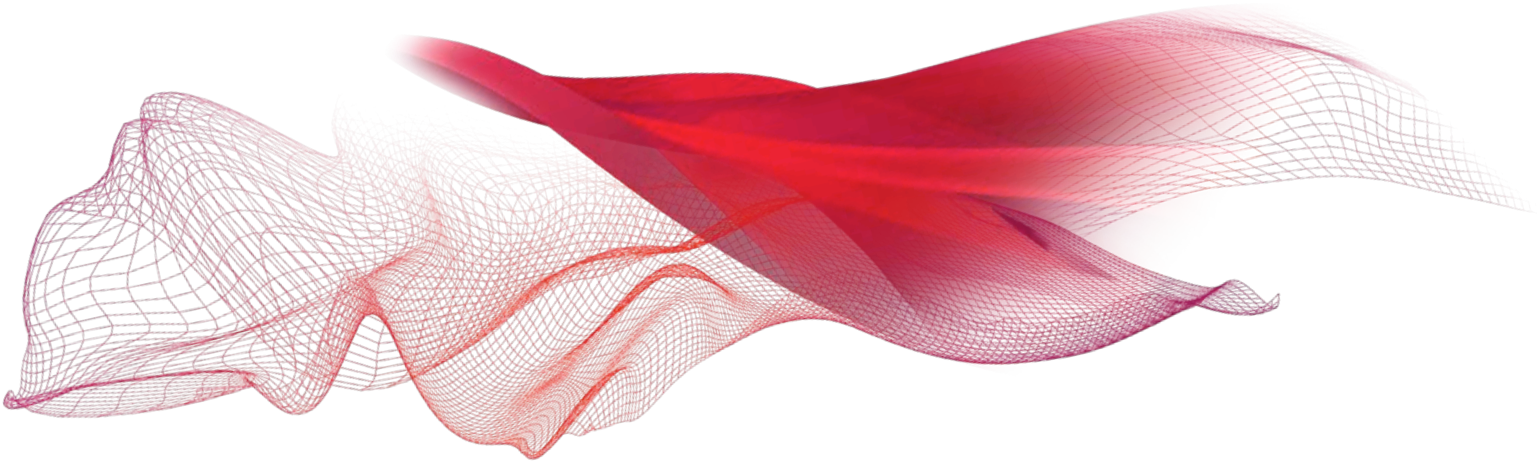
1Q 17

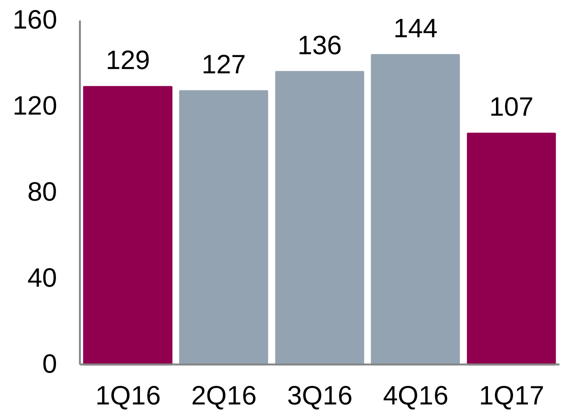
QUARTERLY REPORT
OPERA SOFTWARE ASA



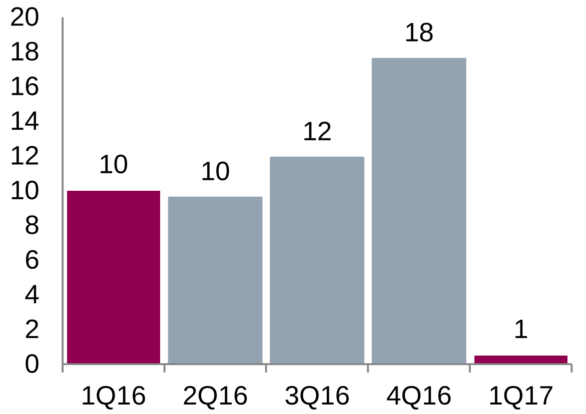
"1Q17 performance soft, in line with company expectations - FY 2017 guidance remains unchanged"

- Revenue was down 17 percent to USD 107.4 million (USD 129.1 million) due to decline in revenue from AdColony. This was partly offset by growth in Bemobi and SurfEasy.
- Adjusted EBITDA declined to USD 0.5 million (USD 10.0 million), mainly as a result of lower revenue and profit from AdColony.
- Net income was negative USD 15.0 million (negative USD 17.7 million)
- Earnings per share amounted to negative USD 0.10 (negative USD 0.12)

Revenue (USD million)



Adjusted EBITDA (USD million



Key figures (USD million)	**1Q17**	**1Q16**	**YTD 2017**	**YTD 2016**
Revenue*	**107.0**	**129.1**	**107.0**	**129.1**
AdColony (Mobile Advertising)	93.3	117.2	93.3	117.2
Bemobi (Apps & Games)	12.6	10.0	12.6	10.0
SurfEasy & Skyfire (P&P)	1.5	2.4	1.5	2.4
Adjusted EBITDA	**0.5**	**10.0**	**0.5**	**10.0**
AdColony (Mobile Advertising)	(2.2)	9.2	(2.2)	9.2
Bemobi (Apps & Games)	5.9	4.5	5.9	4.5
SurfEasy & Skyfire (P&P)	(1.8)	(2.4)	(1.8)	(2.4)
Corporate	(1.3)	(1.2)	(1.3)	(1.2)
Items excluded from adjusted EBITDA	(4.0)	(3.3)	(4.0)	(3.3)
EBITDA	**(3.5)**	**6.8**	**(3.5)**	**6.8**
EBIT	(13.4)	(5.4)	(13.4)	(5.4)
Net income	(15.0)	(17.7)	(15.0)	(17.7)
EPS (USD)	(0.10)	(0.12)	(0.10)	(0.12)

***** Segment revenue excludes intercompany transactions.

(Figures in brackets relate to the corresponding period of 2016. The figures are unaudited.)

GROUP PERFORMANCE

To provide a better understanding of Opera's underlying performance, the following presentation of operating results excludes certain non-recurring and non-operational items from EBITDA, such as transaction costs, stock based compensation, restructuring and impairment costs, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis.

Development during the quarter

Revenue was down 17 percent in first quarter 2017 compared to the same period last year, driven by a decline in AdColony, partly offset by growth in Bemobi and SurfEasy.

The decrease in revenue in AdColony is mainly due to the late execution to the market with new products in the fourth quarter 2016 which have an impact on first quarter revenues.

Total operating costs (including depreciation and stock based compensation costs, but excluding restructuring and impairment costs) were down 11 percent from the corresponding period last year, mainly due to lower publisher cost as well as slightly lower payroll and other operating costs.

Publisher and revenue share cost was USD 62.1 million in the quarter (USD 72.5 million), down 14 percent from the corresponding period last year as a result of lower revenue, partly offset by lower gross margin.

Payroll and related expenses, excluding stock-based compensation expenses, were USD 27.9 million in the quarter (USD 29.1 million), down 4 percent from the corresponding period last year as a result of strict cost control and a reduction in overall headcount.

Stock-based compensation expenses were USD 2.7 million in the quarter (USD 2.0 million), up 32 percent from the corresponding period last year as a result of new grants of options and RSU's.

Depreciation and amortization expenses were USD 9.9 million in the quarter (USD 12.2 million), down 19 percent from the corresponding period last year as intangible assets from prior acquisitions are gradually amortized.

Other operating expenses were USD 16.9 million in the quarter (USD 17.4 million), down 3 percent from the corresponding period last year as a result of strict cost control and a reduction in overall headcount.

