Opera

A NEW

ERA FOR THE

OPERA SOFTWARE

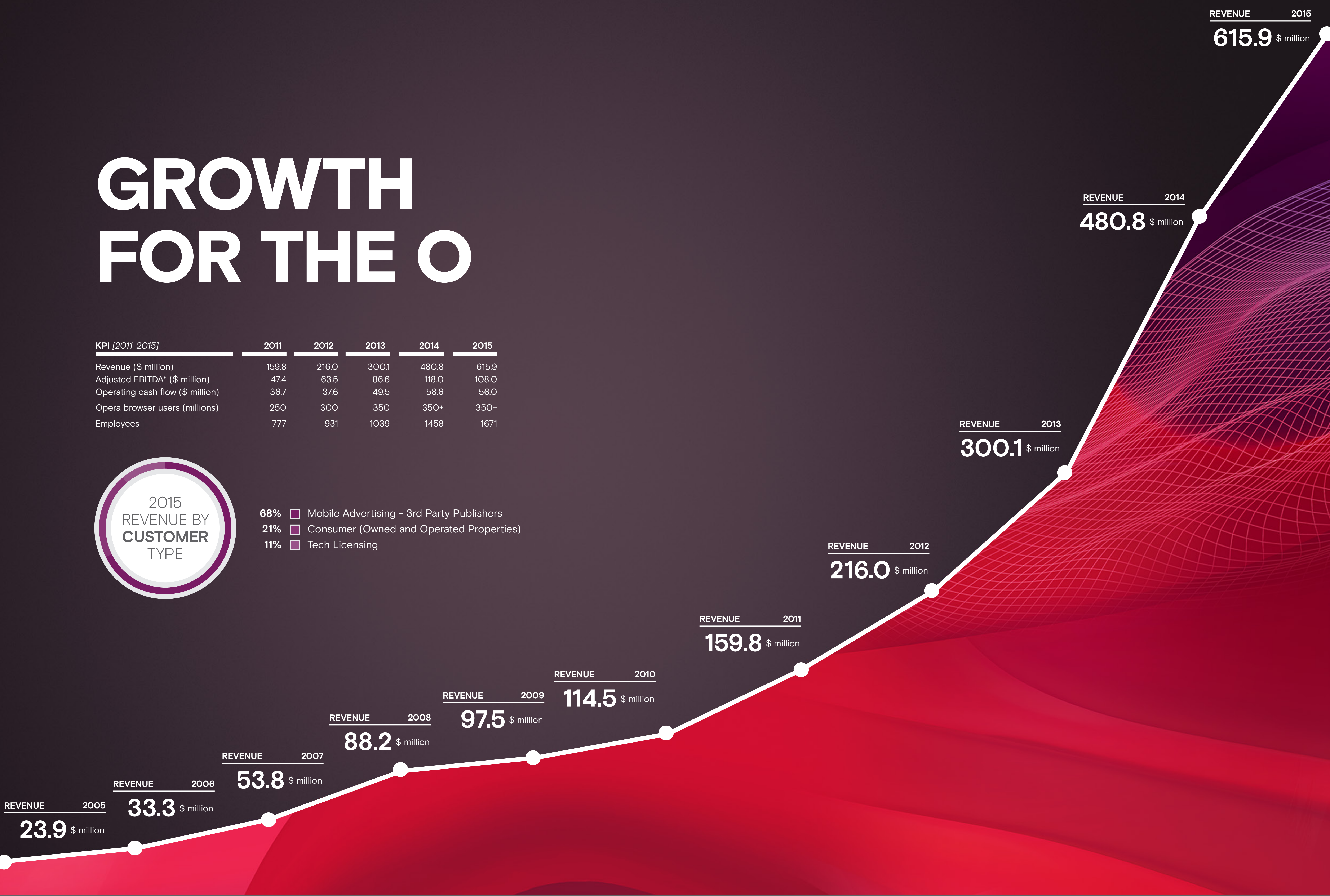
ANNUAL REPORT 2015

GROWTH FOR THE O

KPI *[2011-2015]*	2011	2012	2013	2014	2015
Revenue ($ million)	159.8	216.0	300.1	480.8	615.9
Adjusted EBITDA* ($ million)	47.4	63.5	86.6	118.0	108.0
Operating cash flow ($ million)	36.7	37.6	49.5	58.6	56.0
Opera browser users (millions)	250	300	350	350+	350+
Employees	777	931	1039	1458	1671

2015 REVENUE BY **CUSTOMER** TYPE

- **68%** Mobile Advertising - 3rd Party Publishers
- **21%** Consumer (Owned and Operated Properties)
- **11%** Tech Licensing



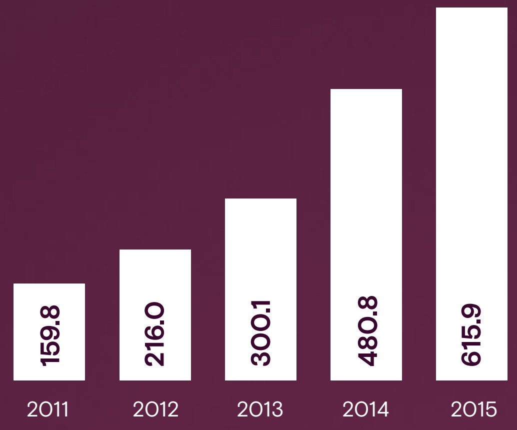
*Numbers prior to 2011 are converted from NOK to USD based on average historical FX rates

THE YEAR IN NUMBERS 2015

REVENUE
[NUMBERS IN $ MILLION]

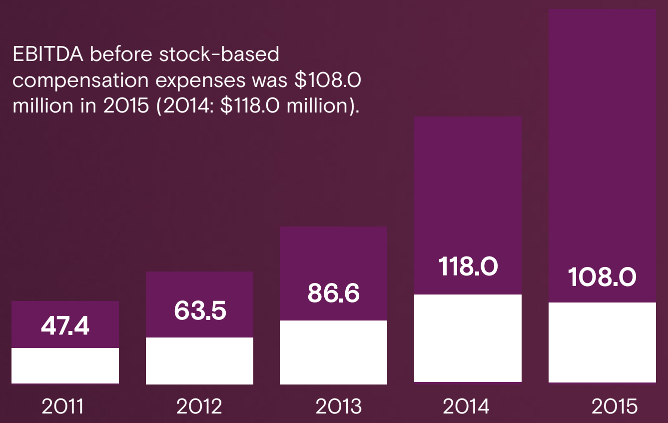
615.9

Record revenue in 2015



ADJUSTED EBITDA*

EBITDA before stock-based compensation expenses was $108.0 million in 2015 (2014: $118.0 million).



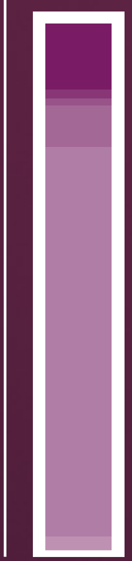
Graph shows adjusted EBITDA related to the revenue of the year

REVENUE SOURCE

68%	21%	11%
Mobile Publishers and Advertisers (Opera Publisher Partner Members)	Consumers	Tech Licensing

THE SMARTPHONE USER BASE GREW FROM 135 MILLION TO OVER **150 MILLION** DURING THE LAST YEAR

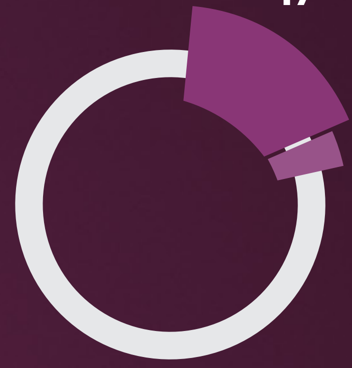
REVENUE TYPE



77.2	Licenses/royalities
10.4	Development fees
7.9	Maintenance, support and hosting
48.6	Search
455.8	Advertising
15.6	Application and content
0.3	Subscription
0.0	Other revenue

USERS BY DEVICE

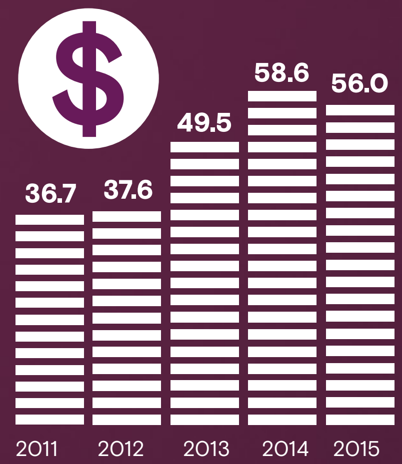
350 MILLION USERS



80%	MOBILE
17%	DESKTOP
3%	DEVICES

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.

OPERATING CASH FLOW



OPERA HAS MORE THAN **1 MILLION USERS** IN **45 COUNTRIES** IN THE WORLD

TOTAL AUDIENCE REACH	OPERATORS	EBIT	EMPLOYEES
1.3 BILLION	120	$45 MILLION (EXCLUDING COSTS FOR RESTRUCTURING THE BUSINESS)	1671

A NEW ERA FOR THE O

A new era for the O is not just this year's concept for the Annual Report. It is also a way of saying that Opera Software - after 20 years (1995-2015) - is ready to embark on a new phase. As a grown-up. You see, Opera has been in our teens the last six years and it has been a remarkable period of outstanding growth, just like teens most experience. For us it has come in terms of growth in revenue and profit. We have been on a journey where the company has been taking a lead within new areas such as advertising.

It all comes down to the digital and mobile life we are living at increasing pace where speed and compression as well as privacy and security are cornerstones of our way of thinking.

Opera as a brand and a company embarks on the new era with a new O. In order to make sure we are ready for the future, and the next era, Opera has lanuched a new brand identity, where the O (in the logo), is revamped in order to set the scene for the future. We are eager to embark on this journey!

Opera

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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.

CEO LETTER

KEY NUMBERS, 2015

REVENUE
615.9

ADJ. EBITDA*
108.0

OPERATING CASH FLOW
56.0

* NON-IFRS EBITDA EXCLUDES STOCK-BASED COMPENSATION EXPENSES, EXTRAORDINARY/ONE-TIME COSTS AND ACQUISITION RELATED COSTS.

In 2015, Opera celebrated our 20th birthday. This year after a thorough strategic review, Opera has received an offer to be acquired by a Chinese consortium consisting of Golden Brick, Kunlun and Qihoo 360. As I write this report, the teams and advisors are working diligently to complete the acquisition.

Opera had another great year in 2015. Our strong results and user base in 2015 were the result of our excellent execution on the plan, diversification of our product portfolio, continued global expansion, and continued innovation. I would like to take this opportunity to summarize what will be Opera's final year on the Oslo Stock Exchange, assuming the acquisition closes as expected.

Highlights from 2015

- Our results continued to grow. We had revenues of $615.9 million and adjusted EBITDA of $108.0 million. We've have more than doubled revenue in the past 2 years and over 5 times since 2010. Since 2010, on account of our consumer monetization efforts and dedicated efforts to build our mobile publisher and advertiser business, our revenues have grown by 35% on average every year and our adjusted EBITDA by 40% on average every year. The mobile advertising unit ended the year at 417.7 million, contributing over 2/3 of total revenue in 2015.
- We rounded out the year with over 350 million users, with over 280 million mobile users of which the majority was on smartphones.
- We have close to 1700 employees spread across the globe.
- Our brand awareness has never been higher among smartphone users in our key markets such as India, Brazil, Indonesia, Mexico, South Africa and Russia.
- We have built and continue to build great strategic relationships with OEMs, major internet companies and operators.

