31/2012
Cash and cash equivalents		
Cash in hand and on deposit	163.4	57.2
—of which restricted funds *	76.3	1.8
Unrestricted cash	87.1	55.4
Unutilized credit facilities	40.0	0.0
Short-term overdraft facility	0.0	0.0
Liquidity reserve	40.0	0.0

*Cash and cash equivalents of MUSD 76.3 were restricted assets as of December 31, 2013, and cash and cash equivalents of MUSD 1.8 were restricted assets as of December 31, 2012. MUSD 68.7 of the restricted cash as of

December 31, 2013, was released on January 20, 2014, as it was used as part of a share capital increase in Opera Software International AS.

Credit facility [Numbers in MUSD]	12/31/2013	12/31/2012
Long-term cash credit	100.0	0.0
— of which utilized	60.0	0.0
Short-term overdraft facility	0.0	0.0
— of which utilized	0.0	0.0

Opera Software has, in February 2013, signed a MUSD 100.0 secured revolving credit facility with DNB Bank ASA. The facility will primarily be secured through a share pledge in Opera Software International AS, as well as floating charges over accounts receivable in Opera Software ASA and certain of its U.K. and U.S. subsidiaries. The loan agreement has the following covenants: a) a Gearing Ratio to be below 1.50:1 and B) an Equity Ratio to hold the minimum level of 35%. The facility has a term of 3 years and bears an interest rate of LIBOR + 1.75% p.a. (plus a utilization fee varying with the amount drawn). On the undrawn portion of the facility, a commitment fee of 0.61% p.a. will be paid. Opera Software intends to use the financing for general corporate purposes and potential acquisitions.

Foreign exchange contracts

During FY 2013 and FY 2012, the Group did not use forward exchange contracts to hedge its currency risk, and Opera had not entered into any foreign exchange contracts as of December 31, 2013.

Deferred revenue

Deferred revenue consists of prepaid license/royalty payments, prepaid maintenance and support, prepaid

development fees and prepaid campaigns. Of the Group's total current liabilities, MUSD 17.9 (2012: 11.2) relates to deferred revenue, and MUSD 13.3 (2012: 10.8) relates to deferred revenue that has no future cash payments.

Capital management

In order to achieve the Group's ambitious, long-term objectives, the policy has been to maintain a high equity-to-asset ratio and to maintain a solid capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group still possesses a business model that anticipates considerable cash flow in the future.

The Company has issued options to the Group's employees in accordance with its objective that employees shall hold company shares.

The Board of Directors has as of December 31, 2013, not used its authorization to buy the Company's own shares. Please see note 9 for more information.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 6. Tax

Tax expense [Numbers in MUSD]	2013	2012
Current tax	23.5	9.7
Deferred tax	-15.3	-4.3
Tax expense related to change in tax rate	0.1	0.0
Deferred tax assets from previously unrecognized tax losses	-5.0	0.0
Taxes on capital raising costs	0.0	0.0
Tax payable abroad	4.0	3.2
Too much/little tax booked previous year	0.0	0.0
Total	7.2	8.6

Tax payable [Numbers in MUSD]	2013	2012
Current tax	24.5	9.7
Tax payable abroad	3.9	2.9
Too much/little tax booked previous year	0.1	0.2
Tax settlement previous year	0.0	0.0
Prepaid tax subsidiaries/branches	-3.5	-1.4
Taxes on capital raising costs	0.0	0.0
Withholding tax paid to a foreign country	-3.9	-2.9
Tax effect on losses from sales of own shares*	-0.9	-0.7
Withholding tax utilized	0.0	0.0
Total	20.2	7.7

*Booked against equity

Prepaid tax [Numbers in MUSD]	2013	2012
Prepaid tax subsidiaries/branches	0.0	1.0
Withholding tax paid to a foreign country	0.0	0.0
Sum other receivables	0.0	1.0

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

[Numbers in MUSD]	ASSETS		LIABILITIES		NET	
	2013	2012	2013	2012	2013	2012
Inventory, office machinery, etc.	-1.5	-1.0	1.6	4.6	0.1	3.6
Accounts receivables	-1.5	-0.7	0.0	0.0	-1.5	-0.7
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	-13.2	-3.1	0.9	0.9	-12.4	-2.2
Tax value of loss carry-forwards utilized	-9.9	-4.5	0.0	0.0	-9.9	-4.5
Deferred taxes/ (tax assets)	-26.1	-9.3	2.5	5.5	-23.6	-3.8
Set-off of tax	2.5	5.5	-2.5	-5.5	0.0	0.0
Net deferred taxes / (tax assets)	-23.6	-3.8	0.0	0.0	-23.6	-3.8

Deferred tax assets and liabilities

Movement in temporary differences during the year

[Numbers in MUSD]	Balance 1/1/12	Posted to P/L	Posted directly to the equity	Acquired in business combina- tions (note 8)	Balance
					12/31/12
Inventory, office machinery, etc.	2.1	0.3	1.4	0.0	3.8
Accounts receivables	-0.6	-0.1	0.0	0.0	-0.7
Liabilities	-1.1	-1.1	-0.2	0.0	-2.4
Tax value of loss carry-forwards utilized	-1.2	-3.4	-0.1	0.2	-4.5
Deferred taxes / (tax assets)	-0.8	-4.3	1.1	0.2	-3.8

[Numbers in MUSD]	Balance 1/1/13	Posted to P/L	Posted directly to the equity	Acquired in business combina- tions (note 8)	Balance
					12/31/13
Inventory, office machinery, etc.	3.8	-12.8	-0.3	9.4	0.1
Accounts receivables	-0.7	-0.7	0.0	0.0	-1.5
Liabilities	-2.4	-16.8	-2.9	9.8	-12.4
Tax value of loss carry-forwards utilized	-4.5	10.0	3.7	-19.1	-9.9
Deferred taxes / (tax assets)	-3.8	-20.3	0.5	0.0	-23.6

It is Opera's opinion that the deferred tax asset can be utilized in future periods. Its measure is based on the expected and estimated future income. Consequently, Opera has capitalized the deferred tax asset.

All the U.S. entities are included in a U.S. consolidated tax group.

Change in deferred tax asset directly posted against the equity capital [Numbers in MUSD]	2013	2012
Changes due to foreign currency changes	0.5	1.1
Capital raising costs and losses from sales of own shares	0.0	0.0
Total deferred taxes posted directly against the equity	0.5	1.1

Reconciliation of effective tax rate [Numbers in MUSD]	2013		2012	
Profit before tax	67.5		25.6	
Income tax using the domestic corporate tax rate	28.0 %	18.9	28.0 %	7.2
Overbooked taxes, previous year	-0.1 %	-0.1	3.3 %	0.8
Tax paid to a foreign country	1.4 %	1.0	-0.8 %	-0.2
Effect of different tax rates between countries	2.0 %	1.4	1.2 %	0.3
Taxes on other permanent differences	-13.2 %	-8.9	2.1 %	0.5
Deferred tax assets from previously unrecognized tax losses	-7.5 %	-5.0	0.0 %	0.0
Total tax expense for the year	10.7 %	7.2	33.7 %	8.6

Permanent differences

Permanent differences include non-deductible costs and share-based remuneration.

Note 7. Property, plant and equipment

[Numbers in MUSD]	Cost rented premis- es	Machin- ery and equip- ment	Fixtures and fittings	Goodwill	Develop- ment	Other in- tangible assets	2013 Total	2012 Total
Acquisition cost								
Acquisition cost as of 1/1/13	1.0	30.4	1.3	74.1	3.4	13.6	123.8	59.9
Acquisitions through business combinations	0.0	0.6	0.0	80.3	4.2	26.8	111.9	53.3
Other acquisitions	0.5	7.4	0.3	0.0	14.4	2.0	24.6	13.8
Disposal	0.0	-3.7	-0.1	-4.0	-8.0	6.5	-9.4	-3.7
Currency differences	-0.1	0.0	0.0	0.0	-0.5	-0.2	-0.8	0.6
Acquisition cost as of 12/31/13	1.4	34.7	1.4	150.3	13.5	48.8	250.1	123.8
Depreciation and impairment losses								
Depreciation and impairment losses as of 1/1/13	0.2	16.4	0.3	3.8	0.0	4.6	25.2	15.1
Acquisitions through business combinations	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.2
Disposal	0.0	-3.5	-0.1	-4.0	-1.4	0.8	-8.2	-3.2
Currency differences	0.0	0.1	0.0	0.9	-0.1	-0.1	0.7	0.3
Accumulated depreciation and impairment losses as of 12/31/13	0.3	21.4	0.4	0.8	3.1	12.7	38.7	25.2
Net book value as of 12/31/13	1.1	13.3	1.0	149.5	10.4	36.1	211.4	98.6
Depreciation for the year	0.2	8.2	0.2	0.1	4.6	7.4	20.8	9.7
Impairment losses for the year (see note 12)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Useful life	Up to 6 years	Up to 10 years	Up to 5 years	Undetermined	Up to 4 years	Up to 5 years		
Depreciation plan	Linear	Linear	Linear	No depreciation	Linear	Linear		

Goodwill relates to the acquisition of Hern Labs AB, Opera Software Poland Sp. z o.o., AdMarvel, Inc., Handster, Inc., Mobile Theory, Inc., 4th Screen Advertising, Ltd., Netview Tehnology AS, FastMail, Moolah Media, Inc., and Skyfire Labs, Inc. See note 8.

Development is internally developed intangible assets.

Other intangible assets relate to the acquisition of Opera Distribution AS, AdMarvel, Inc., Handster, Inc., Mobile Theory, Inc., 4th Screen Advertising, Ltd., FastMail, Moolah Media, Inc., and Skyfire Labs, Inc. See note 8.

Please see note 8 for asset additions related to business combinations.

Operating leases

The most significant agreements relate to the rental of premises in United States, Norway, the United Kingdom, Sweden and Poland.

In 2012, the Company entered into a new lease for the rental of its Norwegian offices at Gjerdrums vei 19. The new lease will run through November 2019. The lease agreement, according to IAS 17, is considered an operating lease.

<i>[Numbers in MUSD]</i>	2013	2012
Leasing costs expensed	6.2	5.6
Duration of the lease contract	11/30/19	11/30/19
Non-terminable operating leases due in: <i>[Numbers in MUSD]</i>		
Less than one year	4.6	4.9
Between one to five years	13.5	10.1
More than five years	1.4	2.5
Total	19.5	17.5

Note 8. Investments in subsidiaries, associated companies and other shares

<i>Subsidiaries [Numbers in MUSD]</i>	Hern Labs AB	Opera Software International AS	Opera Distribution AS	Netview Technology AS
Formal information				
Date of purchase	12/13/2000	1/5/2005	12/16/2008	5/14/2012
Registered office	Linköping, Sweden	Oslo, Norway	Oslo, Norway	Oslo, Norway
Ownership interest	100%	100%	100%	100%
Proportion of votes	100%	100%	100%	100%
Information related to the date of purchase (in the year of purchase)				
Purchase cost	1.3	0.2	0.3	0.8
Goodwill at acquisition cost	1.3	0.0	0.0	0.5
Other intangible assets at acquisition cost	0.0	0.0	0.3	0.5

Opera Software ASA's financial statements are available at the Company's headquarters located at Gjerdrums vei 19 in Oslo, Norway.

Associated companies

In 1Q 2011, Opera and China's Telling Telecom announced that they planned to establish a company in greater China with the goal of becoming the most popular consumer mobile web browser and web services platform in China. Opera will provide our browser technology, and Telling Telecom will contribute a local operations team and strong distribution capabilities. Telling Telecom is a leading mobile phone distributor in China.

nHorizon Innovation (Beijing) Software Ltd was co-founded by Opera Software ASA and Telling Telecom in August 2011. nHorizon is committed to developing and marketing the Oupeng mobile browser, providing users with a simple, fast, and smooth mobile internet experience and to helping people enjoy a comfortable mobile internet life. For more information, please visit www.oupeng.com.

The focus of the company will be on the massive consumer mobile internet market and revenue opportunity in China. Opera China will continue to target the operator, mobile OEM, device OEM, and desktop markets independent from the company.

Information regarding nHorizon Innovation

<i>[Numbers in MUSD]</i>	2013	2012
Revenue	10.1	2.0
EBIT	-28.0	-18.4
Net profit	-28.5	-18.5
Assets	10.4	0.9
Short term liabilities	15.6	6.2
Equity	-5.2	0.7

Investment in associate

The investments in nHorizon Innovation are accounted for using the equity method. In 3Q 2013, Opera invested MUSD 5.7, of which MUSD 2.8 was payable in 4Q 2013 together with a loan of MUSD 2.3. This investment comes in addition to the MUSD 2.4 already invested in in both 3Q and 4Q 2012 and to the MUSD 2.4 already invested in 2011. In addition, Opera is guaranteed a minimum amount of revenue from the company corresponding to Opera's initial capital contribution over the three-year period starting from the establishment of the company.

As of December 31, 2013, Opera owned 29.09% of nHorizon Innovation, and Opera has booked the following fair value on the accounting line "Other investments and deposits":

<i>Booked value [Numbers in MUSD]</i>	2013	2012
Investment (Booked value January 1)	2.0	1.5
Investment during the fiscal year	5.7	4.8
FX adjustment	-0.4	0.3
Share of the profit/loss	-3.3	-3.7
Elimination portion of sale	-4.0	-0.9
Total	-0.0	2.0

Other shares

Opera Software ASA owns 20% of the European Center for Information and Communication Technologies – EICT GmbH. The booked value of the share is USD 0.1. The market value of the company is unknown. The EICT is a public/private partnership of scientific institutions, institutes of applied research and leading industrial companies. The strategic innovation partnership pools and specifically links research and development activities in industry and science to information and communication technologies. For more information about EICT, please see the website at www.eict.de.

Skyfire Labs, Inc.

On March 14, 2013, Opera Software ASA acquired 100% of the shares and voting interest of the privately-held company Skyfire Labs, Inc., a leader in mobile video optimization and cloud solutions for mobility. Opera believes Skyfire adds capabilities to our portfolio around video, app optimization, smartphones, and tablets, and strength in North America, and we are excited to expand Opera's solutions for operators.

Skyfire is headquartered in Mountain View, California. The company's main product, the Rocket Optimizer™ solution, allows mobile operators to leverage cloud computing to optimize virtually any video and other multimedia on crowded mobile towers, including 3G and 4G LTE networks. The Rocket Optimizer™ solution provides mobile networks a significant boost in capacity by compressing video and other multimedia content to fit available bandwidth. The Rocket Optimizer™ solution detects, and intervenes in milliseconds, when specific users are facing poor quality experience or connections that need assistance. This can minimize the long start times, rebuffering and stalls on video and audio streams that frustrate mobile users around the world. The approach aligns with the trend toward SDN (software-defined networking) and NFV (network function virtualization) among telecommunications operators, based on its elastic and virtualization-friendly cloud architecture.

Skyfire also offers the Horizon™ solution, a mobile browser extension and toolbar platform that allows users to personalize their smartphone browsers and facilitates operators to gain new monetization opportunities.

The acquisition price includes a mix of cash and stock, with an upfront consideration of MUSD 49.1 (including MUSD 8.2 of cash on the Skyfire balance sheet) and performance-based earnout payments over three years, including MUSD 25.7 in cash held in escrow and funded upfront, that can bring the total deal size to MUSD 155.2.

Skyfire Labs, Inc., currently employs 66 full-time equivalents. In 2013, the Group incurred acquisition-related costs of MUSD 1.0 (2012: 0.0) related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

Identifiable assets acquired and liabilities assumed [Numbers in MUSD]

Other intangible assets	4.2
Property, plant and equipment	0.4
Deferred tax assets	9.4
Accounts receivable*	0.5
Other receivables	0.1
Cash and cash equivalents	8.2
Accounts payable	-0.1
Social security, VAT and other taxation payable	-0.3
Deferred revenue	-5.1
Other short-term liabilities	-2.7
Other long-term liabilities	-1.6
Non-current provisions	-3.3
Total net identifiable assets	9.7
Cash consideration	-49.1
Contingent consideration	-40.5
Excess value	-79.9
Related customer relationships	3.6
Proprietary technology	19.4
Non-compete	0.4
Deferred tax on excess values	-9.4
Goodwill	65.8

* No provision for bad debt

The assets and liabilities that were recognized by Skyfire Labs immediately before the business combination equaled the carrying amount recognized by the Group on the acquisition date. Subsequent to the business combination, the opening balance has been adjusted to reflect MUSD 9.4 in deferred tax assets. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, proprietary technology, deferred tax on excess values and goodwill, since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of Skyfire Labs can be attributed to the synergies that exist between the two companies, as well as the qualified Skyfire Labs workforce.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of MUSD 40.5 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 11.

The value of the related customer relationships and the proprietary technology is depreciated over a 6-year period.

The fair value of the net identifiable assets has not been calculated by an external company. Opera has treated the entire contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

Revenue and profit

The total Skyfire Labs revenue, in the first 9.5 months after the purchase, was MUSD 12.1, and the estimate for the 12-month period beginning January 1, 2013, is MUSD 15.3.

The net profit for Skyfire Labs, in the first 9.5 months, after the purchase was MUSD 15.2, and the estimate for the 12-month period beginning January 1, 2013, is MUSD 17.5.

Individually immaterial business combinations

The Group has acquired 100% of the shares/membership interests of several companies that individually are not seen as material transactions. These business combinations are material collectively, and the numbers below are therefore disclosed in aggregate.

From April 1, 2013, Opera has the following aggregated future obligations related to these transactions: \$31.7 million in potential earnout consideration as a mix of cash and stock (to be paid to the Sellers in 2014, 2015 and 2016 based on aggressive revenue and EBIT targets), plus additional potential limited consideration based on over-performance on EBIT in 2013, 2014 and 2015.