Adjusted EBITDA and EBITDA

Adjusted EBITDA

Adjusted EBITDA was USD 0.5 million in first quarter 2017, down from USD 10.0 million in the corresponding period in 2016, due in particular to weaker performance from AdColony.

EBITDA

EBITDA was negative USD 3.5 million in the first quarter 2017, down from USD 6.8 million in the corresponding period in 2016, due in particular to weaker performance from AdColony. A total of USD 4.0 million was excluded from adjusted EBITDA, related to restructuring costs and stock-based compensation expenses.

Net financial items

Opera recognized a net loss from net financial items in the quarter of USD 5.5 million, compared to a loss of USD 13.2 million in corresponding period last year. The net loss is predominantly related to interest expense related to contingent considerations and FX losses.

Net income

First quarter 2017 net income was negative USD 15.0 million compared to negative USD 17.7 million in the corresponding period last year.

EPS and fully diluted EPS were negative USD 0.10 and USD 0.10, respectively, in first quarter 2017, compared to negative USD 0.12 and USD 0.12, respectively, in first quarter 2016.

Financial position and cash flow

Opera's net cash flow from operating activities was USD 1.8 million in first quarter 2017 down from USD 14.9 million in first quarter 2016. The reduction is due to lower overall profit partly offset by working capital improvements.

Cash flow from investment activities amounted to negative USD 18.3 million, vs negative USD 119.8 million from the corresponding quarter last year. Cash outlays from PP&E and capitalized R&D were USD 9.5 million and USD 12.2 million from earn out payments made in the quarter.

Cash flow from financing activities amounted to negative USD 10.1 million of which the vast majority is related to repurchase of own shares.

Cash and cash equivalents at the end of the first quarter 2017 were USD 194.8 million compared to USD 124.8 million in the first quarter 2016.

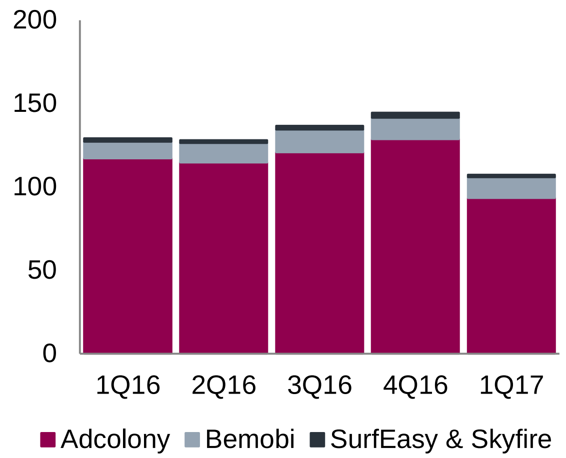
Opera has a credit facility of USD 150 million and at the end of the first quarter 2017, USD 100 million of this credit facility has been drawn. Net cash was USD 94.8 million at the end of the quarter.

The company's equity was USD 500.8 million at the end of the quarter, corresponding to an equity ratio of 64.6%.

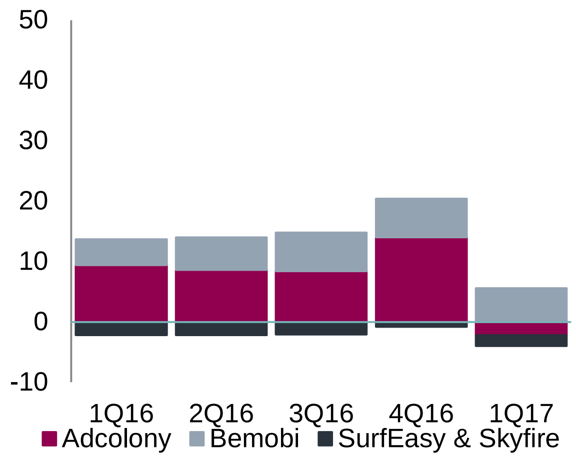
Organization

At the end of first quarter 2017 Opera had 869 full-time employees and equivalents.

Revenue (USD million)



Adjusted EBITDA (USD million)



ADCOLONY (Mobile Advertising)

USD million	1Q 17	1Q 16	YTD 2017	YTD 2016
Revenue*	**93.3**	**117.2**	**93.3**	**117.2**
Performance	46.6	66.5	46.6	66.5
Brand-Managed IO	29.0	35.9	29.0	35.9
Brand-Performance	10.8	5.0	10.8	5.0
Brand-Programmatic	6.9	9.9	6.9	9.9
Gross Margin (%)	***36.8%***	***39.7%***	***36.8%***	***39.7%***
Adjusted EBITDA	(2.2)	9.2	(2.2)	9.2
EBITDA	(5.4)	6.3	(5.4)	6.3
EBIT	(11.8)	(0.4)	(11.8)	(0.4)

***** AdColony revenue excludes intercompany transactions.

Business Overview

Mobile advertising is booming and AdColony plays a growing part. While the global advertising industry continues to experience a macro shift from traditional to digital channels, with mobile increasing its share rapidly, AdColony is expanding its reach to more than 1.5 billion mobile users worldwide.

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

AdColony is a marketing platform focused on delivering performance and outcomes for brands, agencies, publishers and app developers, through high quality advertising to consumers on mobile devices around the world. The technology powers monetization for the most popular, top 1000 global publishers, and it enables marketers to engage with consumers on the most personal and important screens in their lives. AdColony delivers highly interactive and engaging advertising experiences across all formats with particular strength in display ads, full screen interactive rich media ads and video advertising. The company has proven to push creative boundaries and be first to market with innovations to lead the mobile ad economy.

Financial Overview

Overall revenue fell by 20 percent in the quarter compared to 1Q16. The delayed launch of key products combined with decay from legacy products and business models, as seen in the by the end of 2016 continued as expected into 2017. 1Q16 was also exceptionally strong from the performance business with a “halo” effect from 4Q15, making it a difficult comparison quarter. Brand declined primarily in our legacy business (AdMarvel SSP revenue). We expect the launch of the new SDK and Apollo products to drive significant revenue and expect to see YoY growth in 2H 2017 vs 2H 2016.

Adjusted EBITDA amounted to negative USD 2.2 million in the quarter as result of lower revenue and overall lower gross margin. Gross margins have been moving lower primary as a result of revenue mix, with ad dollars moving from Brand to Brand Performance & Programmatic. In light of the revenue trend we saw exiting 2016 we initiated a cost program in AdColony which we started to see the results of already in 1Q17

<u>Performance</u>

Revenue was down 30% YoY due in particular to fewer AAA global app launches as well as the impact from delayed product launches as well as increased competition for mobile video supply and pricing. Gross margin was strong in the quarter with 38% vs 37% in 1Q16. Clear line of sight to additional global launches from key AAA advertisers in Q2 and Q3. Vertical video was launched in Q1 and continues to ramp up rapidly with adoption of new SDK

<u>Brand-Managed IO</u>

Revenue was down 19% YoY due in particular to the delay of product launches which made us less competitive in the marketplace. We also successfully moved part of spend from our brand partners from Brand IO over to Brand Performance and Programmatic. Gross margin was down from a very elevated 48% to a more normalized 39% as we are moving to more transparent and scalable products.

<u>Brand-Performance</u>

Revenue was up by 116% as we successfully moved part of spend from our brand partners from Brand IO over to Brand Performance. In addition gross margin was strong and up from 25% in 1Q16 to 28% in 1Q17.

<u>Brand-Programmatic</u>

Revenue was down 30% YoY as a decrease in revenue from our legacy offering (AdMarvel), more than offset solid growth in our programmatic offering. Gross margins were down somewhat from 34% to 30% as we move to more scalable and sustainable products.