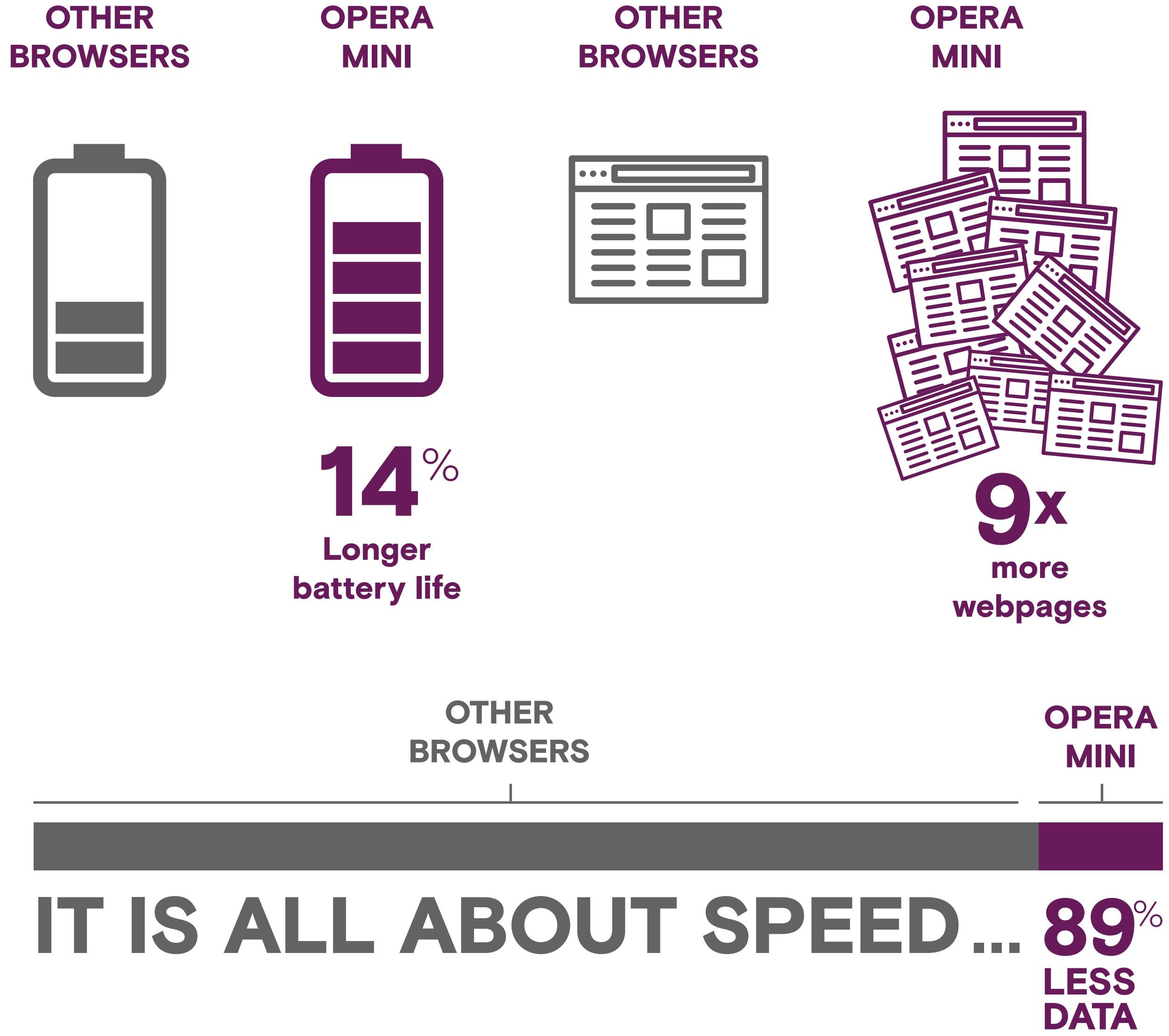
The offer from the Golden Brick was the result of the structured process to explore various strategic opportunities initiated by Opera's Board of Directors and announced in a stock exchange release on 7 August 2015. After careful consideration of the various opportunities for Opera and the proposals received, the Board concluded that an acquisition by the Consortium is the most attractive proposition for the shareholders, Opera and its employees. The Board unanimously decided to recommend to its shareholders to accept the Offer. In addition, the members of the executive team and the Board holding shares have entered into pre-acceptances to accept the Offer with respect to their shareholdings in Opera. While the offer process is running, we will continue business as usual, focusing on product development, user growth and financial results.

Onward and upward

Although it will be bittersweet to leave the Oslo Stock Exchange, I believe that Opera will come to the next level much more quickly under the new ownership. I look very much forward to the new chapter in Opera's history, and expect very great things for Opera's future.

Lars Boilesen


OPERA MAKES IT EASIER
TO ENJOY YOUR DIGITAL
LIFE AT SPEED



OPERA MINI SAVES BATTERY AND DATA

Speed, in terms of world-leading compression, is important. Opera leads the world in data-savings technology and has one of the world's largest mobile-cloud infrastructure. As a result, Opera offers outstanding speed. And, speed matters. More and more. As we increasingly consume more complex content such as video.

Opera is a global leader in 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 to 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 apps such as Vine and Instagram, as well as Meerkat and Periscope.

350 MILLION MONTHLY ACTIVE USERS

UP FROM 100 MILLION AT THE END OF 2009

CONSUMER ENABLED
(OWNED AND OPERATED PROPERTIES)

BROWSER PORTFOLIO POSITIONING (MOBILE)

OPERA MINI

- Focused on speed and savings as the key value proposition. Tailored for mobile first users and quick access to content.

OPERA FOR ANDROID

- Progressive web app platform that engages users with compelling content, secure and fast to search and load web pages.

  The browser of choice for users and OEM´s.

COAST

- Next generation web content consumption and discovery.

  An entrypoint for the user´s web experience.

Let´s browse through Opera´s consumer offering: Opera is a leading global Internet brand, with more than 350 million monthly active users of its consumer products today, up from 100 million at the end of 2009. Opera´s success with its consumer products has emanated from competitive strengths along three major dimensions: Ease of use, data savings and download speed, with the latter two dimensions driven by the Opera´s core web and video compression expertise and IP. The trend is clear: As more video is consumed, the importance of great compression increases.

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

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

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

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

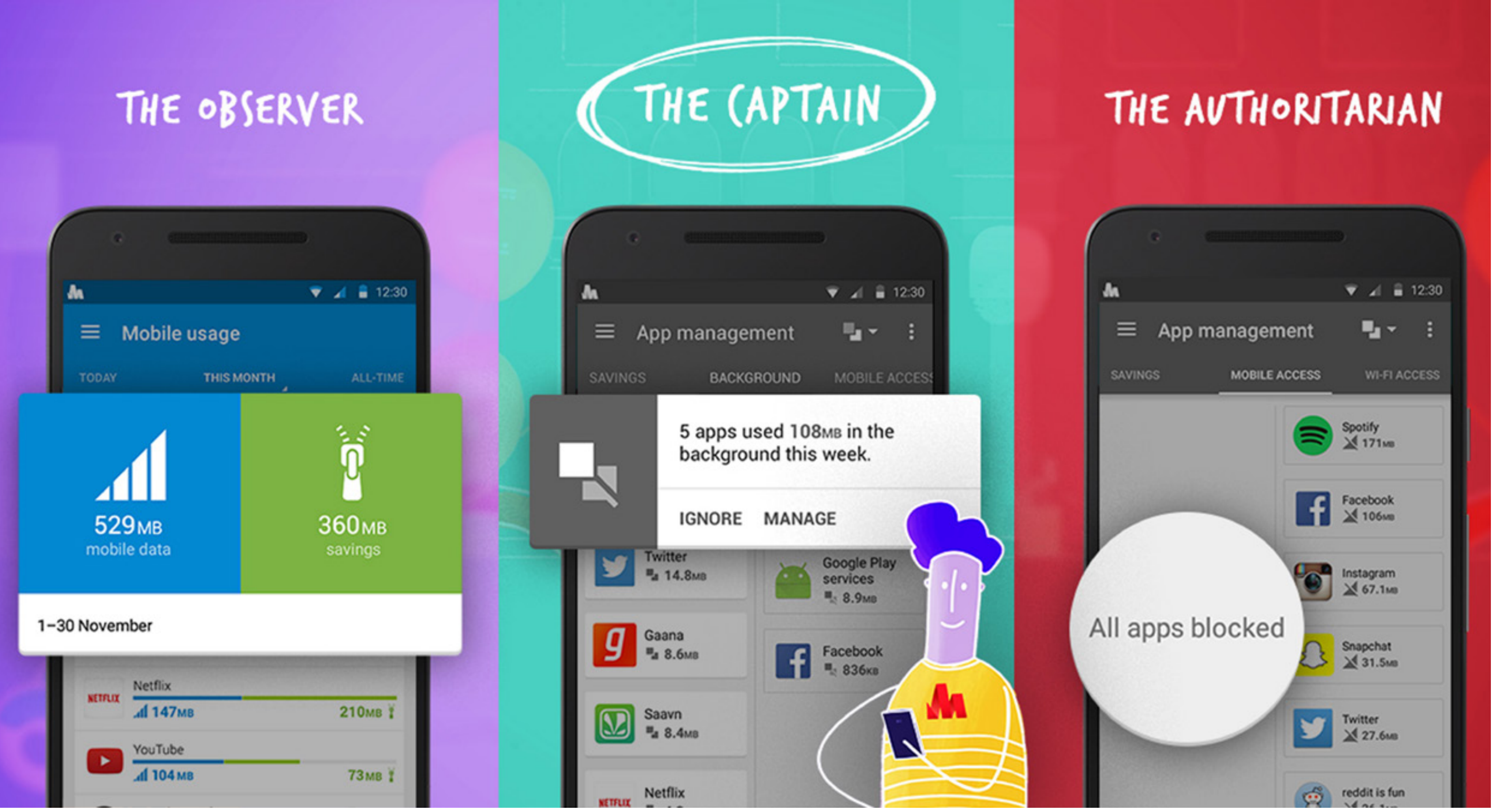
In addition, while ease of use, data savings and speed have been core elements of Opera´s competitive differentiation in the browser market, with the acquisition of SurfEasy, Opera intends to further differentiate its products by integrating SurfEasy´s privacy, VPN and security offerings across Opera´s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

MOBILE BROWSER

Opera continues to maintain its position as a global leading mobile consumer company. In December 2015, 281.5 million unique users worldwide browsed the web using Opera's mobile browser products. Of this 281.5 million, Opera had more than 50 million users in India, more than 27 million in Indonesia, and more than 27 million in Russia/CIS. Overall, Opera has more than 1 million users in 45 countries around the world, giving it important critical mass to build stronger local monetization partnerships and business alliances.

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

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



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

In December 2015, the number of Opera users on Android reached 144 million, up 11% versus 4Q14. This makes Opera one of the leading third party browser applications on the Android platform.

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

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

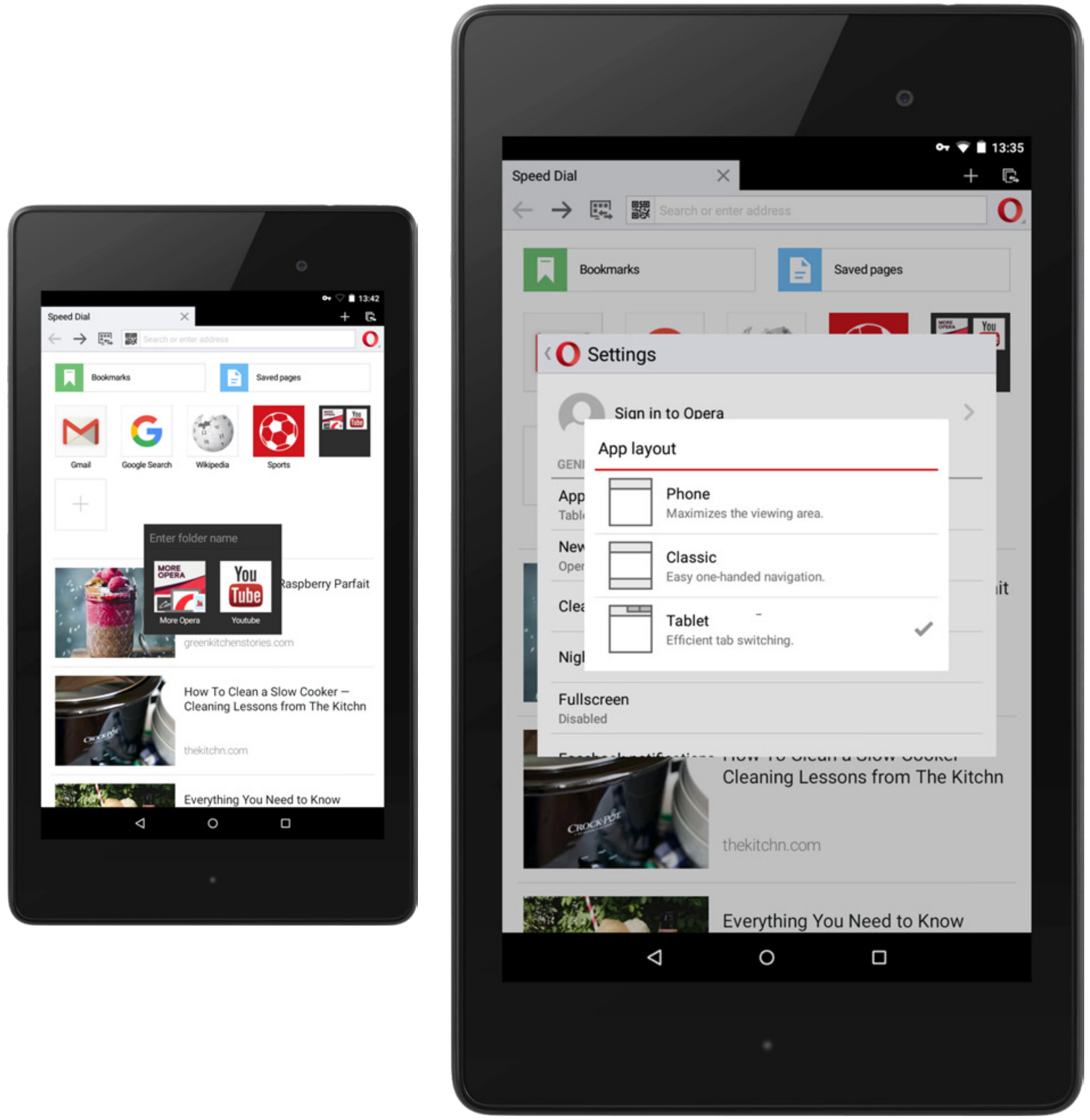
While Speed Dial contracts are currently the single biggest driver of mobile advertising revenue and mobile search revenue keeps trending upwards for the Opera mobile browser, the Company is putting significant emphasis on expanding its mobile content discovery offerings with an increasing focus on more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

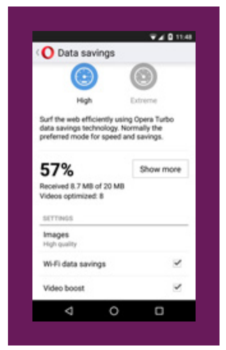
The key objective of this new content strategy is to increase engagement with Opera´s browser products, where Opera becomes more of a "daily habit" and destination site for the discovery and consumption of content, commerce and other services within Opera´s browser publisher properties. Opera believes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

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

In 2015, Opera launched many robust new features in its popular mobile browsers and announced mobile news:

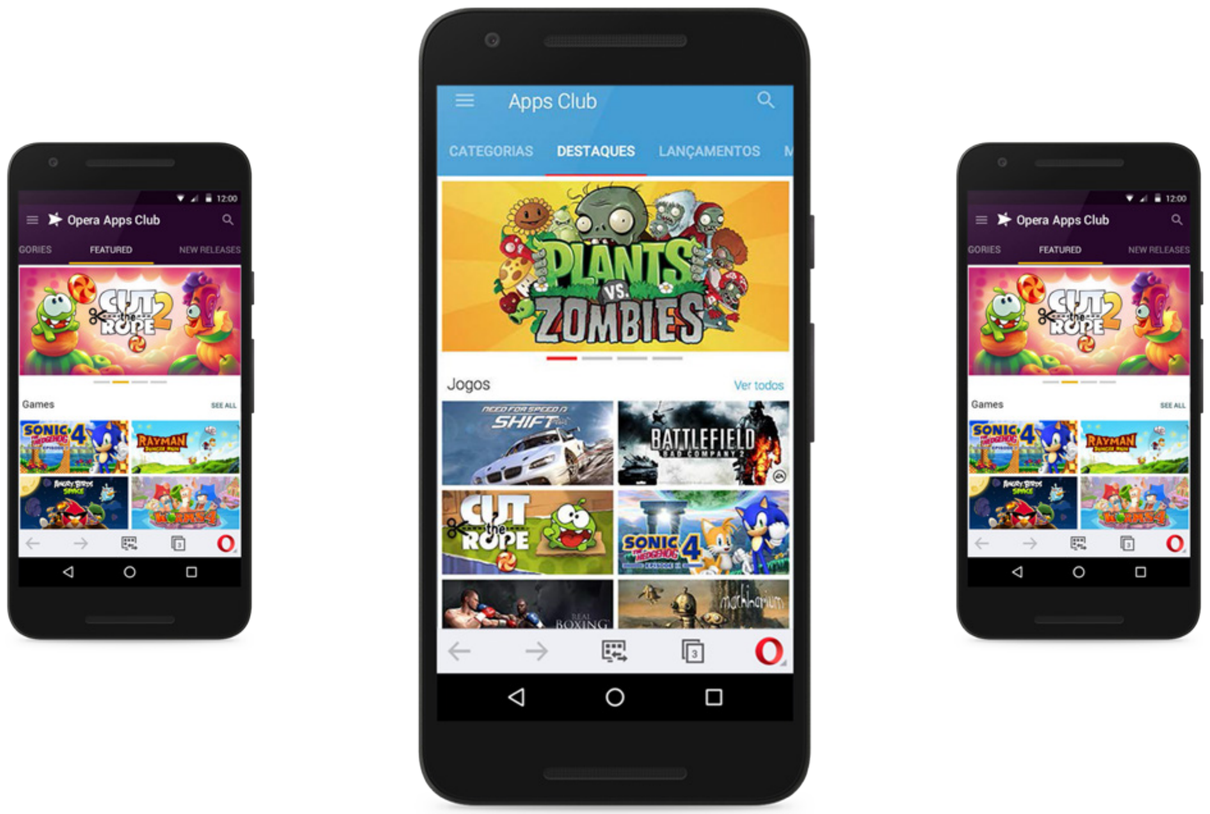
- In 2Q15, Opera announced an amended global search agreement with Google to continue integrating Google as the default search partner for the Opera mobile and desktop browsers (Opera Desktop, Opera Mobile and Opera Mini). This agreement covers all global territories and includes all of Opera's standard mobile and desktop Web browsers. During the last quarter of 2015, Opera also launched a full makeover of the Opera Mini browser for Android, our most popular product, with a dramatically redesigned interface to achieve a native Android look and feel. New features included a simplified menu, options to customize the browser layout, and updates to the Discover newsfeed. In May 2015, Opera also announced that testing by Cigniti Technologies, an independent software testing services company, showed that Opera Mini consumes on an average 14% less battery and 89% less data when compared to other mobile browsers.
- In 3Q15, Opera launched Opera Mini for Android revamped with new compression technology, enabling users for the first time to switch between two different data compression modes: High and Extreme. With these two modes, users can optimize their data compression for different network conditions. Compression and data savings have always been part of Opera's DNA and core offering to end users. We also brought with it the ability in Opera for Android to add websites to the device's home screen.
- 4Q15 saw the arrival of an improved download manager in Opera Mini for Android, for more power and control while downloading web content, including pictures and videos. Download managers are a highly-sought-after feature. According to a survey among Opera Mini users in India, 75% of respondents rated downloading as an "important" or "very important" feature. In November, video boost arrived on the Opera for Android browser. This unique Opera feature reduces the size of video data to ensure faster loading, fewer stalls and buffering delays, and helps users save data.





DATA SAVINGS

Opera Mini is much cheaper for consumers – because 90 per cent compression translates to around a 10x multiplication of the value of a data plan



APPS & GAMES

750,000
ACTIVE SUBSCRIBERS

300,000
APPLICATIONS FROM
40,000
MOBILE APP DEVELOPERS

Are you one of those having fun with Opera´s apps and games every day? Over the course of the last 3 years, Opera has established a leading position in the Apps and Games discovery and download ecosystem.

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

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

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

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

MORE FUN WITH BEMOBI

In 3Q15, Opera announced the acquisition of Bemobi, a leading subscription-based mobile-app-discovery service in Latin America. Bemobi offers a unique, "Netflix-style" subscription service for premium Android apps. Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone owners access to unlimited use of premium mobile apps for a small weekly fee. Users pay for this service through their mobile operator billing systems, making the service highly effective in emerging markets, where credit card and debit card penetration is low.

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

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

Apps and games is great fun for an increasing number of users. In 4Q15, the number of downloads generated via the Opera Mobile Store and Opera´s other apps and games properties were 510 million compared to 153.8 million in 4Q14. Thus, Opera´s Apps Club is launched globally.

KEY WINS BY REGION

LATAM

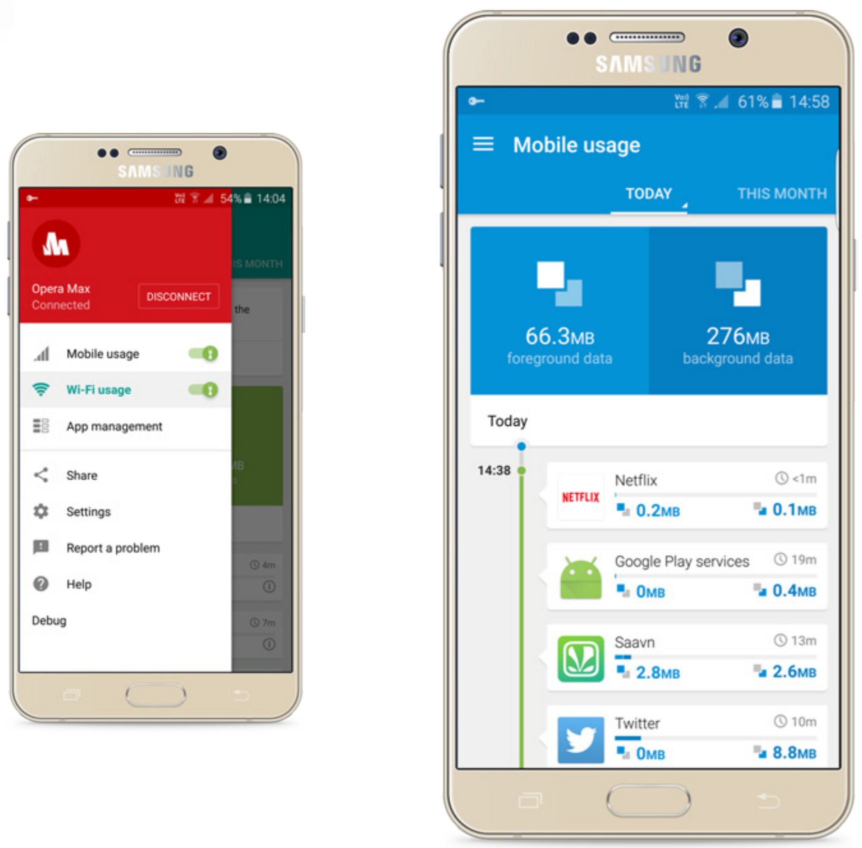
- Closed important deals with Mondelez, Porche & Berth and opened negotiation for 2016
- Grew relationship with Coca-Cola expanding LATAM campaigns to include Mexico, Brazil, Colombia & Chile
- Worked with Toyota for their biggest 2015 announcement: Hilux pickup truck launch. Deal included multiple mobile ad formats: display, rich media & video

NOW OPERA APPS CLUB IS ALL OVER THE WORLD

Opera recently launched its unique, "Netflix-style" subscription service for premium Android apps throughout the world. The Opera Apps Club brings value to carriers, developers and users by offering an alternative distribution and monetization model for apps based on an unlimited "all you can download" subscription offer, payable through operators' billing systems.

The global launch of Opera Apps Club means a wider audience of users can access premium mobile apps.

"Since its inception, Opera Apps Club has been designed with high scalability in mind to accommodate future business growth. Leveraging Opera's global footprint, we can deliver services that benefit end users, operators and app-developers, globally," says Pedro Ripper, CEO of Bemobi, an Opera company.



PERFORMANCE AND PRIVACY APPS

OPERA MAX ALSO ENABLES CONSUMERS TO GET UP TO

50%

BY COMPRESSING VIDEOS, PHOTOS, MEDIA AND MORE WITHOUT ANY NOTICEABLE LOSS OF USER EXPERIENCE QUALITY

The importance of privacy and security increases for many users. Based on consumer surveys, the Opera user base cares deeply about the following: Speed, Privacy/Security, and Data Savings.

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

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

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

In 4Q15, Opera Max was the first to offer data savings for music and video apps. Music lovers are able to listen to their favorite streaming music apps on the go while using less mobile data. One month after introducing video savings for YouTube and Netflix apps, Opera Max, in its latest version, now offers data saving on music apps including YouTube Music, Pandora, Slacker Radio, Gaana and Saavn. This means users of these apps can enjoy data savings of up to 50% with Opera Max.

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

100 MILLION

ANDROID PHONES TO BE SHIPPED WITH INTEGRATED OPERA MAX BY 2017

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

As of the end of 2015, 14 OEMs, including Samsung and Xiaomi, have embedded Opera's data-management app, Opera Max, on their smartphones. With the new partnerships with Asian OEMs - Acer, Hisense and TWZ, Opera now expects more than 100 million Android phones to be shipped with integrated Opera Max by 2017. Opera is working with manufacturers around the world, including Acer, Cherry Mobile, Evercoss, Fly, Hisense, Mobiistar, Micromax, Oppo, Prestigio, Samsung, Symphony, Tecno, TWZ and Xiaomi.

Opera´s SurfEasy product provides simple to use solutions to help consumers protect their online privacy, security and freedom. SurfEasy's popular VPN Applications encrypt all of the data "in and out" of a consumer´s iOS, Android, Mac or PC device.

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

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

SurfEasy works by installing an application on a consumer´s device, which then creates an encrypted tunnel between the device and SurfEasy's Global Private Network. All of the data "in and out" of the device is sent through the encrypted tunnel ensuring no one can monitor, access or restrict a consumer´s activity.

SurfEasy's applications have been installed on over 10 million devices around the world.

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

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

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

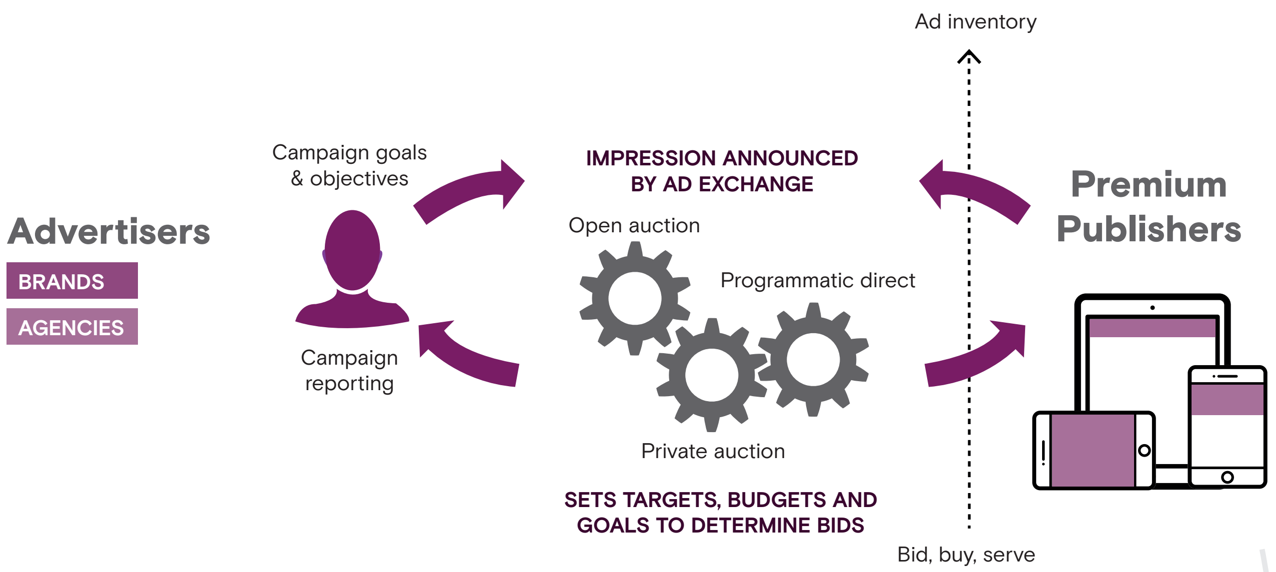
Opera works with many device OEMs worldwide and Opera Max and SurfEasy are both well positioned to help OEMs differentiate their offerings in a crowded market. Opera is in discussions with many OEMs today about distribution of these products, either as separate or fully integrated product offering. Opera already has positive momentum with OEMs for Opera Max distribution, with OEM distribution partnership agreements signed with the likes of Evercoss, Fly and Symphony (announced in 4Q14) and Micromax (announced in 1Q15).