Transactions closed prior to January 1, 2013, have enabled Opera to (i) strengthen its mobile store offerings and better monetize Opera's own properties and traffic that is generated by Opera's large mobile audience and (ii) bring in-house video expertise and technology assets. In 1Q 2013, Opera closed on an acquisition transaction that brings in-house a team and product platform that now significantly enhances Opera's ability to help advertisers with performance or "cost per action" campaigns, such as campaigns for driving app downloads and securing customer sign-ups and leads.

In 2013, the Group incurred acquisition-related costs of MUSD 0.7 (2012: 0.7) related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

Identifiable assets acquired and liabilities assumed [Numbers in MUSD]

Other intangible assets	0.0
Other investments and deposits	0.0
Property, plant and equipment	0.0
Accounts receivable*	2.3
Unbilled revenue	0.0
Other receivables	0.0
Cash and cash equivalents	1.3
Accounts payable	-2.0
Social security, VAT and other taxation payable	0.0
Other short-term liabilities	-0.6
Total net identifiable assets	1.1
Cash consideration	-14.1
Contingent consideration	-15.9
Excess value	-28.9
Non-compete	0.3
Related customer relationships	2.6
Related developer relationships	0.8
Proprietary technology	4.2
Deferred tax on excess values	-0.9
Goodwill	22.0

* No provision for bad debt.

The assets and liabilities that were recognized immediately before the business combinations equaled the carrying amount recognized by the Group on the acquisition dates. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, proprietary technology, deferred tax on excess values and goodwill, since the excess prices have been deemed to be related to these intangible assets.

Information regarding goodwill*[Numbers in MUSD]*

Goodwill at acquisition cost for Hern Labs AB	1.3
Accumulated depreciation as of 12/31/04	1.1
Net book value as of 12/31/04	0.3
Reversed depreciation 2004	0.3
Net book value as of 1/1/04 and 12/31/08	0.5
Goodwill at acquisition cost for Opera Software Poland Sp. z o.o	2.2
Net book value as of 12/31/09	2.8
Goodwill at acquisition cost for AdMarvel	13.2
Goodwill at acquisition cost for FastMail	4.0
Net book value as of 12/31/10	20.0
Goodwill at acquisition cost for Handster	7.2
FX adjustment to the goodwill acquisition cost	0.0
Net book value as of 12/31/11	27.2
Goodwill at acquisition cost for Mobile Theory	34.4
Goodwill at acquisition cost for 4th Screen Advertising	11.3
Goodwill at acquisition cost for Netview Technology	0.3
Impairment of FastMail goodwill	-3.0
FX adjustment to the goodwill acquisition cost	0.1
Net book value as of 12/31/12	70.3
Goodwill at acquisition cost for Skyfire Labs, Inc.	65.8
Sale of FastMail	-1.0
Goodwill at acquisition cost for immaterial transactions	14.4
FX adjustment to the goodwill acquisition cost	-0.1
Net book value as of 12/31/13	149.5

In respect to business acquisitions that have occurred since January 1, 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. A portion of the goodwill relates to the purchase of Hern Labs AB. As the goodwill existed before January 1, 2004, the goodwill is based on the amount recognized according to NGAAP. Goodwill from the purchase of Hern Labs AB booked on December 31, 2011, has the same value as goodwill on January 1, 2004.

TESTING FOR DECREASE IN VALUE OF CASH-GENERATING UNITS, INCLUDING GOODWILL**Hern Labs AB, Netview Technology AS and Opera Software Poland Sp. z o.o**

MUSD 3.1 of the recognized goodwill and MUSD 0.3 of the recognized other intangible assets is related to the acquisition of Hern Labs AB, Netview Technology AS and Opera Software Poland Sp. z o.o. Netview's operations have been sold to Opera Software ASA, and Hern Labs AB and Opera Software Poland Sp. z o.o are development companies that deliver development services to Opera Software ASA. Hern Labs AB and Opera Software Poland Sp. z o.o use a cost plus model. Hence, it is difficult to estimate the value of Hern Labs AB and Opera Software Poland Sp. z o.o on the basis of their cash flows. The Opera Software ASA Group is thus considered to be the smallest cash-generating unit for the three acquisitions.

The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill. This judgment has, among other things, been based on estimated cash flows to the companies the coming 3-year period and the fact that the market value of the Opera Group is considerably higher than the equity.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.
- An after-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 7.5% (equity risk premium of 5% x beta 1.5). This gives an implicit pre-tax discount rate of 11%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

Skyfire Labs, Inc.

MUSD 65.8 of the recognized goodwill, MUSD 19.8 of the recognized other intangible assets, and MUSD -7.2 of the net working capital excluding cash, as of December 31, 2013, are related to the acquisition of Skyfire Labs, Inc. The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill and other intangible assets. This judgment has, among other things, been based on estimated cash flows to the company the coming 3-year period.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results, and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.
- An after-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 9.0% (equity risk premium of 5.0% x beta 1.1 and alpha risk 3.5%). This gives an implicit pre-tax discount rate of 16%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

AdMarvel, Inc.

MUSD 13.2 of the recognized goodwill, MUSD 0.5 of the recognized other intangible assets, and MUSD 1.5 of the net working capital excluding cash, as of December 31, 2013, are related to the acquisition of AdMarvel, Inc. The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill and other intangible assets. This judgment has, among other things, been based on estimated cash flows to the company the coming 3-year period.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results, and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.
- An after-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 9.0% (equity risk premium of 5.0% x beta 1.1 and alpha risk 3.0%). This gives an implicit pre-tax discount rate of 19%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

Mobile Theory, Inc.

MUSD 34.4 of the recognized goodwill, MUSD 2.5 of the recognized other intangible assets, and MUSD 5.1 of the net working capital excluding cash, as of December 31, 2013, are related to the acquisition of Mobile Theory, Inc. The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill and other intangible assets. This judgment has, among other things, been based on estimated cash flows to the company the coming 3-year period.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.
- An after-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 9.0% (equity risk premium of 5.0% x beta 1.1 and alpha risk 3.0%). This gives an implicit pre-tax discount rate of 19%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

4th Screen Advertising Ltd.

MUSD 14.4 of the recognized goodwill, MUSD 2.8 of the recognized other intangible assets, and MUSD 2.3 of the net working capital excluding cash, as of December 31, 2013, are related to the acquisition of Moolah, Inc. The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill and other intangible assets. This judgment has, among other things, been based on estimated cash flows to the company the coming 3-year period.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results, and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.

- An after-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 9.0% (equity risk premium of 5.0% x beta 1.1 and alpha risk 3.0%). This gives an implicit pre-tax discount rate of 20%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

Handster, Inc.

MUSD 7.3 of the recognized goodwill, MUSD 1.0 of the recognized other intangible assets, and MUSD 0.0 of the net working capital excluding cash, as of December 31, 2013, are related to the acquisition of Handster, Inc. The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill and other intangible assets. This judgment has, among other things, been based on estimated cash flows to the company the coming 3-year period.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.
- A pre-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 9.0% (equity risk premium of 5.0% x beta 1.1 and alpha risk 3.0%). This gives an implicit pre-tax discount rate of 12%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

Opera Mediaworks Performance, LLC

MUSD 14.4 of the recognized goodwill, MUSD 2.8 of the recognized other intangible assets and MUSD 2.3 of the net working capital excluding cash, as of December 31, 2013, are related to the acquisition of Opera Mediaworks Performance, LLC. The Group has performed a complete impairment test as of December 31, 2013, according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill and other intangible assets. This judgment has, among other things, been based on estimated cash flows to the company the coming 3-year period.

Value in use was determined by discounting the future cash flows, and the calculation was based on the following key assumptions:

- Cash flows were projected using past experience, actual operating results and the 3-year business plan extending from FY 2014 to FY 2016. The terminal value has been calculated using the average of the estimated cash flow in 2014 to 2016 and a 2% future growth rate.
- A pre-tax discount rate where Opera used a 3.0% current market risk-free rate of interest and added a risk of 9.0% (equity risk premium of 5.0% x beta 1.1 and alpha risk 3.0%). This gives an implicit pre-tax discount rate of 19%.

A change in the discount rate with a risk up to 2% would still not cause the booked goodwill to be impaired, nor would a 5% decrease of the cash flow.

Note 9. Shareholder information

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the General Meeting.

All shares rank equally with regard to the Group's residual assets. The Company does not have any preferred shares.

For information regarding share options, please see the accompanying note 3.

Authorization to acquire own shares

The Annual General Meeting (AGM) held on June 4, 2013, passed the following resolution:

- The Board of Directors is authorized to acquire shares in the Company. The shares are to be acquired at market terms, in or in connection with a regulated market where the shares are traded.
- The shares may only be used to fulfill obligations under incentive schemes approved by the shareholders. No new authority is granted by this item for new incentive schemes.
- The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 240,000. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 10, and the maximum amount is NOK 100.
- The authorization comprises the right to establish pledge over the Company's own shares.
- This authorization is valid from the date it is registered with the Norwegian Register of Business Enterprises until June 30, 2014.
- The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

During 2013, Opera purchased 0 (2012: 0) shares and sold 339,500 (2012: 1,302,430) own shares for MUSD 1.5 (2012: 3.4). As of December 31, 2013, Opera owned 0 shares.

Board authorization to increase the share capital by issuance of new shares

The Annual General Meeting held on June 4, 2013, passed the following resolutions:

1 Authorization regarding incentive program

- The Board of Directors is authorized to increase the Company's share capital by a total amount of up to NOK 240,000, by one or several share issues of up to a total of 12,000,000 shares, each with a nominal value of NOK 0.02. The subscription price and other terms will be determined by the Board of Directors.
- The authorization includes the right to increase the Company's share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.
- The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.

d) The authorization may only be used for issuing new shares in relation to the Company's incentive schemes existing at any time in the Opera Group. The authorization cannot be used in connection with options that may be granted to directors on or after June 15, 2010.

e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2014.

f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

g) The authorization cannot be used if the Company, in the period of June 4, 2013, to June 30, 2014, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company's share capital.

2 Authorization regarding acquisitions

a) The Board of Directors is authorized to increase the Company's share capital by a total amount of up to NOK 240,000, by one or several share issues of up to a total of 12,000,000 shares, each with a nominal value of NOK 0.02. The subscription price and other terms will be determined by the Board of Directors.

b) The authorization includes the right to increase the Company's share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.

c) The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.

d) The authorization may only be used in connection with acquisitions of businesses or companies, including mergers, within the business areas operated by the Opera Group, or which relates thereto.

e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2014.

f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

g) The authorization cannot be used if the Company, in the period of June 4, 2013, to June 30, 2014, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company's share capital.

During 2013, Opera issued 2,665,544 (2012: 0) ordinary shares related to the incentive program, 2,047,906 (2012: 0) of ordinary shares related to business combinations, and 8,000,000 (2012: 0) of ordinary shares related to an equity increase.

Dividends for 2012 of NOK 0.22 per share

The Annual General Meeting held on June 4, 2013, passed the following resolution: NOK 0.22 per share is paid as dividend for 2012, constituting an aggregate dividend payment of MNOK 26.8 (approximately MUSD 4.6). The dividend will be paid to those who are shareholders at end of trading on June 4, 2013, and the shares will be trading exclusive of dividend rights as of June 5, 2013.

Other items passed at the AGM

For further details about the meeting held on June 4, 2013, please see the protocol from the Annual General Meeting published on the Oslo Stock Exchange website (www.oslobors.no).

Option programs

For information about the employee option program, please see note 3 in the FY 2013 Annual Report.

Capital increase

During the year, the Company completed the offering of

8,000,000 new shares, equal to 6.48% of the existing share capital of the Company. The offering, which was led by ABG Sundal Collier and Morgan Stanley, was comprised of a private placement to institutional investors in Norway and internationally. The over-subscribed offering was completed at a subscription price of NOK 68.50 per share, which was determined through an accelerated book-building process. Gross proceeds from the offering amounted to MNOK 548 (approximately MUSD 90). The net proceeds, of approximately MUSD 87.2, will be used to increase the Company's capital base for current and future strategic acquisition activities and obligations.

Option programs

For information about the employee option program, please see note 3.

Ownership structure

The 10 biggest shareholders of Opera Software ASA shares as of December 31, 2013, were as follows:

<i>[In thousands of shares]</i>	Shares	Owner's share	Voting share
Ludvig Lorentzen AS	10 637	8.04%	8.04%
Arepo AS	9 512	7.19%	7.19%
Ferd AS Invest	6 906	5.22%	5.22%
Sundt AS	6 655	5.03%	5.03%
Folketrygdfondet	6 086	4.60%	4.60%
JPMorgan Chase Bank	2 725	2.06%	2.06%
Statoil Pensjon	2 124	1.61%	1.61%
Verdipapirfondet DNB Norge (IV)	1 829	1.38%	1.38%
SEB Enskilda Securitas AB	1 795	1.36%	1.36%
Skandinaviska Enskilda Banken AB	1 742	1.32%	1.32%
JPMorgan Chase Bank London	1 680	1.27%	1.27%
State Street Bank and Trust Co.	1 496	1.13%	1.13%
State Street Bank & Trust Company	1 379	1.04%	1.04%
Sum	54 566	41.25%	41.25%
Other shareholders	77 722	58.75%	58.75%
Total numbers of shares	132 288	100.00%	100.00%

The Board of Directors proposes that the 2013 Annual General Meeting approves a dividend payment of NOK 0.24 per share.

Note 10. Accounts receivable, other receivables, accounts payable, other payables and provisions

Financial assets and liabilities mainly comprise short-term items (non-interest-bearing). Based on this assessment, management does not consider the Group to have financial assets or liabilities with potentially significant differences between net book value and fair value.

Fair values of financial assets and financial liabilities as of December 31, 2013

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<i>[Numbers in MUSD]</i>	CARRYING AMOUNT			Total	FAIR LEVEL			Total
	Designated at fair value	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
Financial assets not measured at fair value								
Investments in other shares		0.1		0.1			0.1	0.1
Other investments and deposits		4.9		4.9			4.9	4.9
Accounts receivable		61.5		61.5			61.5	61.5
Unbilled revenue		32.4		32.4			32.4	32.4
Cash and cash equivalents		163.4		163.4			163.4	163.4
Total financial assets not measured at fair value	0.0	262.3	0.0	262.3	0.0	0.0	262.3	262.3
Financial liabilities measured at fair value								
Provisions	59.7			59.7			59.7	59.7
Total financial liabilities measured at fair value	59.7	0.0	0.0	59.7	0.0	0.0	59.7	59.7
Financial liabilities not measured at fair value								
Secured bank loans			60.1	60.1			60.1	60.1
Accounts payable			22.2	22.2			22.2	22.2
Other short-term liabilities			29.1	29.1			29.1	29.1
Total financial liabilities not measured at fair value	0.0	0.0	111.5	111.5	0.0	0.0	111.5	111.5

For more information, please see note 11.

Fair values of financial assets and financial liabilities as of December 31, 2012

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

[Numbers in MUSD]	CARRYING AMOUNT			FAIR LEVEL				
	Designated at fair value	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Investments in other shares		2.1		2.1			2.1	2.1
Other investments and deposits		3.6		3.6			3.6	3.6
Accounts receivable		35.2		35.2			35.2	35.2
Unbilled revenue		26.7		26.7			26.7	26.7
Cash and cash equivalents		57.2		57.2			57.2	57.2
Total financial assets not measured at fair value	0.0	124.8	0.0	124.8	0.0	0.0	124.8	124.8
Financial liabilities measured at fair value								
Provisions	28.8			28.8			28.8	28.8
Total financial liabilities measured at fair value	28.8	0.0	0.0	28.8	0.0	0.0	28.8	28.8
Financial liabilities not measured at fair value								
Secured bank loans			0.0	0.0			0.0	0.0
Accounts payable			19.6	19.6			19.6	19.6
Other short-term liabilities			22.4	22.4			22.4	22.4
Total financial liabilities not measured at fair value	0.0	0.0	41.9	41.9	0.0	0.0	41.9	41.9

Note 11. Contingent liabilities and provisions**Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios where Opera has forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	*Forecasted annual revenue *Forecasted EBIT *Risk-adjusted discount rate	The estimated fair value would increase (decrease) if: *The annual revenue growth rate were higher (lower), * The EBIT margin were higher (lower); or * The risk-adjusted discount rate were lower (higher) Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBIT margin.

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.

[Numbers in MUSD]	Note	Contingent consideration
Balance as of 1/1/2012		9.4
Assumed in a business combination	11	39.3
Paid	11	-25.4
Finance cost	11	6.0
Conversion discrepancy	11	-0.4
OCI	11	0.0
Balance as of 12/31/2012		28.8
Assumed in a business combination	11	54.7
Paid		-14.6
Finance cost	11	-5.5
Conversion discrepancy	11	-3.7
OCI	11	0.0
Balance as of 12/31/2013		59.7

Mobile Theory — Earnout agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout value before discounting to be MUSD 45.5, at the acquisition date. Opera used a WACC of 20% and foreign exchange rate of 5.7284, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 32.7 in the financial statements. The FY 2012 and FY 2013 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2012 and FY 2013 is MUSD 45.0, plus additional potential limited consideration based on over performance of EBIT in 2012 and 2013. At the ac-

quisition date, Opera calculated the earnout value before discounting to be MUSD 18.3 in FY 2012 and MUSD 27.3 in FY 2013. The weighted probability rates are estimated to change +/-10%.

The contingent consideration is revalued each quarter, and MUSD 0.0 has been booked as a non-current provision and MUSD 30.2 as a current provision as of December 31, 2013. For 2013, Opera booked MUSD 6.3 (2012: 6.6) as an interest expense, MUSD 3.6 (2012: -1.3) as an FX expense and MUSD 2.2 (2012: 0.6) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 8 for more details.