Product update

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

<u>SDK</u>

The new SDK enables richer ad units which again fuels higher CPM’s as well as being a key differentiator in the market. SDK 3.x is now stable and is in ramping across our key publishers. As of end 1Q17 penetration was at 12%.

<u>Apollo program</u>

Apollo 7-9 are all key to drive additional revenue, while Apollo 10-11 gives us opportunity to realize cost efficiencies.

Apollo 7, which enables us to extend our performance demand and to leverage core based bidding outside of our SDK, giving us access to more supply was completed in 1Q17. Started beta testing with extended multi-month test and tune cycle in 2Q17.

Apollo 8, which enables bidding into the waterfall where we have SDK presence is dependent on Apollo 7 completion. Expected to go into Beta in 3Q17 and migration across partners in 2H17.

Apollo 9, with Dynamic End Cards as full screen interstitials in apps using SDK and Next-gen Playables which gives us additional ad units is in alpha in 1Q17 and will go into beta testing in May 2017 1 month ahead of plan.

Apollo 10/11, which streamlines organization and enable us to move all supply/demand to a single platform will be prioritized after the successful ramp of Apollo 7-9 and is thus somewhat dependent on their timing. The impact on cost from Apollo 10/11 we expect to materialize in 2018.

<u>Core, pie data and data analytics</u>

In addition to the Apollo program and the SDK AdColony is investing heavily into its core technology, PIE (post install event) algorithms and overall data analytics both to fuel our performance business, but also to drive better outcomes for our all our advertisers. Post Install Event optimization products finished development in 1Q17 and will be brought to market in 2Q17.

BEMOBI (Apps & Games)

USD million	1Q 17	1Q 16	YTD 2017	YTD 2016
Revenue	12.6	10.0	12.6	10.0
Gross margin (%)	72.7%	66.7%	72.7%	66.7%
Adjusted EBITDA	5.9	4.5	5.9	4.5
EBITDA	5.8	4.1	5.8	4.1
EBIT	2.7	1.0	2.7	1.0

Business Overview

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

Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone owners access to unlimited use of premium mobile apps for a small weekly fee. Users pay for this service through their mobile operator billing systems, making the service highly effective in emerging markets, where credit-card and debit-card penetration is low.

In 2016 and into 2017, Bemobi has enforced its leading position in the subscription-based premium application distribution space within Brazil and across LATAM and Mexico, while expanding into key markets in other parts of the world.

Bemobi is a so-called B2B2C company. Instead of selling directly to a consumer, so-called traditional B2C, Bemobi typically partner with large companies, mostly mobile carriers or in some cases smartphone OEMs. Through partnerships with these companies, Bemobi is able to offer its service to the consumers. Bemobi is ending 1Q17 with close to 50 partnerships with various carriers spread across the world, making it possible to offer subscription-based services providing access to apps and games to 2 billion consumers.

Financial Overview

Revenue grew by 26 percent YoY fueled in particular by strength in the LATAM market for the Apps Club offering. Of the revenue in 1Q17 85 percent came from Brazil while 15 percent came from international markets.

Gross margin for Bemobi is very strong and reached an all-time high in 1Q17 with 72.7%, up from 66.7% in 1Q16. Part of the positive impact on margin was due to a release of liability from an international carrier, but gross margin would have been up YoY even without this impact.

LATAM subscribers were down from 15.9 million in 1Q16 to 15.3 million in 1Q17, with numbers of operators growing from 16 to 20. International subscribers were up from 1.2 million in 1Q16 to 3.8 million in 1Q17, with the number of operators up from 16 to 29.

Revenue from LATAM was 10.7 million in 1Q17 compared to 8.2 million in 1Q16, while revenue in International was 1.9 million in 1Q17 compared to 1.6 million in 1Q16

Adjusted EBITDA increased by 31 percent in the quarter to USD 5.9 million as revenue growth and expanding margin more than offset growth in Opex, which is primarily related to our global growth. Substantially all the profit was in LATAM in 1Q17

Product update

In 1Q17, the NDNC (No Data No Credit) Portal was improved to create better user experience. Bemobi also introduced adaptive billing for better monetization in the quarter.

SURFEASY & SKYFIRE (Performance & Privacy)

USD million	1Q 17	1Q 16	YTD 2017	YTD 2016
Revenue	1.5	2.4	1.5	2.4
Gross margin (%)	93%	92%	93%	92%
Adjusted EBITDA	(1.8)	(2.4)	(1.8)	(2.4)
EBITDA	(1.8)	(2.5)	(1.8)	(2.5)
EBIT	(2.1)	(4.7)	(2.1)	(4.7)

Business Overview

SURFEASY

SurfEasy provides simple to use solutions to help consumers protect their online privacy, security and freedom. SurfEasy's popular VPN applications encrypt the data "in and out" of a consumer´s iOS, Android, Mac or PC device through 3 different business models.

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

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

(iii)Opera VPN products
In 2016, in partnership with Opera's consumer division, SurfEasy launched Opera VPN products. This new and exciting partnership has seen a lot of success, creating interesting opportunities going forward. Opera VPN is a mobile product, for iOS and Android, as well as a desktop product. This is a unique mobile product which is not based on a paid-subscription model.

SKYFIRE

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

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

Financial Overview (SURFEASY & SKYFIRE)

Revenue decreased by 37% in the quarter with a fall in revenue from Skyfire more than offsetting growth from SurfEasy. Revenue from Skyfire is driven almost entirely by new wins and long sales cycles makes revenue bursty in nature. For SurfEasy, one their larger partners began making significant gains in new customer acquisitions during 1Q. Early indication seems that related revenues could be above forecast for the year. SurfEasy owned and Operated products added over 140k new paying subscribers in Q1.

Skyfire had 4 live operator contracts and a pipeline across the globe with both direct opportunities as well as opportunities through partners. Skyfire completed two successful trials during the quarter with large operators, one in Europe and one in Asia. Both are now in commercial negotiations.

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

Adjusted EBITDA improved in the quarter compared to 1Q16 as cost cutting in Skyfire more than offset lower revenue.

Product update (SURFEASY & SKYFIRE)

In the last quarter, Skyfire enhanced heuristics that improve Rocket Optimizer's ability to detect and optimize encrypted traffic while ensuring a high quality of experience. These features are expected to help differentiate the Rocket Optimizer product line from competitors.

SurfEasy released updates to VPN clients adding 5 new regions, improved performance and customer experience feedback. Backend infrastructure to process Opera VPN mobile data was deployed and they signed their first data reseller partner.

OUTLOOK

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

AdColony operates in a global advertising industry which continues to experience a macro shift in advertising spend from traditional channels to digital online channels. AdColony is well positioned to take advantage of the macro trends and become the highest quality mobile advertising platform in the world. Opera expects AdColony to generate revenue growth in 2017 compared to 2016, driven in particular by new technology which enables additional ad formats and provides the possibility to tap into new markets.

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

SurfEasy provides online privacy and anti-firewall consumer software (VPN), both premium and free, with the latter generating revenue from anonymized user information which can provide unique market intelligence. SurfEasy is well positioned to take advantage of this growing market and Opera expects to see strong growth in SurfEasy in 2017 versus 2016

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

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

Oslo, May 11, 2017
The Board of Directors
Opera Software ASA

Audun Iversen
Chairman
(sign.)

Lars Boilesen
CEO
(sign.)