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

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

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

At the end of 2015, Opera had active agreements with 30 operators worldwide (a total of 80+ agreements when including all subsidiaries of global frame agreements signed), including 13 out of the top 30 operators worldwide, which have approximately 2.5 billion subscribers combined, or around 35% of the total global subscriber base.



ADVERTISING
A FAST-GROWING BUSINESS

Mobile advertising is booming and Opera plays a core part. Opera's mobile advertising business, operating under the Opera Mediaworks brand, is the world's highest quality mobile advertising and marketing platform, reaching over one b il-lion global consumers and accounting for nearly one fifth of global ad spend.

Opera Mediaworks provides a comprehensive, end-to-end platform for brands, agencies, publishers and application developers to deliver advertising to consumers on mobile devices around the world. The technology powers monetization for the biggest and most well-known global publishers, and it enables marketers to engage with consumers on the most personal and important screens in their lives. Opera delivers highly interactive and engaging advertising experiences across formats including banner display ads, interactive rich media ads, video ads and native advertising. The company has proven to push creative boundaries and be first to market with innovations to lead the mobile ad economy.

Opera's mission is to be the highest quality mobile advertising platform in the world, delivering innovative brand experiences that evoke emotion and drive real outcomes fueled by data, technology and creativity.

1.1B
USER REACH

STRONGEST
INDEPENDENT ADVERTISING PLATFORM WITHIN THE
TOP 1,000
GLOBAL APPS

Leading the marketplace
Opera Mediaworks' 1.1B user reach and SDK footprint within the top 1000 apps is the strongest among all independent advertising platforms and provides a strategic advantage in the marketplace. Key reasons for Opera´s success in the marketplace include:

1. Opera´s proprietary mobile ad tech platform: This platform is highly effective at matching the audience an advertiser is trying to reach with the optimal publisher traffic, leveraging first party data from the publishers, third party data from external providers and data insights from Opera´s data management platform, ensuring that the right ad is delivered to the right consumer at the right time.

2. Opera´s 1:1 relationships with top app developers and media publishers: Opera's mobile ad technology powers monetization for some of the most frequently engaged mobile applications and websites globally, a number which continues to grow as result of Opera's ability to drive meaningful revenue to its publishers. Opera´s mobile video advertising inventory has high penetration among the top 1000 apps in the world, and its large scale of direct publisher SDK integrations enables Opera to sell unique in-app video inventory that is not readily available via other ad platforms in the market.

3. Opera´s global scale: Opera can offer advertising customers broad reach to more than 1 billion consumers (over 1.3 billion when including Opera´s O&O mobile properties). Moreover, Opera is able to offer its mobile advertising partners access to significant in-app inventory, including gaming apps with massive reach that account for the largest amount of consumer time spent within mobile applications. The amount of time spent plus level of engagement with the content results in a highly valuable environment for branded messaging. Opera powers monetization for some of the largest global gaming publishers, and continues to build specialized tools for deeper performance across gaming properties.

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

5. High service levels: These service levels are enabled not only by Opera's reporting and analytics tools, but also by its ad operations, creative and innovation teams. Revenues come from a broad spectrum of brand advertisers as well many of the top grossing app developers in the world who run performance-based campaigns with Opera.

IN 2015, OPERA MEDIAWORKS' REVENUE GREW

↑53%

THE INCREASING NUMBER OF PUBLISHERS SEEING A

$1 MILLION

RUN RATE SHOWS HOW WE CONTINUE TO CREATE MEANINGFUL VALUE FOR THE MOBILE PUBLISHER ECOSYSTEM.

2015 Highlights
2015 was a year of record revenue, profits and market share growth fueled by our leadership in Video, Performance, Programmatic and International expansion. Opera Mediaworks grew revenue 53% in 2015 over the prior year, and in 4Q15, mobile video advertising revenues comprised 61% of Mobile Advertising revenue vs. 50% 4Q14. Key highlights include:

Brand: Video and rich media are delivering results for brand clients. Proprietary technologies like Instant-Play™ video, and innovative, first-to-market products like native in-feed video and haptics have piqued advertisers' interest in achieving scale and driving results with Opera. From leveraging powerful data to accurately target audiences, to providing creative best practices and in-house design for brands, Opera is delivering effective and efficient media buys for the world's to brands looking to make an impact in today's top mobile charts..

Programmatic: Programmatic sales continued to grow with a 129% year over year increase in Q4 2015 over Q4 2014. Opera is positioned to become a leader in premium programmatic technologies and processes that balance brand safety for both publishers and advertisers, with automation, data targeting and, ultimately, high quality consumer marketing experiences that deliver real results.

Performance Advertising: Performance advertising is once again a strong point for Opera Mediaworks, with performance revenues growing 267% year-over-year. The performance sales team not only saw very strong campaign renewal rates, but it increased the number of clients altogether by 59%. The Performance business is thriving not only in the app install category but also in Brand Performance, a key growth area. Mobile developer budgets continue to increase as advertisers focus on executing more global campaigns and allocate budgets more towards rich and interactive formats including rich media and video. We achieved annual app install growth across all key regions including North America, EMEA, APAC, and LatAm driven by gaming, mobile-first and mobile-only customers.

Publishing/Monetization: Opera Mediaworks more than doubled its SDK penetration, reach and impressions in 2015. In-app mobile video continues to be a leading monetization product, and in 2015 we saw 85% year over year growth in the number of mobile app publishers who are earning at least $1 million dollars per year by working with us. The increasing number of publishers seeing a $1 million run rate shows how we continue to create meaningful value for the mobile publisher ecosystem.

International Growth: APAC saw record business in 2015 where mobile video continues to boom, and the Performance business shines in Greater China & Korea. EMEA has seen significant demand growth from key brand and agency partners. The region also launched its programmatic trading desk and grew Performance revenue. Latin America closed important strategic advertiser deals across regions and expanded deals with major brands.

2016 Vision
The focus in 2016 is to unite the teams around the world with one mission and vision, an aligned leadership team and an even greater focus on delivering outcomes for clients and partners.

Unifying Opera's technology platform for greater scale and efficiency for advertising and monetization needs, allowing us to scale business in future, is a key product initiative for 2016. Opera is also focused on building the next generation of immersive, interactive advertising in 2016.

Core focus areas for 2016 include:

- Continued growth: We're focused on further growing Performance advertising, Video, and Programmatic, and we're emphasizing APAC as a key growth region.

- Strategic launches: Some of the biggest products for the company to-date will be built in 2016 and will be launched throughout 2016 and 2017.

- Owned and Operated: We plan to work more closely with Opera Consumer Products to monetize global inventory for greater success.

OPERA FOR COMPUTERS

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

Since the first public release in 1995, Opera has continuously delivered browser innovation to desktop PCs. In 2015 several new improvements were added. With the full synchronization across different devices, Opera has brought its multi-device ecosystem into next level. Important speed improvements, such as the Turbo 2 compression technology, which offers page loading time improvements, made Opera even faster. Also, to increase user retention among advanced users, Opera implemented new productivity features, such as sidebar extensions.

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

Russia/CIS accounts for close to 40% of Opera´s desktop user base, which puts Opera in an attractive position vis-a-vis search and eCommerce partners, such as Google, Yandex and Booking.com, in this region. While CIS continues to be the key market, Opera for computers has recently experienced a strong growth in several western markets. The total number of monthly users in the US has grown by 37% in 2015. Overall, Opera has more than 1 million users in 10 countries around the world, including Russia, Brazil, India, Mexico, Germany and the United States.

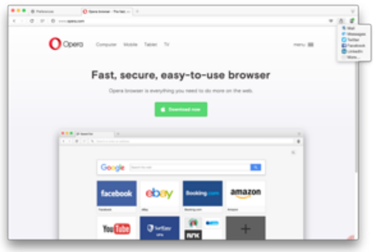
Opera's monetization strategy for its desktop browser revolves predominantly around search, which comes pre-configured on all of the Company´s desktop versions. Google and Yandex are Opera's key strategic search partners and provide the majority of the Company´s desktop monetization. These partnerships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

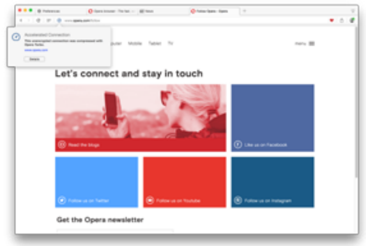
At the end of 2015, the number of Desktop users was approximately 59 million, up 7% versus last quarter of 2014.

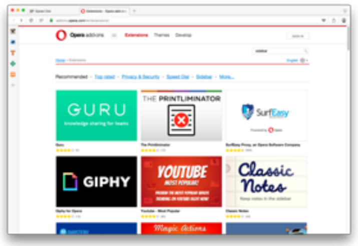
59 MILLION
DESKTOP USERS

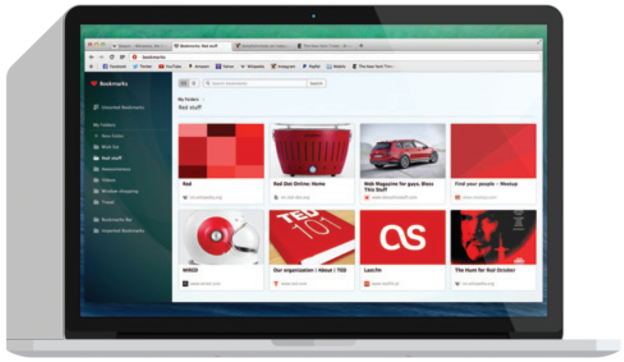
OF OPERA´S DESKTOP USER BASE, RUSSIA/CIS ACCOUNTS FOR CLOSE TO

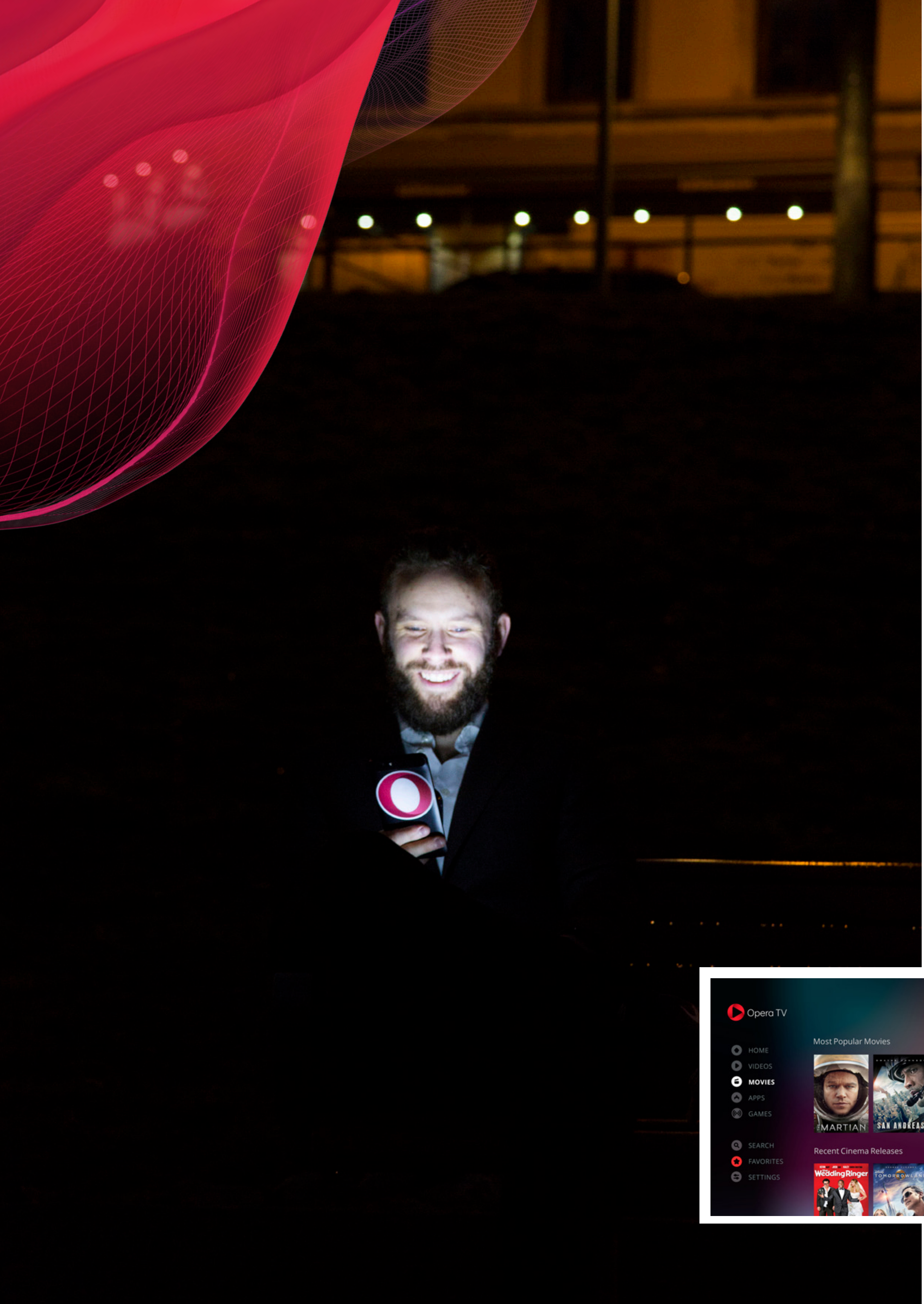
40%











TECH LICENSING

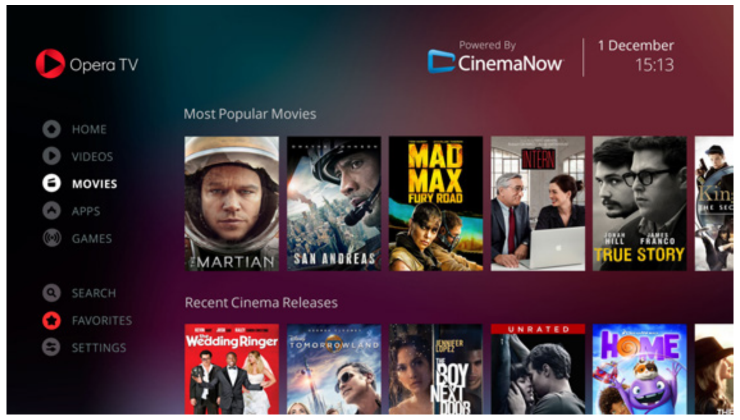
OFFERS NEARLY

1000

HIGH-QUALITY, EASILY NAVIGATED TV APPS FROM POPULAR VIDEO CONTENT PROVIDERS.