In 4Q 2012, Opera prepaid the 2012 earnout payment of MUSD 17.8. The final 2012 earnout payment of MUSD 0.5 was paid in 2Q 2013.

Sensitivity analysis [Numbers in MUSD]

	Increase	Decrease
Annual revenue growth rate (10% movement)	0.0	0.0
EBIT margin (5% movement)	0.4	-0.4

4th Screen Advertising — Earnout agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout value before discounting to be MUSD 6.9, at the acquisition date. Opera used a WACC of 20% and foreign exchange rate of 5.7284, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 4.9 in the financial statements. The FY 2012 and FY 2013 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2012 and FY 2013 is MUSD 6.5, plus additional potential limited consideration based on over performance of EBIT in 2012 and 2013. At the ac-

quisition date, Opera calculated the earnout value before discounting to be MUSD 2.2 in FY 2012 and MUSD 4.7 in FY 2013. The weighted probability rates are estimated to change +/-10%.

The contingent consideration is revalued each quarter, and MUSD 0.0 has been booked as a non-current provision and MUSD 4.3 as a current provision as of December 31, 2013. For 2013, Opera booked MUSD 0.8 (2012: 0.7) as an interest expense, MNOK 0.5 (2012: -0.2) as an FX expense and MUSD -0.1 (2012: -0.2) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 8 for more details.

In 1Q 2013, Opera paid the 2012 earnout payment of MUSD 1.9.

Sensitivity analysis [Numbers in MUSD]

	Increase	Decrease
Annual revenue growth rate (10% movement)	0.0	-0.3
EBIT margin (5% movement)	0.0	0.0

Skyfire Labs — Earnout agreement and senior management incentive plan

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout value before discounting to be MUSD 57.2, at the acquisition date. Opera used a WACC of 25% and foreign exchange rate of 5.7214, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 40.5 in the financial statements. The FY 2013, 2014 and FY 2015 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2013, 2014 and FY 2015 is MUSD 94.7. At the acquisition date, Opera calculated the earnout value before discounting to be MUSD 26.7 in FY 2013, MUSD 30.5 in FY 2014, and MUSD 0.0 in FY 2015. The weighted probability rates are estimated to change +/-10%.

The contingent consideration is revalued each quarter,

Sensitivity analysis [Numbers in MUSD]

	Increase	Decrease
Annual revenue growth rate (10% movement)	2.9	-4.8
EBIT margin (5% movement)	0.6	-4.8

Individually immaterial business combinations — Earnout agreements

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout values before discounting to be MUSD 25.4, at the acquisition date. Opera used a WACC between 20% and 25%, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 15.9 in the financial statements. At the acquisition date, Opera calculated the earnout value before

and MUSD 0.4 has been booked as a non-current provision and MUSD 0.0 as a current provision as of December 31, 2013. For 2013, Opera booked MUSD 6.1 (2012: 0) as an interest expense, MUSD 2.0 (2012: 0) as an FX expense and MUSD -34.1 (2012: 0) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 8 for more details.

In 3Q 2013, Opera paid portions of the 2013 earnout payment of MUSD 11.7.

Further, it has been agreed that up to the first MUSD 10.0 of any 2015 total earnout payments that become payable pursuant to the merger agreement are to be part of an incentive payment to certain senior management employees. The valuation of the contingent consideration is based on the same principles as described above. The contingent consideration is revalued each quarter, and MUSD 2.8 has been booked as a non-current provision as of December 31, 2013. For 2013, Opera booked MUSD 1.1 (2012: 0) as an interest expense and MSUD -1.6 (2012: 0) as change in likelihood. The weighted probability rates are estimated to change +/-10%.

discounting to be MUSD 1.3 in FY 2012, MUSD 9.9 in FY 2013, MUSD 7.1 in FY 2014, and MUSD 7.1 in FY 2015.

The contingent consideration is revalued each quarter, and MUSD 10.4 has been booked as a non-current provision and MUSD 11.6 as a current provision as of December 31, 2013. For 2013, Opera booked MUSD 3.8 (2012: 0.3) as an interest expense, MUSD 0.1 (2012: -0.1) as an FX income and MUSD 3.2 (2012: -0.7) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 9 for more details.

In 1Q 2013, Opera paid the 2012 earnout payment of MUSD 0.6.

Sensitivity analysis [Numbers in MUSD]

	Increase	Decrease
Annual revenue growth rate (10% movement)	2.2	-2.8
EBIT margin (5% movement)	5.7	-6.8

Note 12. Costs for restructuring the business

During 4Q 2013, the Opera Group recorded restructuring charges related to a strategic cost reduction that will better align costs with revenues and legal fees related to business combinations.

During 1Q 2013, the Opera Group recorded legal fees related to business combinations.

Costs for restructuring the business [Numbers in MUSD]	2013	2012
Salary restructuring cost	0.2	5.9
Option restructuring cost	0.0	0.0
Office restructuring cost	-0.1	3.0
Termination cost — hosting center	0.0	0.0
Impairment cost	0.0	3.0
Legal fees related to business combinations	1.9	0.9
Other restructuring cost	0.5	0.0
Total	2.5	12.8

As of December 31, 2013, MUSD 0.6 was not paid and booked as other short-term liabilities in the statement of financial position. The comparative number as of December 31, 2012, was MUSD 4.9.

Note 13. Accounting estimates and judgments

Management has evaluated the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Based on signed contracts with large, established mar-

ket participants, Opera develops and adjusts the Opera browser so that it is compatible with mobile phones, game consoles and many other devices. The adjustments and modifications are carried out continuously over time. Hence, income and costs are booked in accordance with the percentage of completion method. Estimation of the degree of completion is based on the best estimate. Management's choice of estimates for the degree of completion will have an effect on booked income.

The Group has, in note 5, given a detailed analysis of the currency risk and risk related to changes in the foreign exchange rates.

The Group has entered into earnout agreements as specified in notes 8 and note 11. Opera has in note 11 given a detailed analysis of how the contingent considerations have been calculated. Changes in the chosen assumptions can have a significant impact on the size of the earnout cost.

The Group has established an option program for its employees. The options are booked in accordance with IFRS 2. The option costs are estimated on the basis of various assumptions, such as volatility, interest level, dividend and an assumption of how many will exercise their options, as

well as other factors. The chosen assumptions can have a significant impact on the size of the option costs. The assumptions are given in note 3.

Critical accounting judgments in applying the Group's accounting policies

The Group has considered its activities related to technological development in terms of the requirements in IAS 38. The Company develops specially designed browsers for use in its customers' products. The reason the Group has entered into contracts with customers, committing the Company to develop a custom-made browser for a settled fee, is that the fee received is meant to cover Opera's expenses related to this specific technological development. These projects are booked in accordance with the percentage of completion method, which states that related income and expenses should be booked in the same period.

Cost of building new features, together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main

components of the core platform will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line 3-year basis. Please refer to notes 4 and 7 for additional information.

A significant portion of the work that engineering performs (beyond specifically designed browsers) is related to the implementation of the ongoing updates that are required to maintain the browser's functionality. Examples of updates include "bug fixes", updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest web trends. These costs are expensed as maintenance costs.

In some contracts, Opera receives a fee that covers development and a guaranteed number of licenses, as well as maintenance in the subsequent period. The elements in the different contracts are assessed in accordance with the best estimate of true value and booked as the elements are delivered. If the elements can not be separated, all income is booked in aggregate, in accordance with the percentage of completion method.

Note 14. Related Parties

In FY 2013, except for the Group's transactions with Hern Labs AB, Opera Software International AS, Opera Distribution AS, Netview Technology AS, and Opera Software Poland Sp. z o.o, the Group did not engage in any related party transactions, including with any members of the Board of Directors or the Executive Team. Please refer to notes 3 and 8 for additional information.

Transactions with key management personnel

Members of the Board of Directors and the Executive Team of the Group and their immediate relatives controlled 7.7% of the Group's voting share as per December 31, 2013. The Company has not provided any loans to directors or Executive Team members as of December 31, 2013.

Executive Team members also participate in the Group's stock option program (see note 3). Compensation for Executive Team members can be found in note 3.

Note 15. Earnings per share

Earning per share <i>[Numbers in USD]</i>	2013	2012
Earnings per share (basic)	0.490	0.143
Earnings per share, fully diluted	0.479	0.140
Shares used in earnings per share calculation	123 156 089	118 782 269
Shares used in earnings per share calculation, fully diluted	125 783 923	121 173 334

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted ordinary shares in issue during the period.

The average stock exchange price for 2013 is used when calculating the options that are "in the money" and when calculating the fully diluted number of shares. The options have varying exercise prices and would, upon exercise, mean payment to the Company of MNOK 205.2. In relation

to the accounting standard regarding earnings per share, the effect of these funds being used by the Company to purchase shares in the market should be considered when calculating the fully diluted number of shares outstanding. Opera has included options with a strike price below NOK 51.06 when calculating the fully diluted number of shares outstanding. Total options used in the calculations are 7,109,283, of which 5,883,183 options are unvested and 1,226,100 are vested but not yet exercised.

	2013	2012
Average number of shares	123 156 089	118 782 269
The following equity instruments have a diluting effect:		
Options	7 109 283	7 758 356
Total	7 109 283	7 758 356
Options	7 109 283	7 758 356
Number of shares purchased (MNOK 205.2/51.06)	4 017 714	4 945 339
Number of shares with diluting effect	3 091 569	2 813 017
Expected options to be exercised	2 627 834	2 391 065

Note 16. Subsequent events

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

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

Parent company annual accounts report 2013 Opera Software ASA

The parent company annual accounts report for Opera Software ASA contains the following documents:

- Statement of comprehensive income
- Statement of financial position
- Statement of cash flows
- Statement of changes in equity
- Notes to the financial statements

The financial statements, which have been drawn up by the Board and management, should be read in relation to the Annual Report and the independent auditor's opinion.

Statement of comprehensive income

<i>Numbers in MUSD</i>	Note	1/1 - 12/31 2013	1/1 - 12/31 2012
Revenue	1, 2, 5	169.8	160.8
Total operating revenue		169.8	160.8
Cost of goods sold	5	0.0	0.0
Payroll and related expenses	3, 5	31.0	44.3
Depreciation expenses	5, 7	4.4	2.2
Impairment of shares	8	12.3	0.0
Other operating expenses	3, 4, 5, 7, 14	83.3	73.9
Total operating expenses		131.0	120.5
Results from operating activities ("EBIT"), excl. restructuring costs		38.7	40.4
Costs for restructuring the business	13	1.8	7.3
Results from operating activities ("EBIT")		36.9	33.1
Interest income	5, 9	2.2	3.3
Other financial income	5	15.9	1.8
Interest expenses	5, 9	-1.4	-0.1
Interest expense related to contingent consideration	8, 11	-6.1	0.0
FX gains/losses related to contingent consideration, net	8, 11	-2.0	0.0
Revaluation of contingent consideration	8, 11	34.1	0.0
Other financial expenses	5	-4.6	-7.7
Profit before income tax		74.9	30.3
Income tax on ordinary result	6	17.4	9.3
Profit for the period		57.6	21.0
Other comprehensive income may be reclassified to profit and loss:			
Foreign currency translation differences for foreign operations		-13.6	9.3
Total comprehensive income for the period		44.0	30.3
Profit attributable to:			
Owners of the Company		57.6	21.0
Non-controlling interest		0.0	0.0
Profit for the period		57.6	21.0
Total comprehensive income attributable to:			
Owners of the Company		44.0	30.3
Non-controlling interest		0.0	0.0
Total comprehensive income for the period		44.0	30.3
Earnings per share:			
Basic earnings per share (USD)	16	0.467	0.177
Diluted earnings per share (USD)	16	0.458	0.173

Statement of financial position

Numbers in MUSD	Note	12/31/2013	12/31/2012
Assets			
Non-current assets			
Intangible assets			
Other intangible assets	7	8.7	3.2
Total intangible assets		8.7	3.2
Property, plant and equipment			
Office machinery, equipment, etc.	7	3.3	3.5
Total property, plant and equipment		3.3	3.5
Financial assets and deferred tax assets			
Deferred tax assets	6	3.0	3.0
Other receivables	9, 11	9.7	8.7
Investments in subsidiaries	8	176.1	7.3
Investments in other shares	8	0.1	7.3
Other investments and deposits	4	3.3	2.7
Total financial assets and deferred tax assets		192.1	29.0
Total non-current assets		204.1	35.8
Current assets			
Trade and other receivables			
Accounts receivable	5, 9, 11	22.3	17.1
Unbilled revenue	11	21.5	16.8
Other receivables	6, 9	21.2	2.5
Total trade and other receivables		65.0	36.4
Cash and cash equivalents	5	128.4	128.2
Total current assets		193.5	164.6
Total assets		397.5	200.4

Statement of financial position

Numbers in MUSD		12/31/2013	12/31/2012
Shareholders' equity and liabilities			
Equity			
Paid in capital			
Share capital	10	0.4	0.4
Share premium		184.2	81.9
Other reserves		19.1	16.8
Total paid in capital		203.7	99.1
Retained earnings			
Other equity		102.9	53.1
Total retained earnings		102.9	53.1
Total equity		306.6	152.2
Liabilities			
Non-current liabilities			
Provisions	12	0.4	0.0
Total non-current liabilities		0.4	0.0
Current liabilities			
Accounts payable	9, 11	14.5	14.3
Taxes payable	6	12.8	7.0
Social security, VAT and other taxation payable		9.3	4.7
Deferred revenue	5	14.3	9.4
Option liability	3	0.1	0.1
Other short-term liabilities	5, 9, 11	39.4	12.6
Provisions	12	0.0	0.0
Total current liabilities		90.5	48.1
Total liabilities		90.9	48.1
Total equity and liabilities		397.5	200.4

Oslo, April 10, 2014

Arve Johansen
Chairman

Marianne Blystad

Christian Mauricio Uribe Espinoza
Employee Representative

Audun Wickstrand Iversen



Gregory Gerard Coleman

Krystian Kolondra
Employee Representative

Kari Stautland

Erik Möller
Employee RepresentativeLars Boilesen
CEO

Statement of cash flows

<i>Numbers in MUSD</i>	Note	1/1 - 12/31 2013	1/1 - 12/31 2012
Cash flow from operating activities			
Profit/loss before taxes		74.9	30.3
Taxes paid	6	-10.8	-6.0
Depreciation expenses	7	4.4	2.2
Profit/loss from sales of property, plant and equipment		0.0	0.0
Impairment of assets	7	0.0	0.0
Impairment of shares	8	12.3	0.0
Loss on sale of shares	8	0.0	0.0
Changes in accounts receivable *		-8.4	-9.3
Changes in accounts payable		-2.8	1.7
Changes in other liabilities and receivables, net		31.8	7.4
Share-based remuneration	3	0.9	2.4
Interest and FX related to contingent payment */***	8, 12	-26.0	0.0
Conversion discrepancy		-7.0	9.5
Net cash flow from operating activities		69.3	38.3
Cash flow from investment activities			
Proceeds from sale of assets	7	0.7	0.8
Capital expenditures	7	-2.1	-5.2
Investment in R&D ****	4, 7	-8.7	-1.7
Acquisition of shares **	8	-143.7	-0.8
Other investments ***	8	-7.9	-4.9
Net cash flow from investment activities		-161.7	-11.8
Cash flow from financing activities			
Proceeds from exercise of own shares (incentive program)	10	1.5	3.4
Proceeds of share issues, net (incentive program)	10	8.4	0.0
Proceeds of share issues, net (equity increase)	10	87.2	0.0
Dividends paid	10	-4.4	-4.0
Purchase of own shares	10	0.0	0.0
Net cash flow from financing activities		92.7	-0.6
Net change in cash and cash equivalents		0.3	25.9
Cash and cash equivalents (beginning of period)		128.2	102.3
Cash and cash equivalents *****		128.4	128.2

*Interest income and interest expenses are included in the profit and loss. Interest paid and interest received are recognized in the same year that interest income and interest expenses are recognized in the profit and loss, with the exception of interest related to re-evaluation of the contingent payment related to acquisitions. Conversion differences and interest related to re-valuation of the contingent payment are booked on a separate line as net cash flow from operating activities.

**Changes in unbilled revenue are included in changes in accounts receivables in the statement of cash flows.

***On March 14, 2013, Opera Software ASA acquired 100% of the shares and voting interest of the private-

ly-held company Skyfire Labs, Inc., following a payment equivalent to MUSD 49.0 comprising MUSD 35.9 in cash and MUSD 13.2 in shares (no cash-flow effect) of Opera Software ASA. At the same time, a second payment of MUSD 25.7 was set in escrow and is to be released if certain financial targets are achieved.

****In 2013, MUSD 8.7 (2012: 1.7) of Opera's investment in product development was capitalized in the consolidated statement of financial position.

*****As of December 31, 2013, the conversion discrepancy profit booked on cash and cash equivalents was MUSD -1.6, and the comparative number as of December 31, 2012, was MUSD 4.3.

Statement of changes in equity

<i>Numbers in MUSD</i>	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2012	119.2	0.4	77.4	16.1	0.0	6.2	52.2	152.2
Comprehensive income for the period								
Profit for the period							57.6	57.6
Other comprehensive income								
Foreign currency translation differences						-13.6		-13.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	-13.6	57.6	44.0
Contributions by and distributions to owners								
Dividend to equity holders							-4.4	-4.4
Issue of ordinary shares related to business combinations	2.0	0.0	13.2					13.2
Issue of ordinary shares related to the incentive program	2.7	0.0	8.4					8.4
Issue of ordinary shares related to equity increase	8.0	0.0	87.2					87.2
Own shares acquired								0.0
Own shares sold	0.3				0.0		1.5	1.5
Tax deduction on equity bookings			0.9				0.0	0.9
Share-based payment transactions				3.7				3.7
Total contributions by and distributions to owners	13.1	0.0	109.7	3.7	0.0	0.0	-2.9	110.5
Other equity changes								
Other changes			0.0				0.0	0.0
Total other equity changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of 12/31/2013	132.3	0.4	187.0	19.8	0.0	-7.4	106.9	306.6

Face value of the shares

The face value of the shares is NOK 0.02.