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

Key Financial Figures

Continuing operations (Numbers in $ million, except earnings per share)	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Revenue	**107.0**	129.1	**107.0**	129.1
Gross profit	**44.9**	56.6	**44.9**	56.6
Net income	**(15.0)**	(17.7)	**(15.0)**	(17.7)
Adjusted EBITDA [1)]	**0.5**	10.0	**0.5**	10.0
EBITDA	**(3.5)**	6.8	**(3.5)**	6.8
Normalized EBIT	**(5.3)**	4.6	**(5.3)**	4.6
EBIT	**(13.4)**	(5.4)	**(13.4)**	(5.4)
EPS	**(0.10)**	(0.12)	**(0.10)**	(0.12)
EPS, fully diluted	**(0.10)**	(0.12)	**(0.10)**	(0.12)
Cash flow from operating activities	**1.8**	14.9	**1.8**	14.9
Cash flow from investment activities	**(18.3)**	(117.2)	**(18.3)**	(117.2)
Cash flow from financing activities	**(10.1)**	136.8	**(10.1)**	136.8

Segment information Adjusted EBITDA [1)]	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
AdColony (Mobile Advertising)	**(2.2)**	9.2	**(2.2)**	9.2
Bemobi (Apps & Games)	**5.9**	4.5	**5.9**	4.5
Surfeasy + Skyfire (Performance & Privacy)	**(1.8)**	(2.4)	**(1.8)**	(2.4)
Corporate Costs	**(1.3)**	(1.2)	**(1.3)**	(1.2)
Eliminations	**(0.0)**	(0.0)	**(0.0)**	(0.0)
Total Continued Operations (with ICP) [2)]	**0.5**	10.0	**0.5**	10.0
Eliminations	**(0.0)**	0.0	**(0.0)**	0.0
Total Continued Operations (net of ICP)	**0.5**	10.0	**0.5**	10.0

[1)] excluding restructuring costs and stock-based compensation expenses
[2)] Including intercompany postings (ICP) against discontinued operations.
See note 9 for further explanation of alternative performance measures

Interim condensed financial statements

Consolidated statement of comprehensive income

(Numbers in $ million, except earnings per share)

	1Q 2017 (Unaudited)	1Q 2016 Restated (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 Restated (Unaudited)	% change
Continuing operations						
Revenue	**107.0**	129.1	-17%	**107.0**	129.1	-17%
Total operating revenue	**107.0**	129.1	-17%	**107.0**	129.1	-17%
Publisher and revenue share cost	**(62.1)**	(72.5)	-14%	**(62.1)**	(72.5)	-14%
Payroll and related expenses[1]	**(27.9)**	(29.1)	-4%	**(27.9)**	(29.1)	-4%
Stock-based compensation expenses	**(2.7)**	(2.0)	32%	**(2.7)**	(2.0)	32%
Depreciation and amortization	**(9.9)**	(12.2)	-19%	**(9.9)**	(12.2)	-19%
Other operating expenses	**(16.5)**	(17.4)	-5%	**(16.5)**	(17.4)	-5%
Total operating expenses	**(119.1)**	(133.3)	-11%	**(119.1)**	(133.3)	-11%
Operating profit (loss), ("EBIT"), excluding restructuring and impairment costs	**(12.1)**	(4.2)		**(12.1)**	(4.2)	
Restructuring and impairment cost	**(1.3)**	(1.2)		**(1.3)**	(1.2)	
Operating profit (loss), ("EBIT")	**(13.4)**	(5.4)		**(13.4)**	(5.4)	
Net financial items (loss)	**(5.5)**	(13.2)		**(5.5)**	(13.2)	
Profit (loss) before income tax	**(18.9)**	(18.6)		**(18.9)**	(18.6)	
Provision for taxes[2]	**3.9**	0.9		**3.9**	0.9	
Profit (loss)	**(15.0)**	(17.7)		**(15.0)**	(17.7)	
Discontinuing operations						
Profit (loss) from discontinuing operations, net of tax	**0.0**	0.7		**0.0**	0.7	
Profit (loss) from discontinuing operations	**0.0**	0.7		**0.0**	0.7	
Items that may or will be transferred to profit (loss)						
Foreign currency translation differences	**3.7**	11.7		**3.7**	11.7	
Total comprehensive income (loss)	**(11.3)**	(5.3)		**(11.3)**	(5.3)	
Earnings per share (profit / loss):						
Basic earnings (loss) per share (USD)	**(0.10)**	(0.12)		**(0.10)**	(0.12)	
Diluted earnings (loss) per share (USD)	**(0.10)**	(0.12)		**(0.10)**	(0.12)	
Shares used in earnings per share calculation	**146,864,108**	146,453,218		**146,864,108**	146,453,218	
Shares used in earnings per share calculation, fully diluted	**146,864,108**	146,453,218		**146,864,108**	146,453,218	
Earnings per share (continuing operations):						
Basic earnings (loss) per share (USD)	**(0.10)**	(0.12)		**(0.10)**	(0.12)	
Diluted earnings (loss) per share (USD)	**(0.10)**	(0.12)		**(0.10)**	(0.12)	
Shares used in earnings per share calculation	**146,864,108**	146,453,218		**146,864,108**	146,453,218	
Shares used in earnings per share calculation, fully diluted	**146,864,108**	146,453,218		**146,864,108**	146,453,218	

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

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

Opera

Consolidated statement of financial position

(Numbers in $ million)

	3/31/2017 (Unaudited)	3/31/2016 (Unaudited)	12/31/2016 (Unaudited)
Assets			
Deferred tax assets	**17.8**	36.1	12.2
Goodwill	**325.3**	396.0	322.2
Intangible assets	**80.5**	124.7	83.5
Property, plant and equipment	**11.5**	28.1	8.1
Other investments	**7.9**	0.1	8.0
Other non-current assets	**0.5**	2.4	0.5
Total non-current assets	**443.4**	587.4	434.5
Inventories	**0.2**	0.3	0.2
Accounts receivable	**120.8**	177.6	154.6
Other receivables	**15.6**	25.2	28.0
Cash and cash equivalents	**194.8**	124.8	219.5
Total current assets	**331.4**	327.9	402.4
Total assets	**774.9**	915.3	836.9

(Numbers in $ million)

	3/31/2017 (Unaudited)	3/31/2016 (Unaudited)	12/31/2016 (Unaudited)
Shareholders' equity and liabilities			
Equity attributable to owners of the company	**500.8**	352.4	519.6
Non-controlling interests	**0.0**	0.0	0.0
Total equity	**500.8**	352.4	519.6
Liabilities			
Deferred tax liability	**8.5**	10.5	9.2
Financial lease liabilities	**0.0**	8.6	0.0
Loans and borrowings	**0.0**	250.0	100.0
Other non-current liabilities	**2.9**	10.3	2.9
Provisions	**36.3**	62.5	54.3
Total non-current liabilities	**47.7**	341.9	166.3
Loans and borrowings	**100.1**	35.0	0.5
Financial lease liabilities	**0.0**	2.0	0.0
Accounts payable	**25.3**	33.1	36.3
Taxes payable	**(6.2)**	19.7	(4.0)
Public duties payable	**3.8**	10.4	7.1
Deferred revenue	**7.4**	6.7	7.9
Stock-based compensation liabilities	**0.1**	0.1	0.1
Other current liabilities	**61.6**	78.3	77.7
Provisions	**34.2**	35.6	25.4
Total current liabilities	**226.4**	221.0	151.0
Total liabilities	**274.1**	562.9	317.3
Total equity and liabilities	**774.9**	915.3	836.9

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Consolidated statement of cash flows

(Numbers in $ million)