OPERA TV 2.0

- The new Opera TV 2.0 brings video content to the forefront, offering greater content personalization and an enhanced understanding of consumer preferences.
- Opera TV 2.0 is a managed cloud solution that provides a wide selection of popular OTT content - including video channels and clips, movies, apps, games and live TV.
- Enhancing the HD viewing experience, Opera TV 2.0 allows consumers to engage, favorite and enjoy HD content on their biggest screens.
- Opera TV 2.0 comes with fully integrated support for video advertising. Built on Opera Mediaworks ad-serving and mediation platform, a robust and scalable advertising infrastructure used by more than 19,000 sites and apps across smartphones, tablets and connected TVs, and reaching 1.1 billion users worldwide.



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

Connected TVs

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

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

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

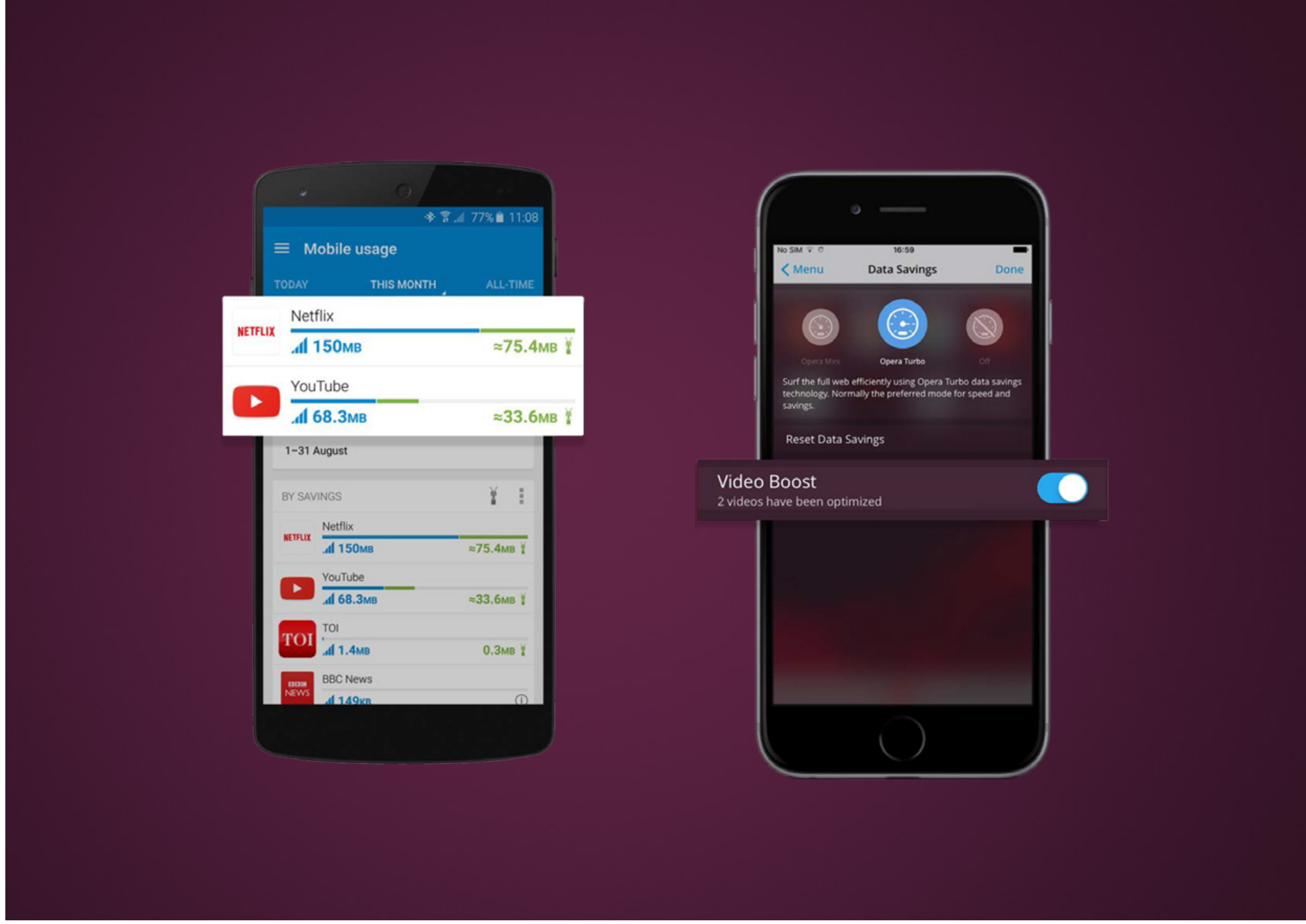
The Opera TV Store, an HTML5-based app store for connected TVs, set-top boxes and media players, offers a rich selection of nearly 1000 high-quality, easily navigated TV apps from popular video content providers. The Opera TV Store has also been enhanced with the ability to display ads, thereby enabling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

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

In 2015, Opera TV announced that Humax's new set-top boxes will be the first live deployment of its HbbTV 2.0 SDK. HbbTV 2.0 is based on HTML5, aligning it with modern internet standards, which enables broadcasters to offer their viewers advanced experiences for digital streaming over linear programming. Opera's HbbTV 2.0 SDK is built on top of Opera's TV SDK, which is highly optimized for Smart TV and set-top box hardware and supports a wide range of standards and use cases. The SDK brings the industry's latest HTML5 capabilities to TV, and includes Opera's Unified Video Architecture (UVA), which supports all major video streaming standards in use by content owners, allowing for playback of popular consumer OTT services.

In 2015, Opera TV launched on LG Smart TVs. Brands, broadcasters and content owners can now extend their existing online video channels and video content catalogs to LG Smart TVs at no extra cost, with Opera TV Snap, the breakthrough toolkit that generates Smart TV channels in minutes. The first phase of the Opera TV launch will include up to 18 channels in each country, with thousands of videos ranging from movies and TV series, music, sports, news, lifestyle, and nature and travel. More channels will be added periodically, representing a significant opportunity for video content owners to reach LG's vast audiences.

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



ROCKET OPTIMIZER

VIDEO ALONE IS EXPECTED TO COMPRISE CLOSE TO

70%

OF TOTAL MOBILE DATA TRAFFIC BY 2017.

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

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

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

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

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

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

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

In 2015, Opera announced the availability of two important new Network Function Virtualization (NFV) features: containers and cloud elasticity.

Opera's Rocket suite of analytics, optimization and monetization applications for service providers is already known for being first to market in virtualization, with deployments on virtual machines in the public and private cloud. Now, with the addition of containers and cloud elasticity, the Rocket platform can automatically scale in or out in less than a second, ensuring mobile operators have the capacity they need when they need it.

Container technology, with its shared Linux kernel resources, allows operators to pack many more Rocket Optimizer container instances on a host machine, which means efficient use of server hardware, power and an overall lower footprint. Additionally, each of these container instances can be instantiated, operational and performing its optimization, monetization, or analytics function in real time. These new NFV features are currently undergoing trials with a Tier-1 customer.

Elasticity allows Rocket applications to monitor resource utilization in real time. When available resources are insufficient to meet demand, new containers or virtual machines - depending on the deployment - will be requested and instantiated. Likewise, when demand is reduced and can be serviced with fewer resources, containers or virtual machines will be destroyed and their resources returned to the shared pool.

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


OPERA LET´S THE FUN
OF LIFE COME TO YOU

STANDING OUT FROM THE CROWD

Light up your digital life. That's what Opera is doing. And that's why we say; *do more*, to ourselves. The desire among today's users for richer web experiences is a call to arms, and we continue to rise to the challenge. We help people realize they have a choice. And, we show them how much better their internet experience can be, thanks to Opera.

Our products and solutions are rock solid. We're innovators. Big thinkers. We make great experiences that connect people to the internet anywhere, anytime. In short, it enables our users to *do more*.

But, the real reason to choose Opera is rooted in what we believe in. If you look beyond our products, you find an organization that is passionate about improving people's lives. The way we do this is by connecting our users to the internet. When you're connected to the internet, you have access to information. This leads to knowledge and empowerment. Together. At Opera, we challenge what is possible by empowering people to do more. We enable more people, in more places, to experience what matters, when it matters most.

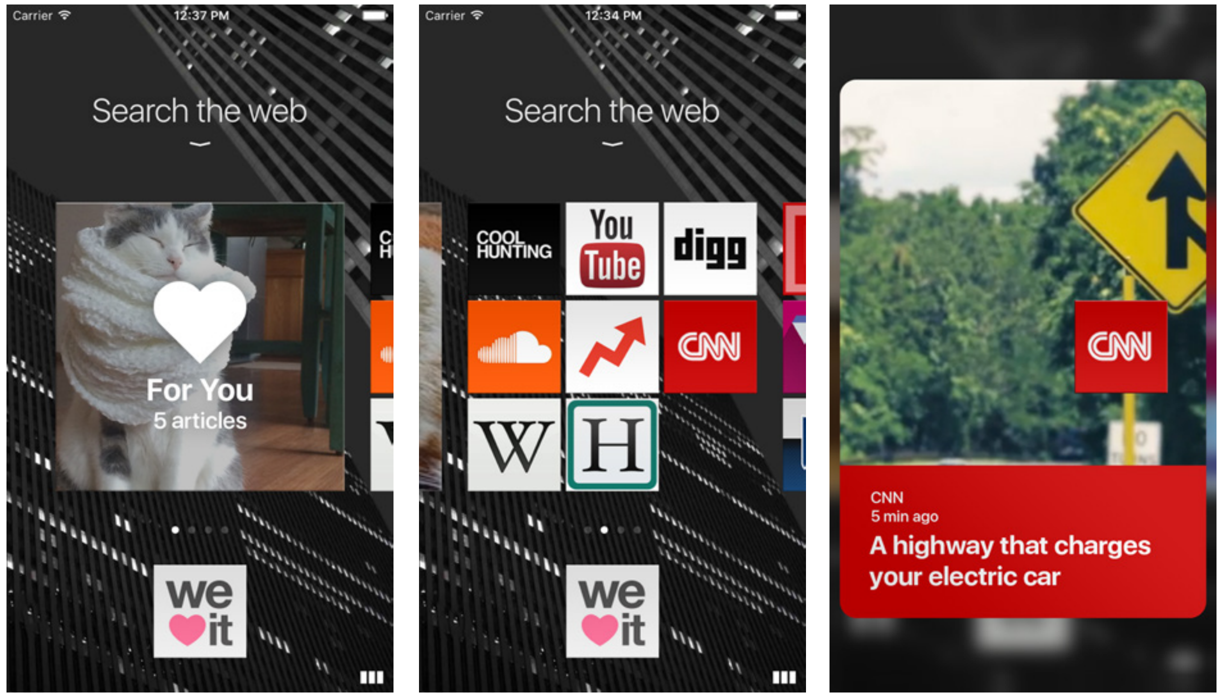
We have a great value proposition that solves real end-user concerns — connectivity speed, data cost and ease of use. Our products are consistently rated highly in app stores around the world. On annual basis, we have millions of glowing reviews, and we strive to answer every single one of the few that are not.

So, how do we communicate with our users? How do we attract them, and how do we keep them?

We use highly targeted PR and social media to generate awareness, targeting influencers, who then spread the word far and wide. In example, we run several campaigns with top segmented influencers and communities. This helps us deliver our message to millions of new potential users in various regions of the world, open new doors in countries where our brand is still developing, strengthen our social media presence and acquire high-performing users.

In the USA, we focus our influencer campaigns on the products most relevant to American users. Going into 2016, we have 350 million active users on a monthly basis across our consumer products portfolio. We also have a history of creative PR stunts, which we enjoy doing to build buzz in a non-traditional way. In Indonesia, where Opera has more than 30 million active monthly users, we work with celebrity brand ambassadors. Opera's value proposition is attractive for users in large countries like India and Indonesia.

In India, Opera reached 50 million users already in 2014, and we are now the third-largest mobile app after Facebook and WhatsApp. As a part of the celebartions, we even made Lars Boilesen dance in an Indian flash-mob. His Bollywood moves made headline news all over India and beyond. Opera's focus on connectivity speed, data cost and ease of use has been a proven success.



Working through partnerships
We leverage our operator and internet partners to open up new markets and to position Opera as a trusted friend to help get consumers online, manage internet costs, and keep them safe. On annual basis, we run more than 60 campaigns with operators and other partners globally, to build our brand and to drive growth.

We also work hand-in-hand with key mobile OEMs to preinstall Opera products and to do co-marketing. In the browser context, OEM partners like Micromax are a critical channel, as consumers most often simply use the browser that comes with their phones. Preinstallation also builds consumer trust that our apps are of high quality and endorsed by leading manufacturers, something that's very important to us.