Other reserves

Other reserves consist of option costs booked according to the equity settled method and issued shares registered in the period after the current financial year.

Reserve for own shares

The reserve for the Company's own shares comprises the face value cost of the Company's shares held by the Company.

Translation reserve

The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other equity

Other equity consists of all other transactions, including, but not limited to, total recognized income and expense for the current period and excess value of the Company's own shares.

Statement of changes in equity

<i>Numbers in MUSD</i>	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2011	117.9	0.4	77.4	12.6	-0.0	-3.1	31.1	118.3
Comprehensive income for the period								
Profit for the period							21.0	21.0
Other comprehensive income								
Foreign currency translation differences						9.3		9.3
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	9.3	21.0	30.3
Contributions by and distributions to owners								
Dividend to equity holders							-4.0	-4.0
Own shares acquired	0.0				0.0		0.0	0.0
Own shares sold	1.3				0.0		3.4	3.4
Tax deduction loss own shares							0.7	0.7
Issue expenses							0.0	0.0
Tax deduction on equity bookings			0.0				0.0	0.0
Share-based payment transactions				3.5			0.0	3.5
Total contributions by and distributions to owners	1.3	0.0	0.0	3.5	0.0	0.0	0.1	3.6
Other equity changes								
Other changes			0.0				0.0	0.0
Total other equity changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of 12/31/2012	119.2	0.4	77.4	16.1	0.0	6.2	52.2	152.2

Note 1. Accounting principles

Information about the accounting principles is given in the accompanying note 1 in the consolidated financial statement.

Note 2. Revenue and segment information

The Company's business activities stem from browser related sales (i.e., revenue generated from Opera's owned and operated properties, such as license, search and advertising revenue).

Opera's chief operating decision makers are members of the Executive Team. The Executive Team meets regularly to review the period's assets, liabilities, revenues and costs for the Group as a whole, as well as to make decisions about how resources are to be allocated based on this information.

Revenue by region [Numbers in MUSD]	2013	2012
EMEA	87.1	67.9
Americas	48.6	61.0
Asia Pacific	34.0	31.9
Total	169.8	160.8

The geographical revenue breakdown reflects revenues from external customers attributed to the entity's country of domicile. Consequently, the revenue breakdown reflects the location of Opera's customers and partners. Because the products of Opera's customers and partners are distributed globally, the breakdown above does not accurately reflect where Opera's derivative products are actually used.

Members of the Executive Team are specified in note 3 in the consolidated financial statements.

Based on the above, Opera has determined that it has one segment. Please see note 1, in the consolidated financial statements, for a definition of products and services for each reportable segment.

In 2013, Opera had sales to two customers that accounted for more than 10% of total Group revenues. FY 2013 revenue from these two customers, on a combined basis, ranged between MUSD 60 and MUSD 70 in total. Revenue attributed to customers domiciled in the United States amounted to MUSD 43.1 (2012: 57.7).

Revenues attributed to Norway for 2013 were MUSD 0.0 (2012: 0.2), and revenues attributed to all foreign countries in total were MUSD 169.7 (2012: 160.7).

Revenue type [Numbers in MUSD]	2013	2012
Licenses/royalties	76.8	67.8
Development fees	8.5	11.2
Maintenance, support and hosting	6.1	6.7
Search	55.3	62.6
Advertising	22.6	9.1
Application and content	0.4	3.0
Other revenue	0.0	0.4
Total	169.8	160.8

Revenue customer type [Numbers in MUSD]	2013	2012
Mobile Operators	50.5	41.7
Mobile Consumers	39.4	19.4
Desktop Consumers	60.9	67.5
Device OEMs	18.2	28.2
Other	0.8	4.1
Total	169.8	160.8

Mobile Operators: Opera is a trusted partner for operators, globally. The Company currently offers four major cloud-based solutions and services to Operators worldwide: (i) Operator/Co-branded versions of Opera Mini, whereby Operators are able to offer their mass-market subscribers content compression, fast internet download speeds, convenient access to operator portal services in order to drive incremental revenue, and lower-priced data plans and data packages, capitalizing on the up to 90% data compression that Opera's cloud services enables; (ii) the Rocket Optimizer™ solution, which allows mobile operators to leverage cloud computing to optimize and compress video and other multimedia traffic on crowded mobile towers, including 3G and 4G LTE networks, enabling operators to both boost the capacity of their networks by up to 60% and offer better network performance and quality to their subscribers; (iii) the Horizon™ solution, a mobile browser extension and toolbar platform that allows users to personalize their smartphone browser and operators to gain new monetization opportunities, such as advertising; and (iv) Opera Web Pass, which allows users to buy time-based or content-based mobile data packages easily via a simple, one-click purchase, similar to how users buy apps today, enabling operators to both offer a broad array of personalized data package alternatives for their subscribers and increase average revenue generated per subscriber.

Mobile Consumers (Opera-owned-and-operated properties): Opera has around 270 million mobile users of consumer products on a monthly basis. Opera is plac-

ing a significant emphasis on developing and expanding its owned and operated properties and capitalizing on our extensive mobile consumer user base. These owned and operated properties include the Speed Dial page, the Smart Page, the Opera Mobile Store and the Discover feature. These Opera-owned-and-operated properties are expected to be monetized primarily via mobile advertising, mobile search and mobile applications.

Desktop Consumers: Since the first public release in 1995, Opera has continuously delivered browser innovation to desktop PCs. Opera's desktop browser provides our users with a safe, efficient and enjoyable browsing experience. Today, the vast majority of Opera's desktop users are in the Russia/CIS region and in emerging markets. Opera is particularly focused on gaining users in regions where it already has a strong base of users, such as Russia.

Global Device Original Equipment Manufacturers (Device OEMs): With the Opera Devices Software Developer Kit (SDK), device manufacturers are able to offer not only web browsing capabilities and full internet access to their operator and consumer end customers, but also customized web apps that are accessible from the home screen of the device. Moreover, with the Opera Devices SDK, device manufacturers are able to use their own (and third-party) developers to enable full web browsing, create user interfaces, widgets and menu systems using web technologies, such as HTML5 and CSS, HbbTV and OIPF, while accelerating time to market for new consumer electronic devices.

Note 3. Wage costs/Number of employees/Remuneration

Wage costs [Numbers in MUSD]	2013	2012
Salaries/bonuses	21.8	32.0
Social security cost	4.2	5.3
Pension cost	1.6	1.6
Share-based remuneration including social security cost	1.0	2.4
Other payments	1.9	2.7
Consultancy fees for technical development	0.4	0.3
Total	31.0	44.3
Average number of employees	245	299

The company has incorporated the requirements with regards to Obligatorisk Tjeneste Pensjon (OTP).

Remuneration to key management personnel

Information about remuneration to key management personnel is given in the accompanying note 3 in the consolidated financial statements.

Independent auditors

The total fees billed by the independent auditors during 2013 were MUSD 0.3 (2012: 0.3). This is broken down as follows:

Audit fees [Numbers in MUSD]	2013	2012
Statutory audit	0.2	0.2
Assurance services	0.0	0.0
Tax advisory fee	0.0	0.0
Other services	0.1	0.1
Total	0.3	0.3

Other services include services from KPMG Law.

Options

The number and weighted average exercise price of share options are as follows:

In thousands of options	Weighted average exercise price 2013 (NOK)	Number of options 2013	Weighted average exercise price 2012 (NOK)	Number of options 2012
Outstanding at the beginning of the period	25.70	7 184	21.19	6 684
Transferred		-1 724		0
Terminated (employee terminations)	33.99	136	19.59	73
Forfeited during the period	0.00	0	0.00	0
Expired during the period	0.00	0	0.00	0
Exercised during the period	24.82	1 946	15.05	916
Granted during the period	35.09	490	28.09	1 489
Outstanding at the end of the period		3 868		7 184
Exercisable at the end of the period		861		2 033

Fair value of share options and assumptions [Numbers in NOK]	2013	2012
Fair value at measurement date (average per option)	12,73	13,20
Expected volatility (weighted average)	45,00	45,00
Option life (adjusted for expectations of early exercise)	5,00	4,52
Expected dividends	0,00	0,00
Risk-free interest rate (based on national government bonds)	1,90	1,33

Options that have not yet vested shall be adjusted for any dividend paid out during the vesting period.

Additional information pertaining to options is given in the accompanying note 3 of the consolidated financial statements.

The table below shows the number of options issued to employees at various strike prices and exercise dates.

Exercise price [In thousands of options]	TOTAL OUTSTANDING OPTIONS			VESTED OPTIONS	
	Outstanding options per 12/31/2013	Weighted average remaining lifetime	Weighted average exercise price (NOK)	Vested options 12/31/2013	Weighted average exercise price (NOK)
10.00 - 12.30	-	0.00	0.00	-	0.00
12.30 - 15.00	-	0.00	0.00	-	0.00
15.00 - 20.00	700	1.63	19.14	700	19.14
20.00 - 25.00	525	4.15	21.41	85	21.93
25.00 - 30.00	1 351	5.07	27.26	56	27.92
30.00 - 35.00	585	6.06	34.28	20	32.10
35.00 - 40.00	708	5.94	37.49	0	0.00
Total	3 868	4.63	27.93	861	20.29

Exercise price = strike price

The table below shows the date, number and achieved selling price of options exercised.

Date of exercise [In thousands of options]	Number of exercised options	Achieved selling price (NOK)
3/13/2013	100	38.37
6/17/2013	30	45.00
6/18/2013	409	45.18
9/10/2013	805	57.31
12/6/2013	602	78.05

Note 4. Other expenses

Other expenses [Numbers in MUSD]	2013	2012
Intercompany services	62.6	57.5
Rent and other office expenses	2.5	1.9
Equipment	1.8	1.4
Audit, legal and other advisory services	2.6	2.6
Marketing expenses	5.3	3.7
Travel expenses	2.9	3.1
Hosting expenses, excl. depreciation cost	1.2	0.8
Other expenses	4.4	2.9
Total	83.3	73.9

Intercompany services

The Company purchases marketing services and technical services from the subsidiaries Hern Labs AB, Opera Distribution AS, Netview Technology AS and Opera Software International AS (which has branches/subsidiaries in Japan, United States, the United Kingdom, Ukraine, Ireland, the Netherlands, Korea, China, Poland, Taiwan, Russia, Australia, Iceland, Singapore, and India). The cost is included in intercompany services above.

Research

Engineering salaries are the primary expense incurred

in terms of costs related to source code research, development, and maintenance. For FY 2013, engineering salaries, expensed in the financial statement, were MUSD 10.7 (2012: 24.0). Development costs capitalized in FY 2013 were MUSD 8.7 (2012: 1.7). For additional information, please see notes 7 and 13.

Other investments and deposits

Rental deposits comprise the majority of other non-current investments and deposits together with a loan to nHorizon Innovation of MUSD 2.3.

Note 5. Financial risk

The majority of the financial risk carried by the Group, as a result of its subsidiaries, relates to foreign exchange fluctuations. Both sales and purchases are exposed to currency risk.

Most of the Company's foreign exchange risk relates to sales and is the result of revenue contracts signed in USD and EUR. For FY 2013, approximately 23% (2012: 29%) of revenues were in EUR and 68% (2012: 67%) in USD.

For FY 2013, Opera had a foreign exchange gain of MUSD 9.2. MUSD 10.7 of the foreign exchange gain was realized, and MUSD 1.5 was net unrealized foreign exchange loss. Opera has not entered into any foreign exchange contracts as of December 31, 2013.

For FY 2012, Opera had a foreign exchange loss of MUSD 6.0. MUSD 5.2 of the foreign exchange loss was realized, and MUSD 0.8 was net unrealized foreign exchange loss. Opera has not entered into any foreign exchange contracts as of December 31, 2012.

Currency risk

As the majority of Opera Software's income is earned in USD and EUR, changes in exchange rates have an immediate effect on the Company's revenue.

	2013		2012	
	MUSD	%	MUSD	%
NOK	0.4	0.24	0.2	0.14
USD	115.8	68.21	107.6	66.88
GBP	0.1	0.08	0.1	0.08
JPY	0.5	0.28	0.8	0.52
CAD	0.0	0.01	0.0	0.01
CHF	0.2	0.09	0.0	0.00
PLN	0.0	0.02	0.1	0.05
CNY	12.7	7.47	2.6	1.61
BYR	1.4	0.83	1.8	1.12
SEK	0.0	0.00	0.0	0.02
EUR	38.5	22.70	47.3	29.39
SGD	0.0	0.02	0.1	0.05
INR	0.0	0.01	0.0	0.00
AUD	0.1	0.06	0.2	0.15
Total	169.8	100.00	160.8	100.00

Conversion of the Company's revenues from foreign currencies into USD yields the following average exchange rates:

	2013	2012		2013	2012
NOK	0.1708	0.1729	NOK	0.0	0.0
GBP	1.5791	1.5900	GBP	0.0	0.0
JPY	0.0103	0.0124	JPY	0.0	0.1
CAD	0.9609	1.0015	CAD	0.0	0.0
CHF	1.0931		CHF	0.0	0.0
PLN	0.3160	0.3106	PLN	0.0	0.0
CNY	0.1617	0.1585	CNY	1.3	0.3
BYR	0.0001	0.0001	BYR	0.1	0.2
SEK	0.1536	0.1515	SEK	0.0	0.0
EUR	1.3314	1.2932	EUR	3.9	4.7
SGD	0.8075	0.8008	SGD	0.0	0.0
INR	0.0172		INR	0.0	0.0
AUD	0.9342	1.0457	AUD	0.0	0.0

A 10% increase in the average exchange rate would have the following positive effect on the Company's revenue (MUSD):

Conversely, a 10% decrease in the average exchange rate would have a similar negative effect on the Company's revenue as shown above (MUSD).

Accounts receivable as of December 31, 2013, are converted using the following exchange rates: EUR 1.3787, JPY 0.0095, NOK 0.1646, GBP 1.6521, PLN 0.3321, CNY 0.1637 and INR 0.0162.

The receivables, as of December 31, are distributed as follows:

	2013	2012
USD	10.4	7.0
EUR	9.4	8.9
JPY	0.8	3.5
NOK	0.7	0.1
GBP	0.0	0.0
PLN	0.1	0.1
CAD	0.0	0.0
SEK	0.0	0.2
CNY	7.0	2.9
ISK	2.1	0.0
INR	0.1	1.3

The numbers above are presented in local currencies.

Credit risk

Opera conducts most of its business with large global companies. Throughout last year, the Company conducted business with a number of its customers without suffering significant credit-related losses.

The customers have not committed any collateral or other means to secure their outstanding debt.

Credit risk regarding accounts receivable may be specified per region as follows (MUSD):

	2013	2012
EMEA	13.2	4.3
Americas	3.7	5.1
Asia Pacific	7.9	10.0
Total	24.7	19.4

Accounts receivable, as of December 31, by age, are as follows (MUSD):

	2013		2012	
	Gross receivables	Provision for bad debt	Gross receivables	Provision for bad debt
Not past due	8.9	0.0	7.3	0.0
Past due 0-30 days	4.9	0.0	6.9	0.2
Past due 31-60 days	3.1	0.0	1.0	0.1
Past due 61-90 days	4.2	1.1	2.0	0.1
More than 90 days	3.6	1.4	2.2	1.8
Total	24.7	2.5	19.4	2.3

The majority of the 2013 receivables that are more than 90 days outstanding have been paid in 2014 or booked against deferred income in the "Statement of financial position".

Changes in the provision for bad debt may be specified as follows (MUSD):

	2013	2012
Provision as of January 1	2.3	1.6
Change in the provision for bad debt recognized in the "Statement of comprehensive income"	0.4	0.6
Change in the provision for bad debt not recognized in the "Statement of comprehensive income"*	0.0	0.0
Change in the provision for bad debt not recognized in the "Statement of comprehensive income" **	0.0	0.1
Currency adjustment	-0.2	0.0
Provision as of December 31	2.5	2.3
Realized losses, recognized directly in the "Statement of comprehensive income"	1.3	0.2
Received from previously written-down bad debts	0.0	0.0

* Booked against deferred income in the "Statement of financial position"

** Previously written-down bad debts taken out of accounts receivable

Liquidity risk

The Group had the following liquidity reserve and credit facility as of December 31, 2013:

Liquidity reserve [Numbers in MUSD]	12/31/2013	12/31/2012
Cash and cash equivalents		
Cash in hand and on deposit	128.4	128.2
—of which restricted funds*	7.6	1.8
Unrestricted cash	120.8	126.4
Unutilized credit facilities	0.0	0.0
Short-term overdraft facility	0.0	0.0
Liquidity reserve	0.0	0.0

*Cash and cash equivalents of MUSD 7.6 were restricted assets as of December 31, 2013, and cash and cash equivalents of MUSD 1.8 were restricted assets as of December 31, 2012.

Credit facility [Numbers in MUSD]	12/31/2013	12/31/2012
Long-term cash credit	0.0	0.0
— of which utilized	0.0	0.0
Short-term overdraft facility	0.0	0.0
— of which utilized	0.0	0.0

Opera Software International US, Inc., has, in February 2013, signed a MUSD 100 secured revolving credit facility with DNB Bank ASA. The facility will primarily be secured through a share pledge in Opera Software International AS, as well as floating charges over accounts receivable in Opera Software ASA and certain of its U.K. and U.S. subsidiaries. More credit facility information is given in the accompanying note 5 to the consolidated financial statements.