	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Cash flow from operating activities				
Profit (loss) before taxes	**(18.9)**	(15.0)	**(18.9)**	(15.0)
Income taxes paid	**(3.7)**	(0.6)	**(3.7)**	(0.6)
Depreciation and amortization expense	**9.9**	15.5	**9.9**	15.5
Net (gain) loss from disposals of PP&E, and intangible assets	**0.0**	(0.1)	**0.0**	(0.1)
Changes in inventories, trade receivables, trade and other payables	**18.0**	5.0	**18.0**	5.0
Other net finance items	**0.0**	(0.6)	**0.0**	(0.6)
Changes in other operating working capital	**(10.4)**	(7.0)	**(10.4)**	(7.0)
Share of net income (loss) and net (gain) loss from disposal of associated companies	**0.2**	0.0	**0.2**	0.0
Share-based remuneration	**2.3**	3.7	**2.3**	3.7
Earnout cost and cost for other contingent payments	**3.0**	2.9	**3.0**	2.9
FX differences related to changes in balance sheet items	**1.5**	7.6	**1.5**	7.6
Net cash flow from operating activities	**1.8**	11.5	**1.8**	11.5
- of which included in continuing operations	1.8	14.9	1.8	14.9
- of which included in discontinuing operations	0.0	(3.5)	0.0	(3.5)
Cash flow from investment activities				
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	**(0.0)**	0.4	**(0.0)**	0.4
Purchases of property, plant and equipment (PP&E) and intangible assets	**(5.1)**	(2.4)	**(5.1)**	(2.4)
Capitalized R&D costs	**(4.4)**	(3.2)	**(4.4)**	(3.2)
Proceeds from repayment of loans given	**3.5**	0.0	**3.5**	0.0
Purchases of subsidiaries and associated companies, net of cash acquired [1)]	**(12.2)**	(114.6)	**(12.2)**	(114.6)
Net cash flow from investment activities	**(18.3)**	(119.8)	**(18.3)**	(119.8)
- of which included in continuing operations	(18.3)	(117.2)	(18.3)	(117.2)
- of which included in discontinuing operations	0.0	(2.5)	0.0	(2.5)
Cash flow from financing activities				
Proceeds from exercise of treasury shares (incentive program)	**0.0**	1.8	**0.0**	1.8
Purchase of treasury shares	**(9.7)**	0.0	**(9.7)**	0.0
Proceeds from issuance of shares, net (equity increase)	**(0.1)**	0.0	**(0.1)**	0.0
Proceeds from loans and borrowings	**0.0**	135.0	**0.0**	135.0
Repayments of loans and borrowings	**(0.3)**	0.0	**(0.3)**	0.0
Payment of finance lease liabilities	**0.0**	(1.4)	**0.0**	(1.4)
Net cash flow from financing activities	**(10.1)**	135.5	**(10.1)**	135.5
- of which included in continuing operations	(10.1)	136.8	(10.1)	136.8
- of which included in discontinuing operations	0.0	(1.4)	0.0	(1.4)
Net change in cash and cash equivalents	**(26.5)**	27.2	**(26.5)**	27.2
Cash and cash equivalents (beginning of period) [2)]	**219.5**	97.7	**219.5**	97.7
Effects of exchange rate changes on cash and cash equivalents	**1.8**	0.0	**1.8**	0.0
Cash and cash equivalents	**194.8**	124.8	**194.8**	124.8
- of which included in cash and cash equivalents in the balance sheet	**194.8**		**194.8**	
- of which included in the assets of the disposal group (assets held for sale)	**0.0**		**0.0**	

[1)] In Q1 2017, $0.0 million (YTD: 0.0) is related to initial payments for the purchase of subsidiaries, and $12.2 million (YTD: 12.2) is related to earnout payments with cash effect.
In Q1 2016, $0.0 million (YTD: 0.0) was related to initial payments for the purchase of subsidiaries, and $114.6 million (YTD: 114.6) was related to earnout payments with cash effect.
[2)] $0.3 million (3/31/2016: $9.2 million) is restricted cash and cash equivalents as of March 31, 2017.

Consolidated Statement of Changes in Equity

(Numbers in $ million) - unaudited

	Number of shares	Paid-in capital	Other reserves	Reserve for own shares	Trans-lation reserve	Other equity	Total equity
Equity as of 12/31/2016	**147.7**	**348.5**	**49.1**	**(34.7)**	**(2.5)**	**159.2**	**519.6**
Comprehensive income (loss)							
Profit (loss)						(15.0)	(15.0)
Other comprehensive income (loss)							
Foreign currency translation differences					3.7		3.7
Total comprehensive income (loss)		**0.0**	**0.0**	**0.0**	**3.7**	**(15.0)**	**(11.3)**
Contributions by and distributions to owners							
Dividends							0.0
Issuance of ordinary shares related to business combinations							0.0
Issuance of ordinary shares related to incentive program							0.0
Issuance of ordinary shares related to equity increase		(0.1)					(0.1)
Treasury shares purchased	**(1.6)**			(9.7)			(9.7)
Treasury shares sold							0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			2.3				2.3
Total contributions by and distributions to owners	**(1.6)**	**(0.1)**	**2.3**	**(9.7)**	**0.0**	**0.0**	**(7.5)**
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**
Equity as of 3/31/2017	**146.1**	**348.4**	**51.4**	**(44.4)**	**1.2**	**144.2**	**500.8**

During 1Q 2017, Opera purchased 1,609,969 (YTD: 1,609,969) own shares, and sold 0 (YTD: 0) own shares for $9.7 million (YTD: $9.7 million). As of March 31, 2017, Opera owned 3,373,731 own shares.

During 1Q 2017, Opera issued 0 (YTD: 0) ordinary shares related to the incentive program, 0 (YTD: 0) ordinary shares related to business combinations, and 0 (YTD: 0) ordinary shares related to an equity increase.

	Number of shares	Paid-in capital	Other reserves	Reserve for own shares	Trans-lation reserve	Other equity	Total equity
Equity as of 12/31/2015	**145.3**	**343.8**	**38.4**	**(34.7)**	**13.9**	**(6.6)**	**354.9**
Comprehensive income (loss)							
Profit (loss)						426.4	426.4
Other comprehensive income (loss)							
Foreign currency translation differences					(16.4)		(16.4)
Total comprehensive income (loss)		**0.0**	**0.0**	**0.0**	**(16.4)**	**426.4**	**410.0**
Contributions by and distributions to owners							
Dividends						(260.6)	(260.6)
Issuance of ordinary shares related to business combinations							0.0
Issuance of ordinary shares related to incentive program	**3.8**	11.3					11.3
Issuance of ordinary shares related to equity increase							0.0
Treasury shares purchased	**(1.4)**	(6.7)					(6.7)
Treasury shares sold							0.0
Tax deduction on equity issuance costs							0.0
Share-based payment transactions			10.7				10.7
Total contributions by and distributions to owners	**2.5**	**4.6**	**10.7**	**0.0**	**0.0**	**(260.6)**	**(245.3)**
Other equity changes							
Other changes						(0.0)	(0.0)
Total other equity changes		**0.0**	**0.0**	**0.0**	**0.0**	**(0.0)**	**(0.0)**
Equity as of 12/31/2016	**147.7**	**348.5**	**49.1**	**(34.7)**	**(2.5)**	**159.2**	**519.6**

Notes to the condensed consolidated interim financial statements

Note 1 - Corporate Information

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

Note 2 - Statement of Compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The interim financial statements do not include all of the information and disclosures required for a complete set of fin ancial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended Dece mber 31, 2016. The interim financial statements have not been subject to audit or review.