Connect the unconnected
With the help of operators, we are working in another important direction: our social responsibility to educate newcomers to the internet. In emerging markets, it is our duty to educate these new users, giving them a solid foundation from which to discover the web.

In Indonesia, we partnered with Telkomsel in a nationwide campaign to bring internet to the "internet illiterate". Through this campaign, we empowered more than 1.5 million people to use the internet for the first time.

In Africa, Opera and Airtel Nigeria launched a free web pass for consumers looking for information on the Ebola virus. In Sierra Leone, the same service was made available by zero-rating a selection of websites that provide up-to-date information on the virus, its symptoms and how to avoid contracting it. In these "mobile-first countries", Opera was able to facilitate rapid access to critical information during a time of humanitarian crisis. Hundreds of thousands of Opera users have taken advantage of this free service.

We strive to give back to the community also by supporting initiatives to improve education for women and underprivileged children. We work with partners like the Smile Foundation in India, the YCAB Foundation in Indonesia and Telenor through their i-Gen initiatives.

Staying ahead of the game
What we know from our consumers in core markets is that speed is king, and therefore everything we do is built upon enabling people to reach their content as quickly, easily and cost-efficiently as possible. We offer unique propositions such as video compression and Sponsored Web Pass, which help us to differentiate on the product level.

One such unique product is Opera Coast, which has truly captured the imagination of our users wherever we go. It is loved for its silky ease of use, inspired design and its off-beat and irreverent branding. Previously exclusive to the iPad, we launched Opera Coast for the iPhone in April 2014. Opera Coast is Opera's highest-rated app in the App Store, with an average of 4.5 stars in Russia, the USA, Germany and many other markets. We even did what we thought impossible and got featured by Apple in the App Store.

We are only getting started. In 2015, we stepped up our digital marketing game further by adding marketing automation to our products that will improve onboarding to help convert more occasional users to everyday users, as well as providing a means for highly targeted and relevant cross-promotions to other Opera products.

Reach out and engage
Today, to build a brand that spreads, you need to work hard to ensure your customers are truly delighted. We aim to be a very approachable company, with the best customer care in the business and the highest level of social engagement.

We have chosen to share our various stories on Facebook, where we receive millions of comments, likes and shares on an annual basis. Wee tweet frequently and our most popular tweets reaches several hundred thousand people. We write several houndred blog articles in a year and, in return, achieve close to 20 million visits to our blog page.

So, how does Opera go into 2016? As we celebrate our 20th anniversary as a company, we have more than 350 million users across mobile and desktop. Brand awareness in our core markets is high: over 80% of consumers know the "O". We are also incredibly grateful to have achieved the highest consumer loyalty among any of our competitors when users switch to new phones. We have millions devoted fans globally, who are engaged in the Opera brand and help us spread the word. And, we will keep working with over 250 co-marketing partners — from OEMs, to operators, to internet companies — to keep connecting people to the internet and delivering web experiences that delight.

MEET OUR NEW BRAND IDENTITY

1995 2004 2009 2013 2015

At the end of 2015, Opera unveiled our new brand identity. We have introduced a new look and feel. But, it's more than just a logo shift.

Opera has evolved a lot since we started our journey as a browser company 20 years ago. Today, we serve over a billion internet users every month, between the 350 million people around the world experiencing the internet through our apps and services and the 1.1 billion people we reach through Opera Mediaworks.

So, after 20 years, we decided it was time to develop a new and consistent brand identity that reflects what Opera is about:

We want to enable more people, in more places, to experience what matters, when it matters most.

Do more with the new "O"
The cornerstone of Opera's new brand identity is our redesigned logo. It still preserves the good ol', familiar red "O". But, just as our products are about more than technology, the new logo stands for more than the first letter of our company name.

We envision Opera's new logo as a portal quickly connecting you with what you're looking for on the web. The 3-dimensional "O" symbolizes a gateway that leads you to more: more content, more discoveries, more answers, more communication, more fun, more data savings, more of life – whatever you seek online, Opera helps you do more!

From "Opera Software" to "Opera"
With the extended Opera family and our ever-expanding range of products and services, we feel we've grown beyond the bounds of a software company. Today, we see Opera more as an internet company providing great experiences online. To reflect this, we have dropped the "Software" from our logo.

How we worked on it
A new brand identity is more complex than colors, icons and fonts. It is a system that unites the goals, the products and the history in an easy-to-communicate way.

Building that system has involved a tight collaboration between Opera's in-house creative team and two independent agencies – U.K.-based DixonBaxi, who helped us define the global brand and creative strategy, and Anti from Norway, who worked with us on the visual identity. It's been an intense, exciting journey lasting about a year.

The new "O" first rolls out on mobile phones
Recently, we revealed the new identity and updated icon for our flagship product Opera Mini on the iOS platform. Our subsidiary mobile-advertising company Opera Mediaworks also launched a fresh, new look.

Opera never stands still, so it was really important for us to make our new brand something that could endure and grow with us. We have new solutions and products in the pipeline, and we want them fit into the new identity organically.

Throughout a period of several months, the new brand has been rolled-out across the Opera family, including our entire product portfolio. Opera for Android, Opera Mini for Android, Opera Mini for Windows Phone and Opera for computers are next in line for the change, within the next few release cycles. This has included a revamp of the icons and logos for our data-management app Opera Max, the Opera Coast browser for iOS and our other apps.

THE NEW "O" ON MOBILE PHONES

- Opera´s new identity and updated icon is tailored for mobile devices, including our flagship product Opera Mini on the iOS platform. As a part of the new brand identity, our subsidiary mobile-advertising company, Opera Mediaworks, also has launched a fresh, new look.TVs, and reaching 1.1 billion users worldwide.

IT'S ABOUT OUR PEOPLE

More than ever, the people and the culture forms the brand and perception of a company. At Opera, we believe that we can make a difference. From developers, sales representatives and marketing specialists to our administrative staff, Opera has a highly dedicated, international team, working together to produce the most innovative web technologies.

Our goal is to be a place where the best and brightest minds of the IT and advertising industry come together to solve complex challenges and to deliver highly innovative products and services to our customers, partners and end users. We take pride in delivering only the best, and we challenge each other to come up with new solutions every day.

Opera's recruitment process is unique and thorough. We emphasize hiring the best talent for the job. Building an international, engaged workforce is our utmost priority in all our offices. Relocation, accommodation, work permits and other formalities are taken care of to make sure we always can recruit from all over the globe. We take pride in making sure that all our hires get on board and up to speed quickly. To ensure the on-boarding process is even smoother, we assign not only a regular mentor, but also a social mentor.

Once aboard, we see that our people flourish with on-the-job training, and we constantly challenge people by giving them new tasks and projects. We believe that sharing knowledge and working together is key to each person's professional and personal growth. We provide tools and resources online and via our learning portal, and we nurture a sharing culture through our opera:talks, given in different offices around the globe.

Through the Bridge the World exchange program, we give our staff members the opportunity to work in a different office for a temporary period. The program not only allows our employees to gain international experience and to develop both personally and professionally, but also strengthens the bond across our offices.

A day at Opera is never the same, because of the constant change and fast pace of the IT industry. The competitive landscape of yesterday is different tomorrow, and we must always strive to be ahead of the wave, or even anticipate the change before it happens. At Opera, we are the type of people who live for being ahead of that curve and acting swiftly when the shift is about to happen. The ability to work in such an exciting industry is especially alluring for the technically focused and highly motivated individuals Opera caters for.

Our flat structure encourages continual discussion and dialogue about innovative products and solutions. Employees are given highly demanding and challenging tasks from day one, and their input is highly valued. Our internships and traineeships are the same – if you are an Opera staff member, we offer you the tools and the resources, and we challenge you to reach out to your team to deliver astounding results.

In this highly dynamic work environment, we also encourage our employees to take care of their family and friends by offering flexible policies that encourage us all to recharge our batteries to stay on top of our game at work. One of our most famous policies is the two-week leave for fathers at the birth of a child, but we see it as just as important to have an individual and flexible approach in all our internal people policies.

We work closely to innovate with our human resources policies in dialogue with our staff — in the same way we always seek a fresh new approach for our products and services. Our goal is to create a fun, inspiring and challenging workplace, where we all can thrive and excel.

350 MILLION
MONTHLY ACTIVE USERS
OF CONSUMER PRODUCTS

OPERA MINI COMPRESSES UP TO
90% AND IT GIVES **10x** VALUE OF YOUR DATA PLAN

510 MILLION DOWNLOADS GENRERATED VIA THE OPERA MOBILE STORE AND OPERA'S OTHER APPS AND GAMES DISCOVERY PROPERTIES

ACCORDING TO A SURVEY AMONG
OPERA MINI USERS IN INDIA **75%**
OF RESPONENTS RATED **DOWNLOADING** AS AN **"IMPORTANT"** AND **"VERY IMPORTANT"** FEATURE

OPERA IS ABLE TO OFFER PUBLISHERS ACCESS TO
65/100
OF THE TOP GLOBAL ADVERTISERS AND DEMAND RELATIONSHIPS WITH **85/100**
OF THE TOP GROSSING APP DEVELOPERS IN THE WORLD

144
MILLION
ANDROID USERS

OPERA WORKS ON MORE THAN
3,000 **PHONE** MODELS

59 MILLION
DESKTOP USERS

THE OPERA MOBILE STORE OFFERS OVER
300 000
APPLICATIONS

MAPPING UP A NEW ERA

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 is able to serve mobile advertisers and publishers all over the planet, with the ability to deliver advertising scale both locally and globally. With a local presence from Brazil to the United States, Opera enables the world´s top brands and agencies to reach the right customer, at the right time, in the right place and on the right device.

OPERA
HAS MORE THAN
1 MILLION USERS
IN 45 COUNTRIES
AROUND THE WORLD

THE FUTURE IS BRIGHT

INVESTOR RELATIONS

INVESTOR RELATIONS POLICY

Communication with shareholders, investors and analysts, both in Norway and abroad, is a high priority for Opera. The company's objective is to ensure that the financial markets have sufficient information about the company in order to be able to make informed decisions about the company's underlying value. Opera arranges regular presentations in Europe and the United States and holds frequent meetings with investors and analysts. Important events affecting the company are reported immediately.

KPI *[2011-2015]*	2011	2012	2013	2014	2015
Revenue ($ million)	159.8	216.0	300.1	480.8	615.9
Adjusted EBITDA* ($ million)	47.4	63.5	86.6	118.0	108.0
Operating cash flow ($ million)	36.7	37.6	49.5	58.6	56.0

Company	Analyst	Telephone
ABG Sundal Collier ASA	Alexander Høst	+47 2201 6098
	Oscar Semb Fredricsson	+47 21 01 32 89
Arctic Securities ASA	Henriette Trondsen	+47 21 01 32 84
Carnegie ASA	Håvard Nilsson	+47 22 00 93 78
Danske Securities ASA	Martin Stenshall	+47 8540 7073
DnB NOR Markets	Christer Roth	+47 2416 9181
Enskilda Securities ASA	Fredrik Thoresen	+47 2100 8554
Fondsfinans	Erik Hjulström	+47 23 11 30 64
Jefferies	David Reynolds	+44 (0) 207 029 8694
Handelsbanken	Daniel Djurberg	+46 8 701 55 75
Morgan Stanley	Sid Mehra	+44 (20) 7425 2686
Norne	Karl-Johan Molnes	+47 97 47 60 64
Pareto	Fredrik Steinslien	+47 24 13 21 54

* NON-IFRS EBITDA EXCLUDES STOCK-BASED COMPENSATION EXPENSES, EXTRAORDINARY/ONE-TIME COSTS AND ACQUISITION RELATED COSTS.

START	END
101.4 NOK	50.55 NOK

Event Name	Date	Location
Berenberg European Conference USA 2015	19 May, 2015	New York
Berenberg TMT Conference	27 May, 2015	Zurich
Handelsbanken's Nordic Mid/Small Cap seminar	3 June, 2015	Stockholm
ABG Spotlight on Nordic Opportunities seminar	9 June, 2015	Frankfurt
GS 3rd Annual European Payments Conference	10 June, 2015	London
EQUITA European conference	18 June, 2015	Milan
DNB Nordic TMT Conference	18 August, 2015	Oslo
DNB Markets Nordic Ideas Seminar	24 September 2015	Oslo
Carnegie Small & Mid Cap Seminar 2015	2-3 September, 2015	Stockholm
Fifteenth annual Morgan Stanley European Technology, Media & Telecoms Conference	11-13 November, 2015	Barcelona

SHAREHOLDERS WITH OVER 1% OWNERSHIP

- Ludvig Lorentzen AS
- Folketrygdfondet
- Arepo AS
- Sundt AS
- Ferd AS
- Clearstream Banking S.A.
- Verdipapirfondet DNB Norge (IV)
- J.P. Morgan Chase Bank Luxembourg SA
- The Bank of New York Mellon SA/NV
- State Street Bank and Trust Co.
- Statoil Pensjon
- Morgan Stanley & Co. LLC
- J.P. Morgan Chase Bank N.A. London
- The Bank of New York Mellon SA/NV
- Lazard Freres Banque
- State Street Bank & Trust Company
- Opera Software ASA
- SEB Enskilda Securities AB
- Credit Suisse Securities

SHAREHOLDERS

2014		2015
56.7%	Norway-based accounts	66.9%
14.8%	U.K.-based accounts	8.9%
9.9%	U.S.-based accounts	8.0%
18.6%	Accounts based elsewhere	16.2%

EXECUTIVE TEAM

Chief Executive Officer, Lars Boilesen
Mr. Lars Boilesen is the Chief Executive Officer at Opera Software ASA, a position he has held since 2010. Mr. Boilesen has extensive experience in the software and tech industry and has held executive positions in various corporations prior to his joining Opera. He was Executive Vice President of Sales & Distribution at Opera Software ASA from 2000 to 2005, and served on the Board of Directors of Opera Software ASA from 2007 to 2009.