Foreign exchange forward contracts

During FY 2013 and FY 2012, the Company did not use forward exchange contracts to hedge its currency risk, and Opera had not entered into any foreign exchange contracts as of December 31, 2013.

Deferred revenue

Deferred revenue consists of prepaid license/royalty payments, prepaid maintenance and support, and prepaid development fees. Of the Company's total current liabilities, MUSD 14.3 (2012: 9.4) relates to deferred revenue, and MUSD 11.6 (2012: 8.9) relates to deferred revenue that has no future cash payments.

Capital management

In order to achieve the Company's ambitious, long-term objectives, the policy has been to maintain a high equity-to-asset ratio and to maintain a solid capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. The Company still possesses a business model that anticipates considerable cash flow in the future.

The Company has issued options to our employees in accordance with our objective that employees shall hold company shares.

The Board of Directors has as of December 31, 2013, not used its authorization to buy the Company's own shares. Please see note 9 to the consolidated financial statements for more information.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 6. Tax

Current tax [Numbers in MUSD]	2013	2012
Profit before income tax	74.9	30.3
Permanent differences in profit and loss	-16.1	0.3
Tax deductible issue cost booked against equity	0.0	0.0
Taxes paid abroad	0.0	0.0
Changes in temporary differences	1.2	3.5
Use of taxable loss carried forward	0.0	0.0
Basis for current tax	60.1	34.0
Tax 28%	16.8	9.5
Tax losses paid abroad carried forward	-3.9	-2.8
Current tax	12.9	6.7

*Including tax effect from equity bookings of MUSD 0.9

Tax expense [Numbers in MUSD]	2013	2012
Current tax	13.7	7.6
Deferred tax — gross changes	-0.3	-1.0
Tax expense related to change in tax rate	0.1	0.0
Taxes on capital raising costs	0.0	0.0
Tax effect on losses from sales of own shares	0.0	0.0
Tax payable abroad	3.9	2.9
Too much/little tax booked previous year	0.0	-0.1
Total	17.4	9.3

Tax payable [Numbers in MUSD]	2013	2012
Current tax	13.7	7.6
Tax payable abroad	3.9	2.9
Too much/little tax booked previous year	0.0	0.2
Taxes on capital raising costs	0.0	0.0
Withholding tax paid to a foreign country	-3.9	-2.9
Tax effect on losses from sales of own shares*	-0.9	-0.7
Withholding tax utilized	0.0	0.0
Total	12.8	7.0

*Booked against equity

Specification of prepaid tax [Numbers in MUSD]	2013	2012
Prepaid tax	0.0	0.0
Withholding tax paid to a foreign country	0.0	0.0
Sum other receivables	0.0	0.0

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

[Numbers in MUSD]	ASSETS		LIABILITIES		NET	
	2013	2012	2013	2012	2013	2012
Inventory, office machinery, etc.	-1.3	-0.9	0.0	0.0	-1.3	-0.9
Accounts receivables	-0.5	-0.6	0.0	0.0	-0.5	-0.6
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	-1.1	-1.4	0.0	0.0	-1.1	-1.4
Tax value of loss carry-forwards utilized	0.0	0.0	0.0	0.0	0.0	0.0
Withholding tax paid to a foreign country carried forward	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes/ (tax assets)	-2.9	-3.0	0.0	0.0	-2.9	-3.0
Set-off of tax	0.0	0.0	0.0	0.0	0.0	0.0
Net deferred taxes / (tax assets)	-2.9	-3.0	0.0	0.0	-2.9	-3.0

Deferred tax assets and liabilities

Movement in temporary differences during the year

[Numbers in MUSD]	Balance	Posted to	Posted directly	Balance
	1/1/12	P/L	to the equity capital	12/31/12
Inventory, office machinery, etc.	-0.1	-0.8	0.0	-0.9
Accounts receivables	-0.4	-0.2	0.0	-0.6
Liabilities	-0.6	-0.8	0.0	-1.4
Tax value of loss carry-forwards utilized	0.0	-0.0	0.0	0.0
Deferred taxes / (tax assets)	-1.2	-1.8	0.0	-3.0

[Numbers in MUSD]	Balance	Posted to	Posted	Balance
	1/1/13	P/L	directly to the equity capital	12/31/13
Inventory, office machinery, etc.	-0.9	-0.4	0.0	-1.3
Accounts receivables	-0.6	0.1	0.0	-0.6
Liabilities	-1.4	0.6	-0.3	-1.1
Tax value of loss carry-forwards utilized	0.0	0.0	0.0	0.0
Deferred taxes / (tax assets)	-3.0	0.3	-0.3	-2.9

It is the Company's opinion that deferred tax assets can be substantiated in the future. The Company's opinion is based on expected and estimated future income.

Change in deferred tax asset directly posted against the equity capital [Numbers in MUSD]

	2013	2012
Capital raising costs and losses from sales of own shares	0.0	0.0
Total deferred taxes posted directly against the equity	0.0	0.0

Reconciliation of effective tax rate [Numbers in MUSD]

	2013		2012	
Profit before tax		74.9		30.3
Income tax using the domestic corporate tax rate	28.0 %	21.0	28.0 %	8.5
Overbooked taxes, previous year	0.0 %	0.0	2.3 %	0.7
Tax paid to a foreign country	0.0 %	0.0	0.0 %	0.0
Taxes on other permanent differences	-4.8 %	-3.6	0.4 %	0.1
Total tax expense for the year	23.2 %	17.4	30.7 %	9.3

Permanent differences

Permanent differences include non-deductible costs and share-based remuneration.

Note 7. Property, plant and equipment

<i>[Numbers in MUSD]</i>	Cost rented premises	Machinery and equipment	Fixtures and fittings	Development	Other intangible assets	2013 Total	2012 Total
Acquisition cost							
Acquisition cost as of 1/1/13	0.5	8.7	0.8	1.7	1.8	13.5	10.4
Acquisitions	0.5	1.5	0.2	8.7	0.0	10.8	6.9
Disposal	0.0	-0.7	0.0	0.0	0.0	-0.7	-4.2
Currency differences	-0.0	-0.6	-0.0	-0.3	-0.2	-1.1	0.4
Acquisition cost as of 12/31/13	0.9	8.9	0.9	10.2	1.7	22.5	13.5
Depreciation							
Depreciation as of 1/1/13	0.0	6.4	0.1	0.0	0.4	6.8	7.2
Disposal	0.0	0.0	0.0	0.0	0.0	0.0	-3.0
Currency differences	0.0	-0.4	0.0	-0.1	0.0	-0.6	0.3
Accumulated depreciation as of 12/31/13	0.1	7.1	0.2	2.4	0.8	10.6	6.8
Net book value as of 12/31/13	0.9	1.7	0.7	7.7	0.9	11.9	6.7
Depreciation for the year	0.1	1.1	0.1	2.6	0.4	4.4	2.2
Impairment losses for the year (see note 12)						0.0	0.0
Useful life	Up to 6 years	Up to 10 years	Up to 5 years	Up to 4 years	Up to 5 years		
Depreciation plan	Linear	Linear	Linear	Linear	Linear		

Development is internally developed intangible assets.

Other intangible assets are assets purchased separately.

Operating leases

In 2012, the Company entered into a new lease for the rental of its Norwegian offices at Gjerdrums vei 19. The new lease will run through November 2019. The lease agreement, according to IAS 17, is considered an operating lease.

<i>[Numbers in MUSD]</i>	2013	2012
Leasing costs expensed	1.5	1.9
Duration of the lease contract	11/30/19	11/30/19
Non-terminable operating leases due in: <i>[Numbers in MUSD]</i>		
Less than one year	1.5	1.3
Between one to five years	6.0	5.1
More than five years	1.4	2.5
Total	8.9	8.9

Note 8. Investments in subsidiaries, associated companies and other shares

The shares in the subsidiaries are booked at the cost of acquisition.

<i>Subsidiaries [Numbers in MUSD]</i>	Hern Labs AB	Opera Software International AS	Opera Distribution AS	Netview Technology AS
Formal information				
Date of purchase	12/13/2000	1/5/2005	12/16/2008	5/14/2012
Registered office	Linköping, Sweden	Oslo, Norway	Oslo, Norway	Oslo, Norway
Ownership interest	100%	100%	100%	100%
Proportion of votes	100%	100%	100%	100%
Information related to the date of purchase (in the year of purchase)				
Purchase cost	1.3	0.2	0.3	0.8
Group contribution			0.4	

Opera Software ASA's financial statements are available at the Company's headquarters located at Gjerdrums vei 19 in Oslo, Norway.

<i>Booked value [Numbers in MUSD]</i>	2013	2012
Purchase price	2.6	2.6
Impairment	-0.5	-0.3
Group contribution	13.1	0.5
Options issued*	6.8	4.3
Capital increase	154.0	
FX adjustment	0.1	0.1
Total	176.1	7.3

*Options issued by the Company on behalf of employees in the subsidiaries.

Skyfire Labs, Inc.

On March 14, 2013, Opera Software ASA acquired 100% of the shares and voting interest of the privately-held company Skyfire Labs, Inc., a leader in mobile video optimization and cloud solutions for mobility. Opera believes Skyfire adds capabilities to our portfolio around video, app optimization, smartphones, and tablets, as well as strength in North America, and we are excited to expand Opera's solutions for operators.

The acquisition price included a mix of cash and stock, with an upfront consideration of MUSD 49.1 (including MUSD 8.2 of cash on the Skyfire balance sheet) and performance-based earnout payments over three years, including MUSD 25.7 in cash held in escrow and funded upfront, that can bring the total deal size to MUSD 155.2. Opera calculated the fair value on the acquisition date and booked a contingent consideration of MUSD 40.5 in the financial statements. The contingent consideration is

revalued each quarter, and more information can be found in note 12.

Opera Software International AS

The Annual General Meeting held on June 4, 2013, passed the resolutions to pay a group contribution of MUSD 12.6 to Opera Software International.

On September 12, 2013, Opera Software ASA increased the share capital in Opera Software International AS, with MUSD 85.3 through a contribution in kind, where Opera Software ASA contributed the shares in Skyfire Labs, Inc. The contingent consideration was not transferred to Opera Software International AS, and more information can be found in note 12.

On December 20, 2013, Opera Software ASA increased the share capital in Opera Software International AS, following a payment of MUSD 68.6 paid in January 2014.

Associated companies**nHorizon Innovation (Beijing) Software Ltd**

In 1Q 2011, Opera and China's Telling Telecom announced that they planned to establish a company in greater China with the goal of becoming the most popular consumer mobile web browser and web services platform in China. Opera will provide our browser technology, and Telling Telecom will contribute a local operations team and strong distribution capabilities. Telling Telecom is a leading mobile phone distributor in China.

nHorizon Innovation (Beijing) Software Ltd was co-founded by Opera Software ASA and Telling Telecom in August

2011. nHorizon is committed to developing and marketing the Oupeng mobile browser, providing users with a simple, fast and smooth mobile internet experience and to helping people enjoy a comfortable mobile internet life. For more information, please visit www.oupeng.com.

The focus of the company will be on the massive consumer mobile internet market and revenue opportunity in China. Opera China will continue to target the operator, mobile OEM, device OEM and desktop markets independent from the company.

Information regarding nHorizon Innovation had the following numbers as of December 31, 2013:

<i>[Numbers in MUSD]</i>	2013	2012
Revenue	10.1	2.0
EBIT	-28.0	-18.4
Net profit	-28.5	-18.5
Assets	10.4	0.9
Short-term liabilities	15.6	6.2
Equity	-5.2	0.7

Investment in associate

The investments in nHorizon Innovation are accounted for, using the cost method. In 3Q 2013, Opera invested MUSD 5.7, of which MUSD 2.8 was payable in 4Q 2013 together with a loan of MUSD 2.3. This investment comes in addition to the MUSD 2.4 already invested in in both 3Q and 4Q 2012 and to the MUSD 2.4 already invested in 2011. In addition, Opera is guaranteed a minimum amount

of revenue from the company corresponding to Opera's initial capital contribution over the three-year period starting from the establishment of the company.

As of December 31, 2013, Opera owned 29.09% of nHorizon Innovation, and Opera has booked the following fair value on the accounting line "Other investments and deposits":

Booked value <i>[Numbers in MUSD]</i>	2013	2012
Investment (Booked value January 1)	7.3	2.4
Investment during the fiscal year	5.7	4.8
FX adjustment	-0.6	0.2
Impairment	-12.3	0.0
Total	0.0	7.3

Other shares

Opera Software ASA owns 20% of the European Center for Information and Communication Technologies – EICT GmbH. The booked value of the share is USD 0.1. The market value of the company is unknown. The EICT is a public/private partnership of scientific institutions,

institutes of applied research and leading industrial companies. The strategic innovation partnership pools and specifically links research and development activities in industry and science to information and communication technologies. For more information about EICT, please see the website at www.eict.de.

Note 9. Outstanding accounts between companies within the same group

<i>[Numbers in MUSD]</i>	OTHER RECEIVABLES (NON-CURRENT)		ACCOUNTS RECEIVABLES		OTHER RECEIVABLES (CURRENT)	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Entity within group	9.7	8.7	1.8	0.1	2.8	0.0
Sum	9.7	8.7	1.8	0.1	2.8	0.0

<i>[Numbers in MUSD]</i>	ACCOUNTS PAYABLE		OTHER SHORT-TERM LIABILITIES	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Entity within group	12.2	10.9	29.9	0.0
Sum	12.2	10.9	29.9	0.0

All outstanding balances with the related parties are priced on an arm's-length basis and are to be settled in cash within five years of the reporting date. None of the balances are secured. The balances outstanding are specified as follows:

Balance outstanding <i>[Numbers in MUSD]</i>	12/31/2013	12/31/2012
Opera Software Poland Sp. z o.o	2.8	3.4
Opera Software Australia PTY LTD	0.0	1.9
Opera Software Iceland ehf	-0.4	1.7
Opera Software Technology (Beijing) Co., Ltd.	0.0	0.2
Opera Software International AS Oddzial w Polsce	0.0	0.0
Opera Software Americas, LLC	-1.7	0.0
Mobile Theory, Inc.	0.0	0.0
4th Screen Advertising Limited	0.0	0.0
Beijing Yuege Software Technology Service Co.,Ltd.	0.0	0.0
Opera Software Singapore PTE. LTD	-0.2	-0.1
Opera Software Korea Ltd	-0.1	-0.1
Opera Software India Private Limited	-0.1	-0.1
Opera Software International US, Inc.	-29.9	0.0
Opera Mediaworks, LLC	0.2	0.0
Opera Software Netherlands BV	4.7	0.0
LLC Opera Software Ukraine	-0.4	-0.1
Opera Software, LLC	-0.2	-0.1
AdMarvel, Inc	0.3	-0.4
Netview Technology AS	0.0	-0.9
Opera Software International AS	0.1	-2.9
Hern Labs AB	-2.8	-4.7

<i>[Numbers in MUSD]</i>	2013	2012
Interest income from related parties	2.3	2.1
Interest expense from related parties	0.2	0.0

Note 10. Shareholder information

Shareholder information is given in the accompanying note 9 to the consolidated financial statements.

Note 11. Accounts receivable, other receivables, accounts payables, other payables and provisions

Financial assets and liabilities mainly comprise short-term items (non-interest-bearing). Based on this assessment, management does not consider the Group to have financial assets or liabilities with potentially significant differences between net book value and fair value.

Fair values of financial assets and financial liabilities as of December 31, 2013

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

[Numbers in MUSD]	CARRYING AMOUNT				FAIR LEVEL			
	Desig-nated at fair value	Loans and receiv-ables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Other receivables		9.7		9.7			9.7	9.7
Investments in other shares			0.1	0.1			0.1	0.1
Accounts receivable			22.3	22.3			22.3	22.3
Unbilled revenue			21.5	21.5			21.5	21.5
Cash and cash equivalents		128.4		128.4			128.4	128.4
Total financial assets not measured at fair value	0.0	182.0	0.0	182.0	0.0	0.0	182.0	182.0
Financial liabilities measured at fair value								
Provisions	0.4			0.4			0.4	0.4
Total financial liabilities measured at fair value	0.4	0.0	0.0	0.4	0.0	0.0	0.4	0.4
Financial liabilities not measured at fair value								
Accounts payable			14.5	14.5			14.5	14.5
Other short-term liabilities			39.4	39.4			39.4	39.4
Total financial liabilities not measured at fair value	0.0	0.0	54.0	54.0	0.0	0.0	54.0	54.0

For more information, please see note 12.

Fair values of financial assets and financial liabilities as of December 31, 2012

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

[Numbers in MUSD]	CARRYING AMOUNT				FAIR LEVEL			
	Desig-nated at fair value	Loans and receiv-ables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Other receivables		8.7		8.7			8.7	8.7
Investments in other shares			7.3	7.3			7.3	7.3
Accounts receivable			17.1	17.1			17.1	17.1
Unbilled revenue			16.8	16.8			16.8	16.8
Cash and cash equivalents		128.2		128.2			128.2	128.2
Total financial assets not measured at fair value	0.0	178.1	0.0	178.1	0.0	0.0	178.1	178.1
Financial liabilities measured at fair value								
Provisions	0.0			0.0			0.0	0.0
Total financial liabilities measured at fair value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities not measured at fair value								
Accounts payable			14.3	14.3			14.3	14.3
Other short-term liabilities			12.6	12.6			12.6	12.6
Total financial liabilities not measured at fair value	0.0	0.0	26.9	26.9	0.0	0.0	26.9	26.9

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios where Opera has forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	*Forecasted annual revenue *Forecasted EBIT *Risk-adjusted discount rate	The estimated fair value would increase (decrease) if: *The annual revenue growth rate were higher (lower), *The EBIT margin were higher (lower); or * The risk-adjusted discount rate were lower (higher) Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBIT margin.