Note 3 - Basis of Accounting

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's Annual Report for the year ended December 31, 2016.

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

There were no new standards, interpretations or amendments to published standards that were effective from January 1, 2017 th at have significantly affected the interim financial statements for the first of 2017.

In the interim financial statements for 2017, judgements, estimates and assumptions have been applied that may affect the use of accounting principles, carrying values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2017 and the major sources of uncertainty in the statements are similar to those found in the Group's Annual Report for 2016.

The sale of substantially all of the Group's Consumer business was completed as of November 3, 2016. Further, the Group sold a majority stake in its TV business on December 19, 2016. Because these components of the Group represented a major line of business, historical results have been restated to reflect the results of operations of the assets that have been disposed as discontinued operations.

Opera is in process of evaluating any potential impact of IFRS 15 - Revenue from Contracts with Customers (effective from January 1, 2018), on its revenue recognition policies. In particular, the assessment of whether Opera is acting as the principle or agent in ou r transactions with advertisers in determining whether revenues are recognized on gross or net basis. For the vast majority of revenue streams, Opera expects it will continue to recognize revenue on a gross basis due to the Company having primary responsibilit y to provide specified goods or services, assuming inventory risk, and having discretion to establish prices, however this assessm ent is not finalized. Opera expects to complete its analysis in the second half of 2017.

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

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

Note 4 - Contingent Liabilities and Provisions

Valuation techniques and significant unobservable inputs:
Please see note 11 in the 2016 Annual Report for information regarding the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

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

Contingent consideration - Net present value (Numbers in $ million)	AdColony	Bemobi	Individually immaterial	Total
Non-current consideration		**48.1**	**6.2**	**54.3**
Current consideration	**3.1**	**15.7**	**6.6**	**25.4**
Balance as of 12/31/2016	**3.1**	**63.8**	**12.8**	**79.7**
Assumed in a business combination	-	-	-	**-**
Paid	(3.1)	(9.1)	(2.4)	**(14.6)**
Finance expense (income) - FX	-	(0.6)	(0.1)	**(0.8)**
Finance expense - interest	-	2.1	0.5	**2.6**
Finance expense (income) - change in likelihood	-	0.5	0.7	**1.2**
Translation differences	0.0	2.4	0.1	**2.5**
OCI	-	-	-	**-**
Balance as of 3/31/2016	**0.0**	**58.9**	**11.6**	**70.6**
Non-current consideration	-	36.3	-	**36.3**
Current consideration	-	22.6	11.6	**34.2**
Balance as of 3/31/2016	**-**	**58.9**	**11.6**	**70.6**

Earnout payments made in 2017 (Numbers in $ million)	AdColony	Bemobi	Individually immaterial	Total
With cash flow effect				
Q1	3.1	9.1	-	**12.2**
Q2				**-**
Q3				**-**
Q4				**-**
Total	**3.1**	**9.1**	**-**	**12.2**
With no cash flow effect (released from escrow)				
Q1	-	-	2.4	**2.4**
Q2				**-**
Q3				**-**
Q4				**-**
Total	**-**	**-**	**2.4**	**2.4**

Estimated payments (Numbers in $ million)	AdColony	Bemobi	Individually immaterial	Total
Apr-17		1.9	5.6	**7.4**
Sep-17		8.7		**8.7**
Apr-18		12.0	6.1	**18.1**
Sep-18		11.0		**11.0**
Apr-19		15.6		**15.6**
Sep-19		13.8		**13.8**
Apr-20		10.5		**10.5**
Total	**-**	**73.5**	**11.6**	**85.1**

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

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Note 4 - Contingent Liabilities and Provisions (continued)

Contractual maximum payments (Numbers in $ million)	AdColony	Bemobi	Individually immaterial	Total
Apr-17		1.6	5.6	**7.2**
Sep-17		7.7		**7.7**
Apr-18		23.2	6.1	**29.3**
Sep-18		11.0		**11.0**
Apr-19		19.6		**19.6**
Sep-19		15.0		**15.0**
Apr-20		-		**-**
Total	**-**	**78.1**	**11.6**	**89.7**

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant assumptions (forecast annual revenue and forecast EBIT) would, holding the other assumptions constant [1)], have the following effects on the net present value and the fair value of the contingent consideration.

[1)] Generally, a change in the annual revenue is accompanied by a directionally similar change in EBIT.

Effect on Net present value (Numbers in $ million)	AdColony	Bemobi	Individually immaterial
Revenue (10% increase)	**N/A**	**1.7**	**0.3**
Revenue (10% decrease)	**N/A**	**(3.5)**	**(1.2)**
EBIT (5% increase)	**N/A**	**1.5**	**0.3**
EBIT (5% decrease)	**N/A**	**(2.1)**	**(1.5)**

Effect on Fair value (Numbers in $ million)	AdColony	Bemobi	Individually immaterial
Revenue (10% increase)	**N/A**	**2.0**	**0.4**
Revenue (10% decrease)	**N/A**	**(4.2)**	**(1.4)**
EBIT (5% increase)	**N/A**	**1.9**	**0.3**
EBIT (5% decrease)	**N/A**	**(2.6)**	**(1.5)**

Note 5 - Financial Risk

The majority of the financial risk that the Group is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. Please note that some revenue numbers are impacted by changes in local currencies which are the basis for invoicing of customers.

Revenue by currency	1Q 2017	%		YTD 2017	%
(Numbers in $ million)					
USD	**86.6**	81.0%	USD	**86.6**	81.0%
BRL	**10.3**	9.6%	BRL	**10.3**	9.6%
GBP	**1.8**	1.7%	GBP	**1.8**	1.7%
TRY	**1.7**	1.6%	TRY	**1.7**	1.6%
CAD	**0.8**	0.8%	CAD	**0.8**	0.8%
Other	**5.8**	5.4%	Other	**5.8**	5.4%
Total	**107.0**	100.0%	**Total**	**107.0**	100.0%

Operating expenses by currency [1)]	1Q 2017	%		YTD 2017	%
(Numbers in $ million)					
USD	**(95.9)**	80.6%	USD	**(95.9)**	80.6%
BRL	**(7.7)**	6.4%	BRL	**(7.7)**	6.4%
GBP	**(3.3)**	2.8%	GBP	**(3.3)**	2.8%
TRY	**(2.3)**	1.9%	TRY	**(2.3)**	1.9%
Other	**(9.9)**	8.3%	Other	**(9.9)**	8.3%
Total	**(119.1)**	100.0%	**Total**	**(119.1)**	100.0%

[1)] *The operating expenses by currency are excluding restructuring costs.*

The impact on revenue and expenses for this quarter using comparative quarter constant foreign exchange rate is shown below. Please note that some revenue numbers are impacted by changes in local currencies which are the basis for invoicing of customers. These effects are included in the specification below.

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

	Recalulated with 1Q 2016 rates	FX effect using 1Q 2016 rates	Recalulated with 4Q 2016 rates	FX effect using 4Q 2016 rates
(Numbers in $ million)				
Revenue	**106.1**	**(0.9)**	**107.1**	**0.1**
Expenses	**(125.3)**	**(6.2)**	**(125.7)**	**(6.6)**

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Note 6 - Financial Items

Financial items	1Q 2017	1Q 2016	YTD 2017	YTD 2016
(Numbers in $ million)				
Other interest income (expense), net	**(0.4)**	0.1	**(0.4)**	0.1
Interest expense related to contingent consideration	**(2.6)**	(1.1)	**(2.6)**	(1.1)
FX gains (losses) related to contingent consideration, net	**0.8**	1.9	**0.8**	1.9
Other FX gains (losses), net	**(1.9)**	(10.7)	**(1.9)**	(10.7)
Revaluation of contingent consideration	**(1.2)**	(3.3)	**(1.2)**	(3.3)
Share of profit (loss) from associated companies	**(0.2)**	0.0	**(0.2)**	0.0
Net financial gain (loss)	**(5.5)**	(13.2)	**(5.5)**	(13.2)

Note 7 - Liquidity Risk

Credit facility

In November 2016, Opera signed an agreement with DNB Bank ASA for a secured credit facility of $150 million (of which $100 million is a term loan and $50 million is a Revolving Credit Facility). As at 31 March 2017, $100 million is outstanding. The revolving facility is undrawn, whilst the term loan is fully outstanding.