From 2005-2008 he was Chief Executive Officer for the Nordic and Baltic Region at Alcatel-Lucent. Mr. Boilesen started his career in the LEGO Group as Sales and Marketing Manager for Eastern Europe. After that, he headed the Northern Europe and Asia Pacific markets for Tandberg Data. He has been on the Board of Directors of Aspiro AB since May 2009 and currently serves as Chairman of the Board of Directors at Cobuilder AS.

Mr. Boilesen holds a Bachelor's Degree in Business Economics from Aarhus Business School, and postgraduate diploma from Kolding Business School.

CCO, Andreas Thome
Andreas Thome joined Opera in 2007, when he took on a role as Senior Vice President of Sales & Marketing for 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 of Science degree in Project Analysis, Finance & Investment from University of York (U.K.) and Master of Science and Bachelor's degree in Economics from University of Oslo.

Chief Financial Officer / Chief Strategy Officer, Erik C. Harrell
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.

CEO Opera Mediaworks, Will Kassoy
Will Kassoy is the Chief Executive Officer of Opera Mediaworks, the largest independent mobile ad platform in the world. A fully-owned subsidiary of Opera ASA, Opera Mediaworks delivers the highest-quality brand experiences with real outcomes.

Mr. Kassoy joined Opera in 2014 through the acquisition of AdColony. As CEO of AdColony, Mr. Kassoy ran the industry's leading HD mobile video advertising platform working with Fortune 500 brands and more than 85% of the world's top grossing app developers.

Prior to joining AdColony, Mr. Kassoy served over 13 years at Activision Blizzard where he was Senior Vice President, Global Brand Management leading Activision's global marketing organization inclusive of brand management, media, creative, research, communications and business development. Prior to joining Activision, Mr. Kassoy held roles at The Walt Disney Company, AIA (Paris, France based consulting firm in artificial intelligence) and began his career at Capitol Records/EMI.

Mr. Kassoy holds a BA in Economics/Business from the University of California, Los Angeles.

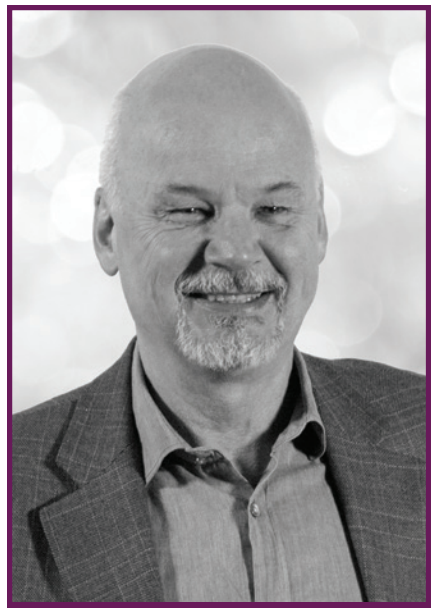
LARS BOILESEN, CEO

ANDREAS THOME, COO

ERIK C. HARRELL, CFO/CSO

WILL KASSOY, CEO OPERA MEDIAWORKS

THE BOARD OF DIRECTORS


SVERRE MUNCK, CHAIRMAN


AUDUN WICKSTRAND IVERSEN, MEMBER


MARIANNE BLYSTAD, MEMBER


ANDRÉ CHRISTENSEN, MEMBER


SOPHIE-CHARLOTTE MOATTI, MEMBER


MALIN RUNDBERG, EMPLOYEE REPRESENTATIVE


ERIK MÖLLER, EMPLOYEE REPRESENTATIVE


CHRISTIAN URIBE, EMPLOYEE REPRESENTATIVE

Chairman, Sverre Munck
Sverre Munck is an investor and professional board member. He has 20 years of experience from the media and internet industry as Executive Vice President at the Schibsted Media Group. Prior to joining Schibsted Sverre Munck i.a. was a consultant at McKinsey & Co as well as the Norwegian Finance Ministry. He received his B.A in Economics from Yale University, and his PhD from Stanford University. He currently sits on the Digital Advisory Board of TAMEDIA AG in Switzerland, as well as several start up companies in Norway.

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, Marianne Blystad
Marianne Heien Blystad is an Attorney at Law with the law firm Ro and Sommernes in Oslo. Apart from her legal experience she has long time experience from corporate banking, shipping and offshore from both Norway and the USA. She currently holds directorships with Eksportfinans ASA, Edda Utvikling AS and Songa Shipping. Ms. Blystad holds a business degree (Siv.Øk.) from the Norwegian School of Business and Economics, (Handelshøyskolen BI) and a Law degree from the University of Oslo.

Member, André Christensen
André Christensen has extensive strategic and operational experience from the Media, Internet, High Tech industries across Europe, North America and Asia from the last 20 years. He is currently co-owner and Chief Operating Officer with the IPTV service provider QuickPlay Media based in San Diego/Toronto. Prior to this he was the SVP Business Operations and Strategy at Yahoo globally after 12 years with McKinsey & Company as a partner establishing and leading the Business Technology practice in Canada as well as the Global Operating Model service line worldwide. He has also been a successful entrepreneur and holds a MSc/DiplKfm degree from University of Mannheim.

Member, Sophie-Charlotte Moatti
SC Moatti dedicates her time and energy helping companies succeed with mobile. While serving as an executive at mobile pioneers like Facebook, Trulia and Nokia, SC launched and monetized mobile products that are now used by billions of people and have received prestigious awards, including an Emmy nomination. Today, she runs Products That Count, an organization that advises businesses on how to leverage mobile technology. She also serves on boards of both public and private companies, including mobile technology giant Opera Software (OPERA:Oslo). She is the author of mobilized, an insider's guide to the business and future of connected technology, and speaks frequently at conferences. She lectures on mobile and innovation at Stanford University, where she earned her MBA and has a Master of Science in electrical engineering. For more information, visit scmoatti.com.

Employee representative, Malin Rundberg
Malin Rundberg joined Opera Software in 2006 as Team and Project Manager for Opera Mini. She has worked with a large variety of projects for development and enhancements, as well as customer deliveries within Opera Mini and Opera for Android. Prior to joining Opera, Malin worked at IFS World Operations for 10 years as Project Manager mainly for the Financial application. Over 2.5 years, she was responsible for implementing the Brazilian localization of the application, living in Brazil during this period. Malin was educated at Linköping University, where she studied System Analysis Program and Economics.

Employee representative, Erik Möller
Erik Möller is an experienced software engineer and technical leader. Prior to joining Opera Software in 2009 he spent 14 years in the computer games industry in various leadership roles. Erik is currently employed as Director of Engineering, Mobile and leads the engineering organisation building the Opera for Android browser.

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

"2015 was an eventful year for Opera"

REPORT FROM THE BOARD OF DIRECTORS

2015 was an eventful year for Opera. Opera´s market position among mobile consumers as well as mobile publishers and advertisers experienced a meaningfull growth during the year.

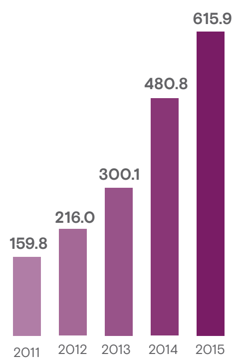
In 2015, Opera grew our smartphone user base from 135 million to over 150 million, total Opera monthly consumer users exceeded 350 million, our ad technology powered 25,000 websites and applications, up from 18,500 a year ago, our total mobile audience reach increased from 1 billion consumers to more than 1.3 billion, and we launched a range of new products for computers, mobile phones and tablets.

In 2015, nearly 68% of our total revenue came from mobile advertising. In addition, revenue related to our mobile businesses comprised over 86% of total revenue and total mobile revenue growth was 35% in 2015 vs. 2014. This growth came both from existing operations and from including AdColony for all of 2015.

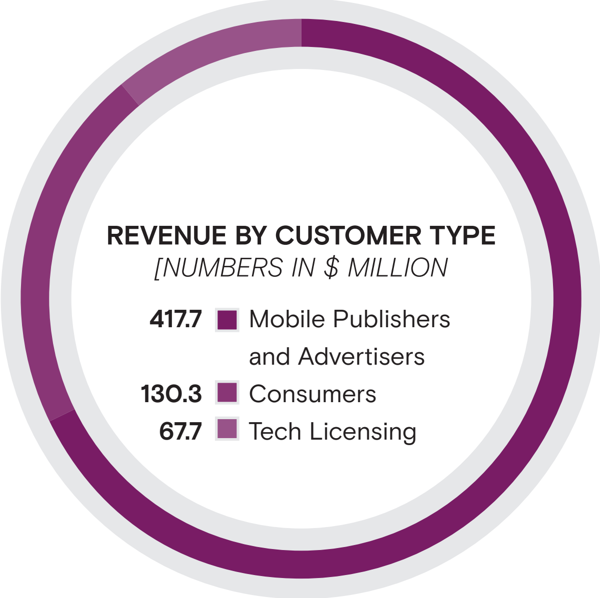
Financial Summary
Opera´s operating revenues grew by 28% to $615.9 million in 2015 (2014: $480.8 million). Operating expenses, excluding one-time costs, increased by 30% to $570.9 million (2014: $440.0 million), with non-headcount expenses increasing primarily due to higher cost of goods sold or publisher-payout 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 $45.0 million (2014: $40.8 million), an increase of 10%. Profit before income taxes (including costs for restructuring the business) ended at $-28.8 million (2014: $-40.2 million). Income taxes were $22.4 million (2014: $18.0 million), and the profit for the period was $-51.2 million (2014: $-58.1 million). The loss in 2015 can to a large extent be explained by FX losses related to contingen considerations associated with acquisitions in 2014 and 2015, due to the strengthening of the USD versus the NOK and by the revaluation of contingent consideration associated with acquisitions in 2014 due to increased earnout expectations. Earnings per share were $-0.355 (2014: $-0.424), and diluted earnings per share were $-0.355 (2014: $-0.424).

Net cash flow from operating activities in 2015 totaled $56.0 million (2014: $58.6 million). Opera´s cash balance in 2015 versus 2014 was impacted positively primarily by proceeds from loans and borrowings of $90 million. Opera´s cash balance in 2015 versus 2014 was reduced by pre-tax losses, by $153.0 million (2014: $144.7 million) related to acquisitions, $7.5 million (2014: $14.1 million) related to capital expenditures, $16.0 million (2014: $11.5 million) related to R&D expenditures, $4.8 million (2014: $5.2 million) related to dividends and $26.2 million related to taxes paid (2014: $38.9 million). As of December 31, 2015, the Company had a cash balance of $97.7 million (2014: $138.2 million) and $150 million (2014: $60 million) in interest-bearing debt.

OPERATING REVENUE
[NUMBERS IN $ MILLION]



NEARLY
70%
OF TOTAL REVENUE CAME FROM MOBILE ADVERTISING



OVERVIEW

MORE THAN
350 MILLION
MONTHLY ACTIVE USERS OF CONSUMER PRODUCTS

BUSINESS OVERVIEW

Opera also helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 1 billion.

By the end of 2015, 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.

In addition, Opera, via our Mobile Publisher and Advertiser business, reached major milestones in 2015. By the end of 2015, the reach of Opera´s mobile audience via our publisher partners exceeded 1.1 billion, with more than 25,000 mobile applications and websites powered by Opera´s advertising technology platform. In addition, 60 billion ad impressions were 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) Consumer (which includes Mobile Browser, Apps and Games, Performance and Privacy Apps, Operator Co-branded Solutions and Desktop Browser) (ii) Mobile Publishers and Advertisers (Opera Publisher Partner Members), (iii) Tech Licensing (Connected TV, Operator and Consumer Internet Markets).

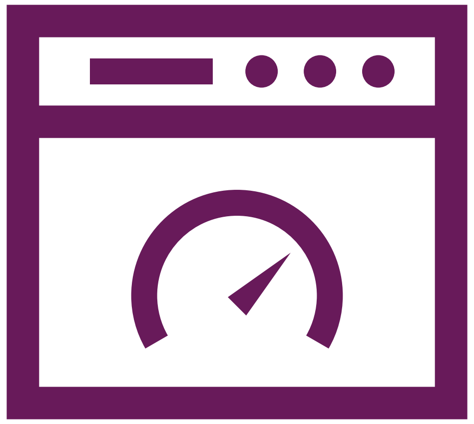
THE REACH OF OPERA´S MOBILE AUDIENCE VIA OUR PUBLISHER PARTNERS EXCEEDED
1.1 BILLION
WITH MORE THAN
25,000
MOBILE APPLICATIONS AND WEBSITES POWERED BY OPERA´S ADVERTISING TECHNOLOGY PLATFORM

Revenue

Opera´s operating revenues grew by 28% to $615.9 million in 2015 (2014: $480.1 million). Compared to 2014, 2015 had very strong growth from Mobile Consumers and Mobile Publishers and Advertisers (Opera Publisher Partner Members), flat revenue from Consumers and a decrease in revenue from Tech Licensing. Mobile Publishers and Advertisers (Opera Publisher Partner Members) was the largest source of revenue in 2015 ($417.7 million in revenue and 68% of total revenue), followed by Consumers ($130.6 million in revenue and 21% of total revenue) and Tech Licensing ($67.7 million in revenue and 11% of total revenue).

Mobile Publisher and Advertiser (Opera Publisher Partner Members) revenue grew 53%, compared to 2014. Revenue growth was driven primarily by increased revenue from premium and performance advertisers, "app-install"-driven spend primarily from the mobile gaming sector and, overall, from mobile video advertising. Consumer (Opera´s owned and operated properties) revenue was flat in 2015, compared to 2014, with revenue growth from Mobile Browser and Apps and Games in particular, offset by a decrease in revenue Operator Co-Branded solutions.