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:

<i>[Numbers in MUSD]</i>	Note	Contingent consideration
Balance as of 1/1/2012		0.0
Assumed in a business combination	12	0.0
Paid	12	0.0
Finance cost	12	0.0
Conversion discrepancy	12	0.0
OCI	12	0.0
Balance as of 12/31/2012		0.0
Assumed in a business combination	12	40.5
Paid	12	-11.7
Finance cost	12	-26.0
Conversion discrepancy	12	-2.5
OCI	12	0.0
Balance as of 12/31/2013		0.4

Note 12. Contingent liabilities and provisions**Skyfire Labs — Earnout agreement and senior management incentive plan****Valuation techniques and key model inputs used to measure the contingent consideration:**

Opera has estimated the total earnout value before discounting to be MUSD 57.2, at the acquisition date. Opera used a WACC of 25% and foreign exchange rate of 5.7214, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 40.5 in the financial statements. The FY 2013, 2014 and FY 2015 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2013, 2014 and FY 2015 is MUSD 94.7. At the acquisition date,

Opera calculated the earnout value before discounting to be MUSD 26.7 in FY 2013, MUSD 30.5 in FY 2014, and MUSD 0.0 in FY 2015. The weighted probability rates are estimated to change +/-10%.

The contingent consideration is revalued each quarter, and MUSD 0.4 has been booked as a non-current provision and MUSD 0.0 as a current provision as of December 31, 2013. For 2013, Opera booked MUSD 6.1 (2012: 0) as an interest expense, MUSD 2.0 (2012: 0) as an FX expense and MUSD -34.1 (2012: 0) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 8 for more details.

In 3Q 2013, Opera paid portions of the 2013 earnout payment of MUSD 11.7.

Sensitivity analysis <i>[Numbers in MUSD]</i>	Increase	Decrease
Annual revenue growth rate (10% movement)	2.9	-4.8
EBIT margin (5% movement)	0.6	-4.8

Note 13. Costs for restructuring the business

During 4Q 2013, Opera Software ASA recorded restructuring charges related to a strategic cost reduction that will better align costs with revenues and legal fees related to business combinations.

During 1Q 2013, Opera Software ASA recorded legal fees related to business combinations.

Costs for restructuring the business <i>[Numbers in MUSD]</i>	2013	2012
Salary restructuring cost	0.0	3.9
Option restructuring cost	0.0	0.0
Office restructuring cost	-0.1	2.3
Termination cost — hosting center	0.0	0.0
Impairment cost	0.0	0.0
Legal fees related to business combinations	1.9	1.0
Other restructuring cost	0.0	0.0
Total	1.8	7.3

As of December 31, 2013, MUSD 0.6 was not paid and booked as other short-term liabilities in the statement of financial position. The comparative number as of December 31, 2012, was MUSD 4.9.

Note 14. Accounting estimates and judgements

Management has evaluated the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Based on signed contracts with large, established market participants, Opera develops and adjusts the Opera browser so that it is compatible with mobile phones, game consoles and many other devices. The adjustments and modifications are carried out continuously over time. Hence, income and costs are booked in accordance with the percentage of completion method. Estimation of the degree of completion is based on the best estimate. Management's choice of estimates for the degree of completion will have an effect on booked income.

The Company has, in note 5, given a detailed analysis of the currency risk and risk related to changes in the foreign exchange rates.

The Company has entered into earnout agreements as specified in notes 8 and note 12. Opera has in note 12 given a detailed analysis of how the contingent considerations have been calculated. Changes in the chosen assumptions can have a significant impact on the size of the earnout cost.

The Company has established an option program for its employees. The options are booked in accordance with IFRS 2. The option costs are estimated on the basis of various assumptions, such as volatility, interest level, dividend and an assumption of how many will exercise their options, as well as other factors. The chosen assumptions can have a significant impact on the size of the option costs. The assumptions are given in accompanying note 3 to the consolidated financial statements.

Critical accounting judgments in applying the Company's accounting policies

The Company has considered our activities related to technological development in terms of the requirements in IAS 38. The Company develops specially designed browsers for use in our customers' products. The reason the Company has entered into contracts with customers, committing the Company to develop a custom-made browser for a settled fee, is that the fee received is meant to cover Opera's expenses related to this specific technological development. These projects are booked in accordance with the percentage of completion method, which states that related income and expenses should be booked in the same period.

Cost of building new features, together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line 3-year basis. Please refer to notes 4 and 7 for additional information.

A significant portion of the work that engineering performs (beyond specifically designed browsers) is related to the implementation of the ongoing updates that are required to maintain the browser's functionality. Examples of updates include "bug fixes", updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest web trends. These costs are expensed as maintenance costs.

In some contracts, Opera receives a fee that covers development and a guaranteed number of licenses, as well as maintenance in the subsequent period. The elements in the different contracts are assessed in accordance with the best estimate of true value and booked as the elements are delivered. If the elements can not be separated, all income is booked in aggregate, in accordance with the percentage of completion method.

Note 15. Related parties

In FY 2013, except for Opera Software ASA's transactions with Hern Labs AB, Opera Software International AS, Opera Distribution AS, Netview Technology AS and Opera Software Poland Sp. z o.o., Opera Software ASA did not engage in any related-party transactions, including with any members of the Board of Directors or the Executive Team. Please refer to notes 3, 4, 8 and 9 for additional information. The transactions with the subsidiaries are based on a model where the parent company covers the cost plus a margin. The margins are based on the arm's-length principle.

Transactions with key management personnel

Members of the Board of Directors and the Executive Team of the Company and their immediate relatives con-

trolled 7.7% of the Company's voting share as of December 31, 2013.

Executive Team members also participate in the Company's stock option program (see note 3 in the consolidated financial statements).

Compensation for Executive Team members can be found in note 3 to the consolidated financial statements.

Note 16. Earnings per share

Earning per share [Numbers in USD]	2013	2012
Earnings per share (basic)	0.467	0.177
Earnings per share, fully diluted	0.458	0.173
Shares used in earnings per share calculation	123 156 089	118 782 269
Shares used in earnings per share calculation, fully diluted	125 783 923	121 173 334

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted ordinary shares in issue during the period.

The average stock exchange price for 2013 is used when calculating the options that are "in the money" and when calculating the fully diluted number of shares. The options have varying exercise prices and would, upon exercise, mean payment to the Company of MNOK 205.2. In relation to the accounting standard regarding earnings per share, the effect of these funds being used by the Company to purchase shares in the market should be considered when calculating the fully diluted number of shares outstanding. Opera has included options with a strike price below NOK 51.06 when calculating the fully diluted number of shares outstanding. Total options used in the calculations are 7,109,283, of which 5,883,183 options are unvested and 1,226,100 are vested but not yet exercised.

	2013	2012
Average number of shares	123 156 089	118 782 269
The following equity instruments have a diluting effect:		
Options	7 109 283	7 758 356
Total	7 109 283	7 758 356
Options	7 109 283	7 758 356
Number of shares purchased (MNOK 177.6/35.92)	4 017 714	4 945 339
Number of shares with diluting effect	3 091 569	2 813 017
Expected options to be exercised	2 627 834	2 391 065

Note 17. Subsequent events

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

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



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Independent auditor's report 2013
Opera Software ASA

To the Annual Shareholders' Meeting of Opera Software ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Opera Software ASA, which comprise the financial statements of the parent company Opera Software ASA and the consolidated financial statements of Opera Software ASA and its subsidiaries. The parent company's and the consolidated financial statements comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Opera Software ASA and of Opera Software ASA and its subsidiaries as at 31 December 2013, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 10 April 2014
KPMG AS


Gunnar Sotnakk
State Authorized Public Accountant

Offices in:

Oslø	Haugesund	Sandnessjøen
Alta	Knarvik	Stavanger
Arendal	Kristiansand	Stord
Bergen	Larvik	Straume
Bodø	Molde	Tromsø
Elverum	Narvik	Trondheim
Finnsnes	Røros	Tønsberg
Grimstad	Sandefjord	Ålesund
Hamar		

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening.



Declaration of executive compensation policies

The Board of Directors has, in accordance with the Public Limited Liability Companies Act § 6-16a, developed policies regarding compensation for the Executive Team.

The objectives of the Executive Team compensation program are, in particular, to (i) attract, motivate, retain and reward the individuals on the Executive Team and (ii) ensure alignment of the Executive Team with the long-term interests of the shareholders. The Company's executive compensation program is intended to be performance driven and is designed to reward the Executive Team for reaching key financial goals, strategic business objectives and enhancing shareholder value.

The most important components of Executive Team compensation are as follows: (i) base salary, (ii) cash incentive bonus, (iii) long-term, equity-based incentives.

Components of executive compensation

Base salary

Base salary is typically the primary component of Executive Team compensation and reflects the overall contribution of the executive to the Company. The determination of base salaries for the executives considers a range of factors, including: (i) job scope and responsibilities, (ii) competitive pay practices, (iii) background, training, and experience of the executive, and (iv) past performance of the executive at the Company. Adjustments to base salary are ordinarily reviewed every 12 months or more by the Board.

Cash incentive bonus

The Company uses a cash incentive bonus to focus the Executive Team members on, and reward the Executive Team members for, achieving key corporate objectives, which typically involve a fiscal-year performance period. Key drivers of cash incentive bonuses for the Executive Team are typically corporate financial and operational performance. Cash incentive bonuses tied to strategic business objectives, which may be individual to or shared among the Executive Team members, may also be considered as part of the cash

incentive bonus. The determination of the total bonus that can be potentially earned by an executive in a given year is based on, among other factors, the executive's current and expected contributions to the Company's performance, his or her position within the Opera Executive Team and competitive compensation practices. Any cash incentive bonus is capped, so no member of the Executive Team can be awarded more than 200% of his or her cash incentive bonus.

In February 2013, the Board approved the Executive Compensation Plan for FY 2013, applicable to all Executive Team members, except for the EVP of Consumer Mobile, as noted below. The cash incentive bonus is divided into two components: Corporate Results (as defined above) and Strategic Business Objectives. For the Corporate Results component, 50% is tied to meeting the FY 2013 Revenue Target for the Company and 50% to meeting the FY 2013 Reported Adjusted EBITDA (including extraordinary one-time costs) Target for the Company. Based on the FY 2013 Executive Compensation Plan, there were no interim, intra-year payments, no bonus based on Corporate Results is paid or earned for attainment below 80% achievement, and the Company must meet at least 80% of the FY 2013 Reported Adjusted EBITDA (including extraordinary one-time costs) Target component to award any bonus associated with the FY 2013 Revenue Target. Provided attainment is above 80% for both the Revenues and Reported Adjusted EBITDA (including extraordinary one-time costs) components, the bonus is calculated as follows: from 80%-100%, bonus percentage achievement is interpolated based on a 30% bonus at 80% achievement and a 100% bonus at 100% achievement, and from 100%+ achievement, the bonus percentage achievement is interpolated based on a 100% bonus at 100% achievement and a 200% bonus at 110% achievement on both Revenue and Reported Adjusted EBITDA (including extraordinary one-time costs). Total bonuses paid for the fiscal year for Corporate Results under the plan shall not exceed 200% of the bonus opportunity for each Corporate Result component for any one individual.

There were no interim, intra-year payments, and no bonus is paid before a release form is signed by the executive.

To ensure a special focus on the growth plan for Opera's advertising operations, the Board has, for 2013, approved a separate executive cash incentive bonus structure for Opera's EVP of Consumer Mobile. This bonus structure is divided into two components, with 80% weight tied to revenue from Opera's Mobile Publisher and Advertiser (Opera Publisher Partner Members) business ("MP&A Bonus") and 20% weight tied to advertising revenue generated from Opera's owned and operated mobile properties ("O&O Bonus"). The achievement is based on actual FY2013 financial results. For the MP&A Bonus, 60% of the on target bonus is paid when certain minimum revenue, EBIT and EBIT margin targets have been reached. From 60%-100% achievement, the bonus percentage is linearly interpolated with 100% bonus achieved when 100% of the target is reached, as long as a certain EBIT margin is maintained; the EVP of Consumer Mobile is eligible for a nominal percentage of revenue above the revenue target provided a certain target EBIT margin is maintained. For the O&O Bonus, 60% of the bonus is paid when a certain minimum revenue target is reached; from 60-100% achievement, the bonus percentage is linearly interpolated with 100% bonus achieved when 100% of the target is reached. The EVP of Consumer Mobile is eligible for a nominal percentage of revenue above the revenue target. There were no interim, intra-year payments, and no bonus is paid before a release form is signed by the EVP of Consumer Mobile.

In March 2014, the Board approved the Executive Compensation Plan for FY 2014. The cash incentive bonus is divided into two components: Corporate Results (as defined above) and Strategic Business Objectives. For the Corporate Results component, 50% is tied to meeting the FY 2014 revenue target for the Company and 50% to meeting the FY 2014 Reported Adjusted EBITDA (including extraordinary one-time costs) target for the Company. Based on the FY 2014 Executive Compensation Plan, there are no interim, intra-year payments, no bonus based on Corporate Results is paid or earned for attainment below 90% achievement, and the Company must meet at least 80% of the FY 2014 Reported Adjusted EBITDA (including extraordinary one-time costs) target component to

award any bonus associated with the FY 2014 revenue target. Provided the aforementioned conditions are met for revenues and Reported Adjusted EBITDA (including extraordinary one-time costs), the bonus is calculated as follows: from 90%-100%, bonus percentage achievement is interpolated based on a 30% bonus at 90% achievement and a 100% bonus at 100% achievement, and from 100%+ achievement, bonus percentage achievement is interpolated based on a 100% bonus at 100% achievement and a 200% bonus at 110% achievement. Total bonuses paid for the fiscal year for Corporate Results under the plan shall not exceed 200% of the bonus opportunity for each Corporate Result component for any one individual.

For 2014, the Board will also approve a separate plan for Opera's EVP of Consumer Mobile, which is expected to be structured in a similar way as the aforementioned executive's 2013 plan.

Long-term, equity-based incentives

Subject to the Board of Directors' assessment and decision at its discretion, initial stock option grants are typically granted to Executive Team members when they start and annually thereafter. The number of options granted to each executive is based on, among other factors, the executive's contributions to the Company's performance, the current and expected contributions of the executive to Opera's long-term performance, his or her position within the Opera Executive Team and competitive compensation practices.

The Annual General Meeting held on June 14, 2011, approved a new stock option program. The maximum number of options to be granted during 2011, 2012, 2013 and 2014 is 11,950,000. This represents slightly less than 10% of the registered share capital of the Company as at the adoption of the program. However, options cannot be granted if the aggregate of all issued, un-exercised and not-terminated options represents more than 10% of the then-registered share capital of the Company. No employee can be granted options annually that in value exceed 200% of that employee's base salary. The value is to be based on valuation principles for options as applied under IFRS and in accordance with Opera Software's financial statements. The options are to be granted in accordance with the Company's standard option agreement as approved by the Ordinary General Meeting

in 2010, which, i.e., means that the vesting structure is 50% after 3 years and 50% after 4 years with a strike price equal to the market price at grant. After June 14, 2011, and up to December 31, 2013, 4,548,850 options have been granted under the program, of which 4,171,171 options were still outstanding as at December 31, 2013.

Severance payment arrangements

Pursuant to Section 15-16 second subsection of the Norwegian 2005 Act relating to Employees' Protection, CEO Lars Boilesen has waived his rights under Chapter 15 of the Act. As compensation, he is entitled to a severance payment of two years' base salary if his employment is terminated by the Company. If the CEO has committed a gross breach of his duty or other serious breach of the contract of employment, the employment can be terminated with immediate effect without any right for the CEO to the mentioned severance payment.

Except for the CEO as described above, the employment agreements for the members of the Executive Team have no provisions with respect to severance payments if a member of the Executive Team should leave his or her position, whether voluntarily or involuntarily. Severance payment arrangements, if any, will thus be based on negotiations between the Company and the relevant member of the Executive Team on a case-by-case basis.

Pension

Members of Executive Team participate in

regular pension programs available for all employees of Company. For members of the Executive Team based in Norway, an additional pension agreement is in place. This agreement is based on a defined contribution scheme and contributes 20% of salary over 12K.

2013 compliance

In 2013, the Executive Team received base salaries and potential cash incentive bonuses in line with the Executive Compensation Policy as presented to the 2013 Annual General Meeting. Increases in base salaries and cash incentive bonuses for FY 2013 have been given based on individual merit and to ensure closer alignment with competitive pay practices.

The EVP of Consumer Mobile received a bonus for 2013 that was in line with the bonus policies as described above.

In FY 2013, Opera achieved 107% of its FY 2013 revenue target and achieved 111% of its FY 2013 Reported Adjusted EBITDA (including extraordinary one-time costs) target (note that the relevant Executive Team members earned a bonus based on 110% achievement on the Adjusted EBITDA Target). For the EVP of Consumer Mobile, 110% of the revenue target for the MP&A bonus was achieved, and 100% of the O&O Bonus target was achieved.

Total compensation earned for the Executive Team in FY 2013 is summarized below (numbers showing earned bonuses for FY 2013):

<i>[Numbers in MUSD]</i>	Salary	Bonus	Other compensation	Pension compensation	Benefit exercised options	Total compensation
Executives						
Lars Boilesen, Chief Executive Officer	0.61	0.63	0.05	0.10	5.53	6.93
Erik C. Harrell, Chief Financial Officer/ Chief Strategy Officer	0.40	0.38	0.09	0.04	2.61	3.53
Rikard Gillemyr, EVP Product Development	0.31	0.25	0.00	0.03	1.05	1.64
Tove Selnes, EVP Human Resources	0.27	0.16	0.04	0.03	0.38	0.88
Andreas Thome, EVP Sales & Marketing	0.31	0.48	0.00	0.03	1.22	2.05
Mahi de Silva, EVP Consumer Mobile	0.27	0.79	0.00		0.04	1.10
Jeffrey S. Glueck, EVP Operator Solutions, director from March 14, 2013	0.23					0.23
Total	2.40	2.69	0.19	0.24	10.84	16.36

During 2013, no deviations from the stock option program were made with respect to the Executive Team.