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

The loan and credit facility have the following covenants: A) i) the Leverage Ratio to be below 2.00:1. B) the Equity Ratio to hold the minimum level of 30%. The Group is compliant as at March 31, 2017.

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

Note 8 - Accounts Receivable and Other Receivables

(Numbers in $ million)

Accounts receivable and other receivables	3/31/2017 (Unaudited)	3/31/2016 (Unaudited)
Accounts receivable	**81.5**	117.2
Unbilled revenue	**39.3**	60.4
Other receivables	**15.6**	25.2
Total	**136.4**	202.8

Accounts receivable represent the part of receivables that is invoiced to customers but not yet paid. Unbilled revenue is revenue recognized in the quarter which was not invoiced to the customers at quarter end and which will be invoiced to customers in a subsequent period.

Other receivables consists of net working capital and net debt adjustments related to the sale of the TV business, non-trade receivables, escrow payments and prepayments related to acquisitions. As of March 31, 2017, $8.1 million consisted of net working capital and net debt adjustments related to the sale of the TV business, $1.0 million (3/31/2016: 18.9) was related to escrow payments in connection with acquisitions.

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Note 9 - Alternative performance measures

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

Alternative performance measures:
EBITDA:
Earnings before financial items, taxes, depreciation and amortization.

Adjusted EBITDA:
EBITDA excluding stock-based compensation expenses, restructuring and impairment costs.

Normalized EBIT:
EBIT excluding amortization of acquired intangible assets.

EBIT:
Earnings before financial items. This is presented both including and excluding restructuring costs in the Consolidated statement of comprehensive income.

See below for a reconciliation of EBIT to Adjusted EBITDA, and EBIT to Normalized EBIT for all periods presented.

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

See note 5 for further information regarding Revenue on a constant currency basis, showing the impact of the currency effect

Reconciliation of Operating profit (loss) to Adjusted EBITDA (Numbers in $ million)	**1Q 2017** (Unaudited)	**1Q 2016** (Unaudited)	**YTD 2017** (Unaudited)	**YTD 2016** (Unaudited)
Operating profit (loss), ("EBIT")	**(13.4)**	(5.4)	**(13.4)**	(5.4)
Restructuring and impairment costs	**1.3**	1.2	**1.3**	1.2
Stock-based compensation expenses	**2.7**	2.0	**2.7**	2.0
Depreciation, amortization, and impairment expenses	**9.9**	12.2	**9.9**	12.2
Adjusted EBITDA	**0.5**	10.0	**0.5**	10.0

Reconciliation of Operating profit (loss) to Normalized EBIT (Numbers in $ million)	**1Q 2017** (Unaudited)	**1Q 2016** (Unaudited)	**YTD 2017** (Unaudited)	**YTD 2016** (Unaudited)
Operating profit (loss), ("EBIT")	**(13.4)**	(5.4)	**(13.4)**	(5.4)
Restructuring and impairment costs	**1.3**	1.2	**1.3**	1.2
Amortization of acquired intangible assets	**6.8**	8.7	**6.8**	8.7
Normalized EBIT	**(5.3)**	4.6	**(5.3)**	4.6

Note 10 - Discontinued operations

Sale of Consumer business

On 4 November 2016, Opera announced that the transaction between Opera Software ASA and Golden Brick Capital Private Equity Fund I L.P. (the "Buyer") for the sale and purchase of Opera's consumer business for $575 million (the "Transaction") has been successfully closed. $38 million of the amount held in escrow ($575 million) that was not to be released on the closing of the transaction, was released in subsequent installments in December 2016, following the completion of the reorganization of the Consumer Business.

Sale of TV business

Opera finalized an agreement on December 19, 2016 to sell its TV business ("Opera TV") for $80 million and an approximately 27% equity interest through preferred shares in Last Lion Ltd. which will indirectly own Opera TV (the "Transaction). The gain on the sale of the Transaction includes a receivable for a net working capital adjustment as defined per the SPA. The Buyer and the Company are currently in discussions regarding the net working capitaladjustment. If an agreement is not reached by 10 May 2017, the Company plans to have the final net working capital adjustment determined by a third party expert.

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

(Numbers in $ million, except earnings per share)

Results of discontinued operations	**1Q 2017** (Unaudited)	**1Q 2016** (Unaudited)	**% change**	**YTD 2017** (Unaudited)	**YTD 2016** (Unaudited)	**% change**
Revenue	**0.0**	34.4	0%	**0.0**	34.4	0%
Operating expenses	**0.0**	(30.6)	0%	**0.0**	(30.6)	0%
Operating profit ("EBIT"), excluding restructuring costs	**0.0**	3.9		**0.0**	3.9	
Restructuring costs	**0.0**	(1.2)		**0.0**	(1.2)	
Operating profit ("EBIT")	**0.0**	2.7		**0.0**	2.7	
Net financial items (loss)	**0.0**	1.0		**0.0**	1.0	
Net (gain) loss from sale of discontinued operations, net of tax	**0.0**	0.0		**0.0**	0.0	
Profit (loss) before income tax	**0.0**	3.6		**0.0**	3.6	
Provision for taxes[2)]	**0.0**	(3.0)		**0.0**	(3.0)	
Profit (loss) from discontinued operations	**0.0**	0.7		**0.0**	0.7	
Earnings per share (discontinued operations):						
Basic earnings (loss) per share (USD)	**0.000**	0.005		**0.000**	0.005	
Diluted earnings (loss) per share (USD)	**0.000**	0.004		**0.000**	0.004	
Shares used in earnings per share calculation	**146,864,108**	146,453,218		**146,864,108**	146,453,218	
Shares used in earnings per share calculation, fully diluted	**146,864,108**	150,406,630		**146,864,108**	150,406,630	

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

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

Cash flow information

	1Q 2017 (Unaudited)	**1Q 2016** (Unaudited)	**YTD 2017** (Unaudited)	**YTD 2016** (Unaudited)
Cash flow from operating activities	-	(3.5)	-	(3.5)
Cash flow from investment activities	-	(2.5)	-	(2.5)
Cash flow from financing activities	-	(1.4)	-	(1.4)

Opera

Note 11 - Segments

(Numbers in $ million)

Revenue	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	**93.3**	118.1	-21%	**93.3**	118.1	-21%
Bemobi (Apps & Games)	**12.6**	10.0	26%	**12.6**	10.0	26%
Surfeasy + Skyfire (Performance & Privacy)	**1.5**	2.4	-37%	**1.5**	2.4	-37%
Corporate Costs	**0.0**	0.0	N/A	**0.0**	0.0	N/A
Eliminations	**(0.4)**	(1.5)	0%	**(0.4)**	(1.5)	0%
Total Continued Operations [1)]	**107.0**	129.1	-17%	**107.0**	129.1	-17%