Quote: Opera strongly believes that strong corporate governance creates higher company value.

Principles of corporate governance at Opera Software ASA

General principles, implementation and reporting on corporate governance

Opera Software ASA (“Opera” or the “Company”) strongly believes that strong corporate governance creates higher shareholder value. As a result, Opera is committed to maintaining high standards of corporate governance. Opera’s principles of corporate governance have been developed in light of the Norwegian Code of Practice for corporate governance (the “Code”), dated October 23, 2012, as required for all listed companies on the Oslo Stock Exchange. The Code is available on www.nues.no. The principles are further developed and are in accordance with section 3-3b and section 3-3c of the Norwegian Accounting Act, which can be found at www.lovdatabank.no/all/nl-19980717-056.html/. Opera views the development of high standards of corporate governance as a continuous process and will continue to focus on improving the level of corporate governance.

The Board of Directors has the overall responsibility for corporate governance at Opera and ensures that the Company implements sound corporate governance. The Board of Directors has defined Opera’s basic corporate values, and the Company’s ethical guidelines and guidelines on corporate social responsibility are in accordance with these values.

Opera’s activities

Opera’s vision is that we are shaping an open, connected world. This is reflected in Article 3 of the Articles of Association, which reads “The Company’s business shall be to develop, produce and sell software and associated services and all activities related thereto, including participation in other companies and other activities with similar purposes.” However, reaching this goal is about much more than leading the innovation of web technologies. Our business is based on close relationships with customers, partners, investors, employees, friends, and communities all over the world — relationships we are committed to developing by conducting our business openly and responsibly. Our corporate policies are developed in order to be true to this commitment.

CSR guidelines

The Board of Directors has adopted corporate social responsibility (“CSR”) guidelines. The CSR guidelines cover a range of topics such as human rights, employee relations, health, environment & safety, anti-discrimination and anti-corruption. Opera is a member of the UN Global Compact. Opera respects and supports the Global Compact’s ten principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. Please see the Company’s webpage for the “Communication on Progress” related to the UN Global Compact (www.unglobalcompact.org/COPs/detail/19864/). Please also see the Company’s webpage for the CSR report at <http://www.operasoft.com/company/investors/corpgov/>.

Equity and dividends

The Company’s equity is considered to be adequate relative to Opera’s financial objectives, overall strategy and risk profile.

To achieve our ambitious long-term growth objectives, it is Opera’s policy to maintain a solid equity ratio. Opera believes our need for growth can be met while also allowing for a dividend distribution, as long as the Company is reaching our target growth and cash-generation levels. For this reason, the Company will consider continuing to pay dividends over the next years. Dividend payments will be subject to approval by the shareholders at the Company’s Annual General Meetings.

Authorizations granted to the Board of Directors to increase the Company’s share capital will be restricted to defined purposes and will, in general, be limited in time to no later than the date of the next Annual General Meeting. To the extent that an authorization to increase the share capital shall cover issuance of shares under employee share option schemes and other purposes, the Company will consider presenting the authorizations to the shareholders as separate items.

The Board of Directors may also be granted the authority to acquire own shares. Authorizations granted to the Board of Directors to

acquire own shares will also be restricted to defined purposes. To the extent that an authorization to acquire own shares shall cover several purposes, the Company will consider presenting the authorization to the shareholders as separate items. Such authority, by statute, may apply for a maximum period of 18 months and will state the maximum and minimum amount payable for the shares. Opera will, however, in general limit the duration of such authorizations to one year. In addition, an authorization to acquire own shares will state the highest nominal value of the shares which Opera may acquire, as well as the mode of acquiring and disposing of own shares. Opera may not at any time hold more than 10% of the total issued shares as own shares.

Current authorizations for the Board of Directors are set out in note 9 to the Annual Report.

Equal treatment of shareholders and transactions with close associates

A key concept in Opera's approach to corporate governance is the equal treatment of shareholders. Opera has one class of shares, and all shares are freely transferable (with possible exceptions due to foreign law restrictions on sale and offering of securities). All shares in the Company carry equal voting rights. The shareholders exercise the highest authority in the Company through the General Meeting. All shareholders are entitled to submit items to the agenda and to meet, speak and vote at the General Meeting.

Any decision to waive the preemption rights of existing shareholders to subscribe for shares in the event of an increase in share capital will be explained. Where the Board of Directors resolves to carry out an increase in the share capital and waive the preemption rights of the existing shareholders on the basis of a mandate granted to the Board, an explanation will be publicly disclosed in a stock exchange announcement issued in connection with the increase of the capital.

In 2013, there have been no significant transactions with closely related parties.

If the Company should enter into a not immaterial transaction with associated parties within Opera or with companies in which a director or leading employee of Opera or close associates of these have a material direct or indirect vested interest, those concerned shall immediately notify the Board of Directors.

Any such transaction must be approved by the Board of Directors, and, where required, be publicly disclosed to the market as soon as possible.

In the event of not immaterial transactions between the Company and a shareholder, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties, the Board of Directors will arrange for a valuation to be obtained from an independent third party, unless the transaction requires the approval of the General Meeting.

The Company has an established and closely monitored insider-trading policy.

Any transaction the Company carries out in its own shares will be carried out either through the stock exchange or at prevailing market prices if carried out in any other way.

Freely negotiable shares

Opera has no limitations on the transferability of shares and has one class of shares. Each share entitles the holder to one vote.

General Meetings

Through the General Meeting, the shareholders exercise the highest authority in the Company. General Meetings are held in accordance with the Code. All shareholders are entitled to submit items to the agenda and to meet, speak and vote at General Meetings. The Annual General Meeting is held each year before the end of June. Extraordinary General Meetings may be called by the Board of Directors at any time. The Company's auditor or shareholders representing at least five percent of the total share capital may demand that an Extraordinary General Meeting be called.

General Meetings are convened by written notice to all shareholders with known addresses no later than 21 days prior to the date of the meeting. Proposed resolutions and supporting information, including information on how to be represented at the meeting, voting by proxy and the right to propose items for the General Meeting, are generally made available to the shareholders no later than the date of the notice. According to the Company's Articles of Association, attachments to the calling notice may be posted on the Company's website and not sent to shareholders by ordinary mail. Shareholders who wish to receive the attachments may request the Company to mail



such attachments free of charge. Resolutions and the supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered in the meeting.

Shareholders who are unable to be present in the meeting are encouraged to participate by proxy, and a person who will be available to vote on behalf of shareholders as their proxy will be nominated. Proxy forms will allow the proxy holder to cast votes for each item separately. A final deadline for shareholders to give notice of their intention to attend the meeting or vote by proxy will be set in the notice for the meeting. Said deadline will be set as close as possible to the date of the General Meeting and under any circumstance, in accordance with the principles of section 5-3 of the Public Limited Companies Act.

The Chairman, Vice-Chairman, Chairman of the Nomination Committee, CEO, CFO and the auditor will, under normal circumstances, be present at the meeting in person. The Chairman for the meeting is generally independent. Notice, enclosures and protocol of

meetings are available on Opera's corporate website at <http://www.operasoftware.com/company/investors/>.

The General Meeting elects the members of the Board of Directors (excluding employee representatives), determines the remuneration of the members of the Board of Directors, approves the annual accounts, and decides such other matters, which by law, by separate proposal, or according to the Company's Articles of Association are to be decided by the General Meeting. The General Meeting will normally vote separately on each candidate for election for the Board of Directors, the Nomination Committee and any other corporate bodies to which members are elected by the General Meeting.

The Board of Directors may decide to allow electronic participation in General Meetings and will consider this before each General Meeting.

The minutes from General Meetings will be posted on the Company's website within 15 days after the General Meeting has been held. Information that a General Meeting has been



held will be made public as soon as possible after the end of the meeting.

Nomination Committee

The Nomination Committee is a body established pursuant to the Articles of Association and shall consist of three to five members. The members and the chairperson are elected by the General Meeting. Members of the Nomination Committee serve for a two-year period, but may be re-elected. The current members of the Nomination Committee are Jakob Iqbal (Chairman), Michael Tetzschner and Nils Foldal. The members of the Nomination Committee are independent of the Board of Directors and the executive personnel. Currently, no member of the Nomination Committee is a member of the Board of Directors. Any member who is also a member of the Board of Directors will normally not offer himself or herself for re-election to the Board.

The tasks of the Nomination Committee are to propose candidates for election as shareholder-elected members of the Board of Directors and members of the Nomination Committee. The Committee cannot propose its own Committee members as candidates for the Company's Board of Directors. Further, the Committee shall make recommendations regarding the remuneration of the members of the Board of Directors. Its recommendations will normally be explained, and information about proposed candidates will normally be given, no later than 21 days before the General Meeting. The tasks of the Nomination Committee are further described in the Company's Nomination Committee guidelines, as adopted by the Annual General Meeting held on June 14, 2011. Remuneration of the members of the Nomination Committee will be determined by the General Meeting. Information regarding deadlines for proposals for members to the Board of Directors and the Nomination Committee will be posted on Opera's corporate website. Please see <http://www.operasoftware.com/company/investors/nominations/> for further information regarding the Nomination Committee.

Corporate assembly

Opera does not have a corporate assembly, as the employees have voted, and the General Meeting in 2010 approved, that the Company should not have one.

Composition and independence of the Board of Directors

The Board of Directors has overall respon-

sibility for the management of the Company. This includes a responsibility to supervise and exercise control of the Company's activities. The Board of Directors shall consist of 5-10 members, including the Employee Representatives. The proceedings and responsibilities of the Board of Directors are governed by a set of rules of procedure. It is the Company's intention that the members of the Board of Directors will be selected in the light of an evaluation of the Company's needs for expertise, capacity and balanced decision making, with the aim of ensuring that the Board of Directors can operate independently of any special interests and that the Board of Directors can function effectively as a collegial body.

The Chairman of the Board of Directors will normally be elected by the General Meeting, unless statutory law prescribes that the Chairman must be elected by the Board of Directors. The Board members are encouraged to own shares in the Company. Please see www.operasoftware.com/company/investors/board/ for a detailed description of the Board members, including share ownership. Pursuant to the Code, at least half the shareholder-elected members of the Board of Directors shall be independent of the Company's management and its main business connections. At least two of the shareholder-elected members of the Board of Directors shall be independent of the Company's main shareholders. In the Company's view, all directors, except for Kari Stautland, are considered independent of the Company's main shareholders, and all shareholder-elected directors are independent of the Company's management and main business connections. Executive personnel should normally not be included in the Board of Directors. Currently, no executive employee is a director. The term of office for members of the Board of Directors is two years unless the General Meeting decides otherwise, but a director may be re-elected.

The work of the Board of Directors

The conduct of the Board of Directors follows the adopted rules of procedure for the Board of Directors. A specific meeting and activity plan is adopted towards the end of each year for the following period, normally revisited twice a year. The Board of Directors will meet a number of times within a year, including for strategy meetings, and it will hold additional meetings under special circumstances. Its working methods are openly discussed. Between meetings, the Chairman and Chief Executive Officer update the Board members

on current matters. There is frequent contact regarding the progress and affairs of the Company. Each Board meeting includes a briefing by one of the functional or department managers of the Company, followed by Q&A. The Board meetings are a continuous center of attention for the Board of Directors, ensuring executive personnel maintain systems, procedures and a corporate culture that promote high ethical conduct and compliance with legal and regulatory requirements.

The Board of Directors has further established a Remuneration Committee and an Audit Committee. Currently, the Remuneration Committee and the Audit Committee each consists of three members. According to the Code, a majority of the members of each Committee should be independent from the Company. If the requirements for independence are not met, Opera will explain the reasons in our Annual Report. Currently, Audun W. Iversen (Chairperson), Kari Stautland and Erik Möller are members of the Audit Committee, and Marianne Blystad (Chairperson), Christian Uribe and Arve Johansen are members of the Remuneration Committee. The requirements for independence are thus met.

The Audit Committee's main responsibilities include following up on the financial reporting process, monitoring the systems for internal control and risk management, having continuous contact with the appointed auditor, and reviewing and monitoring the independence of the auditor. The Board of Directors maintains responsibility and decision making in all such matters. Please see below under the section "Remuneration of the Executive Personnel" and the "Board Rules of Procedure" for the tasks to be performed by the Remuneration Committee.

The Board will consider evaluating its work, performance and expertise annually, and any report from such evaluation will upon request be made available to the Nomination Committee. The Board plans to carry out a self-evaluation process in 2014. In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board of Directors is, or has been, personally involved, such matters will be chaired by some other member of the Board of Directors. Please see www.operasoftware.com/company/investors/board/procedures/ for further information regarding the Rules of Procedure for the Board of Directors

and the instructions for its Chief Executive Officer <http://www.operasoftware.com/company/investors/corpgov/>. The Company has also established Rules of Procedure for our executive personnel.

Risk management and internal control Management and control

Board of Directors

The Board of Directors has overall responsibility for the management of the Company. This includes a responsibility to supervise and exercise control of the Company's activities. The Board has drawn up the rules of procedure for the Board of Directors of Opera Software ASA. The purpose of these rules of procedure is to set out rules on the work and administrative procedures of the Board of Directors of Opera Software ASA. The Board of Directors shall, among other things, ensure that the Company's business activities are soundly organized, supervise the Company's day-to-day management, draw up plans and budgets for the Company's activities, keep itself informed on the financial position of the Company, and be responsible for ensuring that the Company's activities, accounts, and asset management are subject to adequate control. In its supervision of the business activities of Opera, the Board of Directors will ensure that:

- The Chief Executive Officer uses proper and effective management and control systems, including systems for risk management, which continuously provide a satisfactory overview of Opera's risk exposure.
- The control functions work as intended and that the necessary measures are taken to reduce extraordinary risk exposure.
- There exist satisfactory routines to ensure follow-up of principles and guidelines adopted by the Board of Directors in relation to ethical behavior, conformity to law, health, safety and working environment, and social responsibility.
- Opera has a proper internal auditing system, capable of producing reliable annual reports.
- Directives from the external auditor are obeyed, and the external auditor's recommendations are given proper attention.

The Board's duties can be found on our corporate site in the document "Rules of Procedure for the Board of Directors of Opera Software ASA" at <http://www.operasoftware.com/company/investors/board/procedures/>.

Executive Team

Opera Software ASA's Board has drawn up instructions for the Executive Team of Opera Software ASA. The purpose of these instructions is to clarify the powers and responsibilities of the members of the Executive Team and their duty of confidentiality.

The Executive Team conducts an annual strategy meeting with the Board of Directors. The strategy meeting focuses on product, sales, marketing, financial, organizational and the corporate development strategy for the Group.

The Board of Directors has ensured that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The Company has performed a scoping of the financial risks in the Company and has established written control descriptions and process descriptions. The controls are executed on a monthly, quarterly or yearly basis, depending on the specific control. The internal controls and systems also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Board of Directors carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. In December 2013, all the Board members confirmed that they had read and complied with the Code of Conduct during the term of their directorship.

The Group's CFO is responsible for the Group's control functions for risk management and internal control. Opera publishes four interim financial statements in addition to the Annual Report. The financials are published on the Oslo Stock Exchange. Given the importance of providing accurate financial information, a centralized corporate control function and risk management function has been established ultimately consisting of the group business controllers. The business controllers' tasks are, among other things, to perform management's risk assessment and risk monitoring across the group's activities, to administer the Company's value-based management system and to coordinate planning and budgeting processes and internal controls reporting to the Board of Directors and Executive Team. The business controllers report to the CFO.

The Finance department prepares financial reporting for the Group and ensures that reporting is in accordance with applicable

laws, accounting standards, established accounting principles and the Board's guidelines. The Finance department provides a set of procedures and processes detailing the requirements with which local reporting units must comply. The Group has established processes and a variety of control measures that will ensure quality assurance of financial reporting. A series of risk assessment and control measures has been established in connection with the preparation of financial statements. Reporting instructions are communicated to the reporting units each month, following internal meetings when the reporting units have submitted their group reports, and the business controllers have reviewed the reporting package with the purpose of identifying any significant misstatements in the financial statements. Based on the reported numbers from the reporting units, the Finance department consolidates the Group numbers. Several controls are established to ensure the correctness of the consolidation, e.g., control types such as reconciliation, segregation of duties, management review and authorization.

The leaders of the reporting units are responsible for the ongoing financial reporting and for implementing sufficient procedures to prevent errors in the financial reporting. In collaboration with the business controllers, the leaders identify, assess and monitor the risk of significant errors in the Group's financial reporting. All reporting units have their own management and the financial functions are adapted to the organization and activities. The leaders are responsible for implementing appropriate and effective internal controls in accordance with specified group requirements and are also responsible for compliance with local laws and requirements. All monthly and quarterly operations reports are analyzed and assessed relative to budgets, forecasts and historical trends.

The Executive Team analyzes and comments on the financial reporting and business results of the Group on a quarterly basis. Critical issues and events that affect the future development of the business and optimal utilization of resources are identified, and action plans are put in place, if necessary.

The Audit Committee oversees the process of financial reporting and ensures that the Group's internal controls and the risk management systems are operating effectively. The Audit Committee performs a review of the quarterly and annual financial state-



ments, which ultimately are approved by the Board of Directors.

Other guidelines

As an extension of the general principles and guidelines, Opera has drawn up other guidelines.

Ethical and corporate social responsibility guidelines

The Board of Directors has adopted ethical and corporate social responsibility guidelines that contain the basic principles that Opera will follow with respect to our ethical guidelines and our corporate social responsibilities (“CSR”). The guidelines contain the basic principles describing rules governing business practice, personal conduct, and roles and responsibilities, ultimately describing topics including human rights, employee relations, health, environment & safety, anti-corruption and anti-discrimination. These general principles and guidelines apply to all employees and officers of the Group.

Information security

Opera has guidelines and information policies covering information security roles, responsibilities, training, contingency plans, etc.

Financial policies

Opera has established comprehensive internal procedures and systems to mitigate risks and to ensure reliable financial reporting.

Investor relations guidelines

Opera is committed to report financial results and other relevant information based on openness and taking into account the requirement for equal treatment of all participants in the securities market. In order to secure correct information be made public and to ensure equal treatment and flow of information, the Company’s Board of Directors has approved an IR policy. A primary goal of Opera’s investor relations activities is to provide investors, capital market players and shareholders with reliable, timely and balanced information for investors, lenders and other interested parties in the securities market, in order to enhance understanding of our operations.

External audit

Opera is subject to a yearly external statutory audit.

The Financial Supervisory Authority of Norway

In addition to its own supervisory bodies and external auditor, the Group is subject to stat-

tutory supervision by The Norwegian Financial Supervisory Authority.

Remuneration of the Board of Directors

Remuneration for Board members is a fixed annual sum proposed by the Nomination Committee and approved at the Annual General Meeting. The remuneration reflects the responsibility, qualifications, time commitment and the complexity of their tasks in general. No Board members (or any company associated with such member) elected by the shareholders have assumed special tasks for the Company beyond what is described in this document, and no such member (or any company associated with such member) has received any compensation from Opera other than ordinary Board of Directors remuneration. All remuneration to the Board of Directors is disclosed in note 3 to the Annual Report.

A large number of the Company’s shareholders are international investors with a different view on some of the recommendations in the Code. Hence, some of Opera’s directors carry stock options in the Company, as disclosed in note 3 to the Annual Report. This practice will be further limited in the future, but it will not be excluded as a tool to enhance the interest of any

particular international expert or senior executive to join the Board of Directors. Any grant of stock options to Board members will, however, be subject to specific approval by the General Meeting. Any Board member who takes on assignments for the Company in addition to his or her appointment as a Board member will disclose such assignments to the Board of Directors, which will determine the appropriate remuneration for the assignment in question.

Remuneration of Executive Personnel

A Remuneration Committee has been established by the Board of Directors. The Committee shall act as a preparatory body for the Board of Directors with respect to (i) the compensation of the CEO and other members of the Executive Team and (ii) Opera’s corporate governance policies and procedures, which, in each case, are matters for which the Board of Directors maintains responsibility and decision making.

Details concerning remuneration of the executive personnel, including all details regarding the CEO’s remuneration, are given in note 3 to the Annual Report. The performance-related remuneration to executive personnel is subject to an absolute limit. The Board of Directors as-

sesses the CEO and his terms and conditions once a year. The General Meeting is informed about incentive programs for employees, and, pursuant to section 6-16 a) of the Public Limited Companies Act, a statement regarding remuneration policies for the Executive Team will be presented to the General Meeting. The Board of Directors' declaration on the compensation policies of the Executive Team is included in a separate section to the Annual Report.

Information and communications

Communication with shareholders, investors and analysts is a high priority for Opera. The Company believes that objective and timely information to the market is a prerequisite for a fair valuation of the Company's shares and, in turn, the generation of shareholder value. The Company continually seeks ways to enhance its communication with the investment community.

The Opera corporate website (<http://www.operasoftware.com/company/investors/>) provides the investment community with information about the Company, including a comprehensive investor relations section. This section includes the Company's investor relations policy, annual and quarterly reports, press releases and stock exchange announcements, share price and shareholding information, a financial calendar, an overview of upcoming investor events, and other relevant information.

During the announcement of quarterly and annual financial results, there is a forum for shareholders and the investment community to ask questions of the Company's management team. Opera also arranges regular presentations in Europe and the United States, in addition to holding meetings with investors and analysts. Important events affecting the Company are reported immediately to the Oslo Stock Exchange in accordance with applicable legislation, and posted on <http://www.operasoftware.com/company/investors/>. All material information is disclosed to recipients equally in terms of content and timing.

The Board has further established an IR policy for contact with shareholders and others beyond the scope of the General Meeting. The IR policy can be found at <http://www.operasoftware.com/company/investors/corpgov/ir/>.

Takeovers

The Board of Directors endorses the recommendation of the Code. The Articles of

Association of Opera do not contain any restrictions, limitations or defense mechanisms on acquiring the Company's shares.

In accordance with the Securities Trading Act and the Code, the Board has adopted guidelines for possible takeovers. In the event of an offer, the Board of Directors will not seek to hinder or obstruct takeover bids for Opera's activities or shares. Any agreement with the bidder that acts to limit the Company's ability to arrange other bids for the Company's shares will only be entered into where the Board believes it is in the common interest of the Company and its shareholders.

Information about agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid will be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

If an offer is made for the shares of Opera, the Board of Directors will make a recommendation on whether the shareholders should or should not accept the offer and will normally arrange for a valuation from an independent expert.

Auditor

The auditor participates in meetings of the Board of Directors that deal with the annual accounts, as well as upon special request. Every year, the auditor presents to the Audit Committee a report outlining the audit activities in the previous fiscal year and highlighting the areas that caused the most attention or discussions with management, as well as a plan for the work related to the Company's audit. The auditor also reviews the Company's internal control procedures, including identified weaknesses and proposals for improvement. The auditor will make himself available upon request for meetings with the Board of Directors during which no member of the executive management is present, as will the Board of Directors upon the auditor's request. The General Meeting is informed about the Company's engagement and remuneration of the auditor and for fees paid to the auditor for services other than the annual audit, and details are given in note 3 to the Annual Report.

The Board of Directors has established guidelines with respect to the use of the auditor by the Company's executive personnel for services other than the audit.



Principles of corporate social responsibility

CORPORATE SOCIAL RESPONSIBILITY

Two years after we first announced our commitment to the United Nations Global Compact (UNGC), the Opera Software Group is pleased to reaffirm our ongoing support to the initiative and its ten principles in the areas of human rights, labour, environment and anti-corruption.

We are guided by the principles of the UN Global Compact, and we continually strive to make the principles a part of our strategy, culture and day-to-day operations.

This report from the Board of Directors of Opera Software ASA examines Opera's principles, efforts, measures and results related to corporate social responsibility ("CSR"). This CSR report is based on the principles set out in the CSR guidelines. The Board of Directors has adopted CSR guidelines, and Opera is a member of the UN Global Compact. The CSR guidelines cover a range of topics such as human rights, employee relations, Health, Environment & Safety, and anti-discrimination. The CSR guidelines apply equally to both national and international operations.

The reporting period for this report is 2013. The report comprises our international operations performed by the Opera Software Group.

HUMAN RIGHTS

Opera Software ASA respects and observes internationally proclaimed human rights, such as the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Opera ensures that we are not complicit in any human rights abuses.

All employees must adhere to the existing laws and regulations, contractual obligations, internationally acclaimed human rights and the demands that good business conduct and commonly approved personal conduct require.

Respect for human rights is a core value for our company. Opera believes that people should be treated with respect at all times.

We strongly condemn discrimination and focus on promoting tolerance and encouraging freedom of expression.

Opera helps millions of people across the globe to connect to the internet. Freedom of expression and privacy are fundamental human rights. Moreover, these rights are fundamental to facilitate the meaningful realization of other human rights, such as the right to access information.

At Opera, we strongly believe in these human rights and will strive to protect them for our users, employees, partners and other stakeholders. The open internet, including the web, has true potential as an open communication platform that enables users globally to exercise their freedom of speech. Conversely, new technologies can be used to invade citizens' privacy. Opera will take the required measures to protect our users' basic right to privacy.

ETHICAL CODE OF CONDUCT

Opera Software ASA strives to be an ethically responsible company. Ensuring employee and human rights and assuming social responsibility have always been integral elements of our corporate policy. To ensure a high ethical standard, Opera has developed a company Ethical Code of Conduct. Our ethical guidelines highlight our commitment to respecting and supporting internationally recognized human rights.

The reputation of our company is created by the conduct of each individual staff member. Therefore, all our employees are obliged to study the guidelines and to ensure that they perform their duties in accordance with them.

Our employees are our most valuable resource. Opera Software will interact with our employees in the same way as we strive to interact with our customers: following the highest ethical standards and respect for individuality.

To ensure a high ethical standard, Opera this year decided to revise our Ethical Code of

UN Global Compact's 10 principles

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribes.

Conduct. By doing so, Opera reaffirms our commitment to respecting and supporting internationally recognized human rights. The guidelines apply to all staff members, in all Opera Software Group offices and departments. The code has been put in place to help employees, clients and business partners understand Opera's values and standards.

The Ethical Code of Conduct covers the following main areas: human rights, personal conduct and a safe and healthy work environment, anti-corruption, and the environment.

The Ethical Code of Conduct is approved by the Board of Opera Software, as well as the Opera Work Environment Committee. The Human Resources department and managers at Opera Software are responsible for making employees aware of the Ethical Code of Conduct, as well as ensuring that employees adhere to the rules, regulations and principles therein.

WHISTLEBLOWING

Freedom of speech and "blowing the whistle" on malpractice, fraud, illegality, breaches of rules, regulations and procedures, or raising health and safety issues is encouraged at Opera.

We strongly encourage and guide our employees regarding how to speak up and take action against abuse and malpractice.

Any Opera staff member making a whistleblowing report is protected from any repercussions, such as dismissal and other forms of reprisals.

To improve communication and ensure that issues do not escalate to the point where they become a whistleblowing case, Opera focuses on the following guidelines:

- Communicate the company's norms, values, and rules and regulations regarding ethical conduct.
- Create an open atmosphere by making sure that staff members have the opportunity to meet and discuss issues in formal and informal settings.
- Discuss and put questions regarding freedom of speech and whistleblowing on the agenda in internal communications.
- Ensure that there is a Work Environment Committee in place that meets regularly to discuss issues.

MEASUREMENT OF OUTCOMES

Every Opera employee, upon being hired, is handed or given access to the Company's Ethical Code of Conduct.

NO CLAIM REGARDING HUMAN RIGHTS WAS REPORTED IN THE PERIOD COVERED BY THIS CSR REPORT

Labor

Opera respects and observes the fundamental employment rights set out in the international conventions on human rights, such as the conventions of the International Labor Organization (ILO) and the United Nations (UN).

Opera believes that everyone has the right to freedom of peaceful assembly and to the freedom of association with others, including the right to form and join labor unions. Several Opera employees are organized into labor unions.

Opera is an equal-opportunity employer. We insist on fair, non-discriminative treatment for all employees, in recruitment and in selection for promotion or training opportunities, irrespective of race, color, nationality, age, sex, sexual orientation, gender identity, ethnic origin, marital status, disability or religion. Individuals at every level share responsibility for maintaining a culture that is built on open, supportive and positive relationships, free from prejudice, stereotyping and unfair bias.

Our employees shall not be subjected to harassment or other improper conduct that might be perceived as threatening or demeaning.

Work environment

Opera's employees regularly participate in anonymous surveys concerning the work environment. This gives Opera the opportunity to discover and deal with problems concerning harassment or discrimination at an early stage.

In 2013, more than 81% of the employees participated in the Opera Organizational Survey. In this survey, employees are asked to give feedback on areas such as job satisfaction, participation and teamwork, policy and guidelines, health and safety, management, competence and training. The results are benchmarked against companies in Norway to ensure that we uphold a high level of employee satisfaction and participation in each of these important areas for employee satisfaction.

The results have been very positive and on

level with, or higher than, other companies in Norway. In the survey, more than 85% of the respondents strongly agreed that they were very proud to work for Opera, while only 4% were neutral to the statement, and 11% were in agreement with the statement.

There have been no reported harassment or discrimination incidents at Opera in 2013.

Opera has established a Work Environment Committee. The committee works to ensure a satisfactory working environment for our employees. The organization's manager is also responsible for surveying and documenting all working environment issues related to risks, health hazards and welfare on an on-going basis, as well as implementing necessary measures.

Elected representatives to the Board

Through elected representatives to the Board, we give our employees a voice. Our employees have the right and obligation to elect three representatives to the Board of Directors. The representatives are elected by all Opera employees, globally. Directors ensure the best interests of Opera Software ASA, and a special obligation falls on the employee-elected members to voice the concerns of Opera employees.

Low sick leave equals happy employees

In 2011, Opera Software ASA was ranked as one of the companies with the lowest registered sick leave on the Oslo Stock Exchange. These good results have continued in 2012 and 2013, as the reported sick-leave numbers for the Opera Software Group were well below 1.75 percent for all countries in the Opera Software Group.

With such a low sick-leave level, we are constantly evaluating our policies. For example, discrimination on the basis of any disability shall not occur at Opera. We strive to meet all our employees' needs, and we offer shorter working hours and other services to accommodate our employees with disabilities.

Diversity

At the end of 2013, Opera had 1039 full-time employees from countries all over the world, of which 21% were women and 79% were men. Opera has two female Board members and one woman on the senior Executive Team. As part of its core values, Opera promotes cultural diversity and gender equality, and Opera

is proud to have 55 nationalities represented within the organization.

Equal opportunity to all Opera employees and potential employees is an important factor throughout the organization. When recruiting, we use assessment methods such as programming tests and test cases to give equal opportunity to all qualified applicants. Opera strives to continue improving the company's gender balance.

At Opera, we pride ourselves on aiming to give equal opportunity to employees in both work and personal life. One of the benefits for all male employees is the opportunity to have two weeks of paid father's leave upon the birth of their child. By doing this, we are emphasizing the importance having a healthy work-life balance, regardless of the geographical location or local labor legislation.

External environment

Opera has adopted an environmental policy to support the Company's mission of preventing any environmental impact of its activities. The environmental policy is incorporated as a part of our Ethical Code of Conduct.

For several years, Opera has made data-center efficiency, low-power CPUs in our servers and procuring power from renewable energy sources as key components of our hosting expansion strategy. This has both reduced the cost per transaction and reduced our environmental impact. Opera also has participated in programs to dispose of electronic equipment responsibly and encourages employees to use this service for any personal electronics they are retiring.

Reducing the amount of paper produced during normal business practices and recycling the paper waste we do create are also visible examples of Opera's environmental commitments, as well as keeping lights out after hours and in unused areas.

Social commitment

At Opera, we believe that an open, connected world — powered by great technology and services — is essential to breaking down the barriers that limit access to information, education and fun.

Today, only 2.7 billion people are connected to the internet. The cost of getting online is one of the biggest challenges for users world-

wide. We want to help get the next five billion online. The Opera Mini browser, which makes it possible to access the web from even the simplest phones, is our most important contribution toward achieving this, and today we have millions of Opera Mini users, with a majority of them in developing countries.

In 2013, Opera also joined Internet.org, a partnership between Facebook, Opera and other technology companies. The goal of Internet.org is to make internet access available to the two thirds of the world who are not yet connected and to bring the same opportunities to everyone that the connected third of the world has today. Opera is proud to contribute to the project with its competence in internet technology.

The Opera Software group is also engaged in measures to fight poverty and to give children an opportunity for education and a better life.

This year, Opera participated in two major programs in India and Indonesia to give children access to education.

In India, Opera partnered with the Smile Foundation to launch the "Smile with Opera Mini" campaign, to support the basic education of 1,000 underprivileged children of the Smile Foundation's Mission Education program for a year.

In Indonesia, Opera ran a similar campaign with the YCAB Foundation, the "Browse for Change" campaign with Opera Mini. However, this time, Opera's employees got even more involved, and they were all invited to apply for two volunteer positions with YCAB. Two volunteers were selected to represent Opera and teach the kids at the YCAB learning centers about technology for a week.

As YCAB volunteers and Opera employees, Albert Sutojo and Greg di Stefano together inspired nearly 400 kids from four different schools to stay in school and get a better life. "It was such an honor to talk to the kids and to represent Opera," says Sutojo, "And, it is very motivating to think that whatever I do while working at Opera is so important for so many users in Indonesia — out of 240 million, more than 30 million use Opera Mini on a daily basis!"

ANTI-CORRUPTION

Opera's Ethical Code of Conduct strongly condemns corruption. All employees are

obliged to follow these guidelines. As a part of our Ethical Code of Conduct, Opera has implemented the following:

Gifts

No person acting on behalf of Opera Software is allowed to accept any gift, service or advantage of more than insignificant value, nor receive any amount of cash, regardless of sum. Correspondingly, no gifts, services or advantages may be offered by persons acting on behalf of Opera Software, apart from gifts of insignificant value, such as the marketing merchandise provided by Opera. Cash may never be offered, regardless of sum.

Bribery

No person acting on behalf of Opera shall attempt to influence persons in the conduct of their post, office, or commission by offering an improper advantage. Nor shall improper advantage be offered to anyone for the purpose of influencing third parties in the conduct of their post, office or commission.

Correspondingly, no persons acting on behalf of Opera shall request, accept or receive improper advantage in connection with their position or assignment, or for the purpose of influencing a third party.

Improper advantage can take different forms, including but not limited to money, objects, credit, discounts, travel, accommodation and other services.

Whistleblowing system

Employees can report any issues to a member of the Work Environment Committee at Opera. This can be done in writing via email, in person and/or via telephone.

Breaches to the Ethical Code of Conduct

A violation of the Ethical Code of Conduct will result in disciplinary action up to and including termination of employment. Several of the guidelines concern actions that are also punishable offenses, such as the harassment of co-workers and corruption. In the event of such a breach, the relevant authorities may also be notified. The Human Resources department is responsible for following up any possible breaches.



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