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

Gross profit	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	**34.3**	47.7	-28%	**34.3**	47.7	-28%
Bemobi (Apps & Games)	**9.2**	6.7	37%	**9.2**	6.7	37%
Surfeasy + Skyfire (Performance & Privacy)	**1.4**	2.2	-36%	**1.4**	2.2	-36%
Corporate Costs	**0.0**	0.0	N/A	**0.0**	0.0	N/A
Eliminations	**0.0**	0.0	0%	**0.0**	0.0	0%
Total Continued Operations [1)]	**44.9**	56.6	-21%	**44.9**	56.6	-21%

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

Adjusted EBITDA [2)]	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	**(2.2)**	9.2	-124%	**(2.2)**	9.2	-124%
Bemobi (Apps & Games)	**5.9**	4.5	31%	**5.9**	4.5	31%
Surfeasy + Skyfire (Performance & Privacy)	**(1.8)**	(2.4)	-25%	**(1.8)**	(2.4)	-25%
Corporate Costs	**(1.3)**	(1.2)	10%	**(1.3)**	(1.2)	10%
Eliminations	**(0.0)**	(0.0)	0%	**(0.0)**	(0.0)	0%
Total Continued Operations [1)]	**0.5**	10.0	-95%	**0.5**	10.0	-95%

[1)] Including intercompany postings (ICP) against discontinued operations.
[2)] excluding restructuring costs and stock-based compensation expenses.
See note 9 for a reconciliation of Adjusted EBITDA to EBIT.

EBITDA	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	**(5.4)**	6.3	-186%	**(5.4)**	6.3	-186%
Bemobi (Apps & Games)	**5.8**	4.1	41%	**5.8**	4.1	41%
Surfeasy + Skyfire (Performance & Privacy)	**(1.8)**	(2.5)	-27%	**(1.8)**	(2.5)	-27%
Corporate Costs	**(2.0)**	(1.2)	69%	**(2.0)**	(1.2)	69%
Eliminations	**(0.0)**	(0.0)	0%	**(0.0)**	(0.0)	0%
Total Continued Operations [1)]	**(3.5)**	6.8	-151%	**(3.5)**	6.8	-151%

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

Note 11 - Segments (continued)

Normalized EBIT [2]	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	**(6.7)**	6.0	-213%	**(6.7)**	6.0	-213%
Bemobi (Apps & Games)	**5.3**	3.4	58%	**5.3**	3.4	58%
Surfeasy + Skyfire (Performance & Privacy)	**(1.9)**	(3.6)	-46%	**(1.9)**	(3.6)	-46%
Corporate Costs	**(1.9)**	(1.2)	55%	**(1.9)**	(1.2)	55%
Eliminations	**0.0**	(0.0)	0%	**0.0**	(0.0)	0%
Total Continued Operations [1]	**(5.3)**	4.6	-216%	**(5.3)**	4.6	-216%

[1] Including intercompany postings (ICP) against discontinued operations.
[2] excluding amortization of acquired intangible assets

EBIT	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	% change	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)	% change
AdColony (Mobile Advertising)	**(11.8)**	(0.4)	2623%	**(11.8)**	(0.4)	2623%
Bemobi (Apps & Games)	**2.7**	1.0	180%	**2.7**	1.0	180%
Surfeasy + Skyfire (Performance & Privacy)	**(2.1)**	(4.7)	-55%	**(2.1)**	(4.7)	-55%
Corporate Costs	**(2.2)**	(1.2)	82%	**(2.2)**	(1.2)	82%
Eliminations	**0.0**	(0.0)	0%	**0.0**	(0.0)	0%
Total Continued Operations [1]	**(13.4)**	(5.4)	147%	**(13.4)**	(5.4)	147%

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

AdColony (Mobile Advertising)
Mobile Advertising revenue is primarily comprised of revenue based on the activity of mobile users viewing ads through 3rd Party Publishers, such as developer applications and mobile websites. Revenue is recognized when Opera's advertising services are delivered based on the specific terms of the advertising contract, which are commonly based on the number of ads delivered, or views, clicks or actions by users on mobile advertisements.

Bemobi (Apps & Games)
Apps & Games revenue is primarily comprised of: i) Subscription revenue when a user purchases a subscription from Bemobi's mobile-app discovery service, (ii) Opera-branded Opera Mobile Store (OMS), when a user purchases a premium application, and (iii) Subscription revenue when a user purchases a subscription from a "co-branded" mobile store, or a white-label operator-controlled version of the mobile store, which is also known as the Opera Mobile Subscription Store.

Surfeasy + Skyfire (Performance & Privacy)
Performance and Privacy Apps revenue is primarily comprised of i) subscription revenue generated by Opera's VPN service for smartphones, tablets, and computers, and ii) license fees from Rocket Optimizer™

Corporate Costs
Corporate costs comprise primarily i) costs related to personnel working in functions that serve the Group as a whole, including CEO/Board of Directors, corporate finance and accounting, legal, HR and IT, and ii) legal and other costs related to business combinations and the strategic review process.

Note 11 - Segments (continued)

Segment revenue QTR	**MW** (Unaudited)	**Apps & Games** (Unaudited)	**Privacy & Performance** (Unaudited)	**Corporate Costs** (Unaudited)	**Eleminations** (Unaudited)	**Total Continued Operations** (Unaudited)
External revenue	93.3	12.6	1.1	-		107.0
Intercompany revenue	0.0	-	0.4	-	(0.4)	(0.0)
Total Continued Operations	**93.3**	**12.6**	**1.5**	**0.0**	**(0.4)**	**107.0**

Segment revenue YTD	**MW** (Unaudited)	**Apps & Games** (Unaudited)	**Privacy & Performance** (Unaudited)	**Corporate Costs** (Unaudited)	**Eleminations** (Unaudited)	**Total Continued Operations** (Unaudited)
External revenue	93.3	12.6	1.1	-		107.0
Intercompany revenue	0.0	-	0.4	-	(0.4)	(0.0)
Total Continued Operations	**93.3**	**12.6**	**1.5**	**0.0**	**(0.4)**	**107.0**

Note 12 - Investment in Associated Companies

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

(Numbers in $ million)

Information regarding Last Lion Holdings Ltd	1Q 2017 (Unaudited)	YTD 2017 (Unaudited)
Revenue	7.3	7.3
EBIT	1.8	1.8
Net profit (loss)	(0.2)	(0.2)
Assets		125.8
Non-current liabilities		85.0
Current liabilities		12.1
Equity		28.7
Opera's share of equity		7.8

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

Balance as of 12/31/2016	**7.9**
Investment during the fiscal year	0.0
FX adjustment	0.0
Share of the profit (loss)	(0.1)
Elimination	0.0
Balance as of 3/31/2017	**7.8**

Note 13 - Restructuring costs

During 1Q 2017, Opera recognized restructuring costs in connection with a strategic cost reduction that will better align costs with revenues, and for legal and other costs related to business combinations.

(Numbers in $ million)

RESTRUCTURING COSTS	1Q 2017 (Unaudited)	1Q 2016 (Unaudited)	YTD 2017 (Unaudited)	YTD 2016 (Unaudited)
Salary restructuring cost	**(0.9)**	(1.4)	**(0.9)**	(1.4)
Option restructuring cost	**0.0**	0.2	**0.0**	0.2
Office restructuring cost	**0.0**	0.0	**0.0**	0.0
Impairment cost	**0.0**	0.0	**0.0**	0.0
Legal and other costs related to business combinations	**(0.3)**	0.0	**(0.3)**	0.0
Other restructuring cost	**(0.0)**	(0.1)	**(0.0)**	(0.1)
Total	**(1.3)**	(1.2)	**(1.3)**	(1.2)

Note 14 - Events after the Reporting Date

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

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

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