Tech Licensing revenue was down 13% in 2015, compared to 2014, with solid growth from Device OEMs offset by lower other licensing revenue.



OPERA MINI IS FASTER THAN THE COMPETITION, BECAUSE IT COMPRESSES UP TO 90 PERCENT OF THE DATA USED BY A NORMAL FULL WEB BROWSER DUE TO ITS UNIQUE PROXY-BROWSING TECHNOLOGY.

= 10x

OPERA MINI IS MUCH CHEAPER FOR CONSUMERS – BECAUSE 90 PERCENT COMPRESSION TRANSLATES TO AROUND A 10X MULTIPLICATION OF THE VALUE OF A DATA PLAN.

CONSUMER (OWNED AND OPERATED PROPERTIES):

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

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

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

Mobile Browser

Opera continues to maintain our position as a global leading mobile consumer company. In December 2015, 281.5 million unique users worldwide browsed the web using Opera´s mobile browser products. Of this 281.5 million, Opera had more than 50 million users in India, more than 27 million in Indonesia, and more than 27 million in Russia/CIS. Overall, Opera has more than 1 million users in 45 countries around the world, giving us important critical mass to build stronger local monetization partnerships and business alliances.

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

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

281.5 MILLION
UNIQUE USERS WORLDWIDE BROWSED THE WEB USING OPERA´S MOBILE BROWSER PRODUCTS IN DECEMBER 2015

OPERA HAS MORE THAN **1** MILLION USERS IN **45** COUNTRIES AROUND THE WORLD

OPERA MINI ON AVERAGE CONSUMED **14%** LESS BATTERY THAN OTHER MOBILE BROWSERS

APP INSTALLATIONS

OPERA DRIVES THE INSTALLATION OF OVER

500

MILLION APPS

QUARTERLY, MAKING IT THE 3RD-LARGEST APP-DISCOVERY SERVICE IN THE WORLD

Apps and Games

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

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

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

In 3Q15, Opera announced the acquisition of Bemobi, a leading subscription-based mobile-app-discovery service in Latin America. Bemobi offers a unique, “Netflix-style” subscription service for premium Android apps. Working with mobile operators, Bemobi’s proprietary app-wrapping technology allows smartphone owners access to unlimited use of premium mobile apps for a small weekly fee. Users pay for this service through their mobile operator billing systems, making the service highly effective in emerging markets, where credit-card and debit-card penetration is low.

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

OPERA MAX ALSO ENABLES CONSUMERS TO GET UP TO **50%** MORE OUT OF THEIR DATA PLAN BY COMPRESSING

VIDEOS, PHOTOS, MEDIA AND MORE ON AROUND

300,000

ANDROID APPS WITHOUT ANY NOTICEABLE LOSS OF USER EXPERIENCE QUALITY.

Performance and Privacy Apps

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

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

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

Opera´s SurfEasy product line provides simple-to-use solutions to help consumers protect their online privacy, security and freedom. SurfEasy´s popular VPN apps encrypt all of the data “in and out” of a consumer´s iOS, Android, Mac or PC device.

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

Operator Co-branded Solutions

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

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

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

Desktop Browser

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

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

RUSSIA/CIS CONTINUES TO ACCOUNT FOR CLOSE TO **40%** OF OPERA´S DESKTOP USER BASE

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

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

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 continues the partnership with e-commerce players such as Amazon.com (USA, Germany, Japan), Booking.com (64 countries), and Ozon (Russia) to further enhance the product´s ARPU.

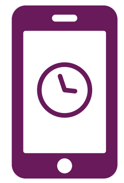
MOBILE ADVERTISING – THIRD-PARTY PUBLISHERS:

Helping advertisers to reach their target audiences 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, television and radio, to online channels, with mobile taking an increasing share of the online/internet medium. This macro shift from offline to online has been fueled by several factors, namely the increasing amount of time consumers spend online and on mobile devices, and the fact that digital advertising compared to traditional offline advertising enables much better targeting, provides opportunities for more user interaction, and provides better measurement capabilities.

The rapid growth in mobile advertising in particular is being fueled by a number of factors: (i) the dramatic increase in smartphone users to over 2 billion by the end of 2015, with smartphone users spending significantly more time engaged with their mobile devices than feature phone users; (ii) reach and "anytime-anywhere" access to users – there are more than 5 billion mobile phone users worldwide overall (compared to a little over 2 billion desktop users, for example); (iii) strong targeting characteristics – advertisers are able to glean meaningful amounts of aggregated information about mobile users, such as location, demographics and behavior; (iv) high performance and user response rates from Android and iOS smartphone devices in particular, which support highly interactive and entertaining ad formats due to advanced display technologies, strong graphics processors and fast processing speeds; (v) 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) rapid increase in 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 role in the advertising landscape:
Opera´s goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, with a focus towards consumer experience, privacy and providing value to the mobile ecosystem. We have long-standing relationships with our 3rd-party partners who include the world´s largest brand and performance advertisers, ad agencies, publishers, data and attribution platforms and application developers. Among Opera´s missions is be the highest quality mobile advertising platform in the world, delivering innovative brand experiences that evoke emotion and drive real outcomes fueled by data, technology and creativity.



SMARTPHONE USERS **SPENDING** SIGNIFICANTLY **MORE TIME** ENGAGED **WITH** THEIR **MOBILE DEVICES** THAN FEATURE PHONE USERS

Our 1.1B user reach and SDK footprint in the top 1000 apps is the strongest among all independent advertising platforms and provides a strategic advantage in the marketplace. Opera´s aim is to grow our market advantage via:

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

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

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

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

Q4 was also a leadership transition for the Opera Mediaworks division. Effective December 7, 2015, Will Kassoy took over as CEO of Opera Mediaworks. Kassoy previously served as CEO of AdColony, acquired by Opera Mediaworks in 2014.

As our mobile advertising business enters a new phase of its growth and evolution, Opera is confident that Will Kassoy will ensure that Opera Mediaworks continues to be a highly valuable partner for global publishers and advertisers. Our priorities include a complete platform integration and a unified, world-leading offering to our customers across both video and display advertising.

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

Why Opera is a leader in the marketplace:
The five key reasons for Opera´s success in the marketplace with mobile advertisers are:

1. Opera´s proprietary mobile-ad tech platform: This platform is highly effective at matching the audience an advertiser is trying to reach with the optimal publisher traffic, leveraging first-party data from the publishers, third-party data from external providers and data insights from

25,000

APPS AND WEBSITES WAS POWERED BY THE OPERA MEDIAWORKS PLATFORM

OPERA´S PLATFORM AUDIENCE REACH FOR ADVERTISERS STOOD AT OVER

1.1 BILLION

Opera´s data-management platform, ensuring that the right ad is delivered to the right consumer at the right time.

2. Opera´s 1:1 relationships with top app developers and media publishers: Opera mobile ad technology currently powers monetization for some of the most frequently engaged mobile apps and websites globally, a number which continues to grow as result of Opera´s ability to drive meaningful revenue to our publisher customers. Opera´s highly differentiated and unique mobile video advertising inventory among the leading, top 1000 apps in the world, combines to deliver the most highly sought after ad units by mobile advertisers at scale. Opera is able to get meaningful amounts of both "first-call" access to publisher traffic (i.e., preferential access to high-value traffic which performs significantly better than more "remnant" inventory) and exclusive access to publisher traffic, which enables Opera to sell unique inventory that is not readily available via any other ad platform in the market.

3. Opera´s global scale: Opera can offer advertising customers broad reach to more than 1 billion consumers (over 1.3 billion when including Opera´s O&O mobile properties). Moreover, Opera is able to offer its mobile advertising partners access to significant mobile gaming inventory, which accounts for the largest amount of consumer time spent within mobile apps; the amount of time spent plus level of engagement with the content results in a highly valuable environment for branded messaging. Opera powers monetization for some of the largest global gaming publishers and continues to build specialized tools for deeper performance across gaming properties.

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

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

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

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

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

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

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

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

5. Programmatic Offering - In addition to Opera´s more managed service offerings, via the Opera Mediaworks Ad Exchange (OMAX) programmatic buying solution, Opera offers a real-time-bidding (RTB) platform that brings advertisers, ad networks and agencies together with mobile publishers and app developers for an efficient, automated media buying and selling experience. Through OMAX, publishers have access to a range of demand-side platforms (DSPs), facilitated by new audience segmentation and expanded targeting capabilities, designed to improve monetization of publisher properties. Publisher customers can also choose the option of setting up private marketplaces for their inventory, which brings in diverse demand sources while still maintaining publisher control.

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

TECH LICENSING:
Driving new services and revenue streams

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

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

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

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

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

CORPORATE OVERVIEW

Organization
At the close of 2015, the Company had 1,671 full-time employees and equivalents, compared to 1,458 full-time employees and equivalents at the end of 2014.

Board of Directors composition
At the Annual General Meeting on June 2, 2015, Sverre Munck was re-elected as the chairman of the Board of Directors, Sophie-Charlotte Moatti was elected to the Board of Directors and André Christensen, Audun Wickstrand Iversen, and Marianne Blystad were re-elected to the Board of Directors. In addition, three employee-elected representatives have seats on the Board (Christian Uribe, Malin Rundberg, 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 30, 2014, 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

Creating a responsible and sustainable business is an integral part of everything we do at Opera. We are committed to the highest standard of social responsibility and believe that transparency and openness are key elements in obtaining a sustainable and responsible operation.

In this report we describe Opera´s effort and results related to corporate social responsibility (CSR). Our CSR work is focused around four key areas: Our employees, a global social commitment, anti-corruption and the environment.

Opera has implemented the following guidelines and reporting schemes to ensure a high ethical standard throughout the organization.

Our vision
Opera´s vision is the foundation and goal for all business conducted at company. The vision should guide us and our everyday choices should reflect it.

We are shaping an open, connected world.

- We champion an open internet.
- We strive to bring the web to everyone.
- We enable content and commerce.
- We create value through partnerships.
- We shape with love and craftsmanship.

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.

Our culture is playful, people-centric and innovation-driven, and our goal is to improve communication for the benefit of everyone.

Ethical Code of Conduct
The Ethical Code of Conduct is created to help employees, clients and business partners understand Opera´s values and standards. Opera´s reputation is created by the conduct of each individual staff member; therefore, all staff members are obliged to familiarize themselves with the Ethical Code of Conduct when joining the company.

The Ethical Code of Conduct focuses on the following key areas: the rights and obligations of our employees, a healthy and safe working environment, anti-corruption and the external environment.

A violation of the Ethical Code of Conduct may result in disciplinary action, up to and including termination of employment. Several of the guidelines concern actions that are also punishable offenses. The Human Resources department is responsible for following up any possible breaches. In 2015, Opera had no terminations of employment due to Ethical Code of Conduct.

Our commitment to the UN Global Compact
Opera is a proud signatory to the UN Global Compact (UNGC). UNGC is a global reporting initiative where businesses around the world report on progress and challenges in their work with human and labor rights, the environment and anti-corruption.

In our annual report to the initiative, the Communication on Progress, we describe our commitment, implementation and outcomes with regard to the UNGC principles. We continually strive to make the principles a part of our strategy, culture and day-to-day operations.

For more details on our commitment to to the UNGC, please go to:
https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/136121

1. OUR EMPLOYEES
Opera´s success and innovation springs from the minds and teamwork of its employees. Our employees are our most valuable resource and we are committed to 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.

Equal opportunities and non-discrimination
Opera strongly condemns discrimination. We believe that people should be treated with respect and insist on fair, non-discriminative treatment, regardless of irrelevant factors such as nationality, political views, religion, sexual orientation and gender.

We promote cultural diversity and we are proud to have more than 50 nationalities represented

1,671

FULL-TIME EMPLOYEES AND EQUIVALENTS, WITH MORE THAN

50

NATIONALITIES REPRESENT

AND BY THEM THE GENDER BALANCE IS

25.4% 74.6%

IN ADDITION, OPERA HAS A LOW SICK LEAVE, WITH AN AVERAGE OF

2.95%

within the company. We pride ourselves on being an international organization, where innovation and teamwork take place across borders and time zones.

We continually work to improve the gender balance in the company. At the end of 2015, 25.4 % of our staff were women. In addition, Opera´s Board of Directors included three female members.

Opera seeks to promote and encourage our female leaders. As an example, several of our female leaders are or have been part of the leadership program Female Future, a leadership and boardroom competence development program for female leadership talents.

The principles of equal opportunities and non-discrimination are present throughout the organization and in all company activities. When recruiting, we use assessment methods such as programming tests and test cases to give equal opportunities to all qualified applicants. Similar approaches are exercised when promoting, offering training opportunities, etc.

We aim to give equal opportunities to employees in both their work and personal lives. 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.

Labor rights at Opera
Opera respects and observes the fundamental labor rights set out in the international conventions, such as the conventions of the International Labor Organization and the United Nations.

We respect the freedom of assembly and association with others, including the right to form and join labor unions. Several Opera employees are organized in labor unions. We ensure an ongoing and open dialogue with the unions through regular meetings and discussions.

Health and safety
At Opera, we strive to offer our staff members a safe, healthy and inspiring work place. We have a highly international workforce, where we combine the responsiveness of a flat structure with an extreme focus on results and innovation. All employees are expected to comply with safety and health regulations that apply to our business activities.

Opera prides itself as being a family oriented company. We emphasize the importance of a healthy work-life balance, encouraging our employees to take time to focus on family and friends. This view is reflected in our family-friendly policies, such as our two weeks of leave at birth for fathers.

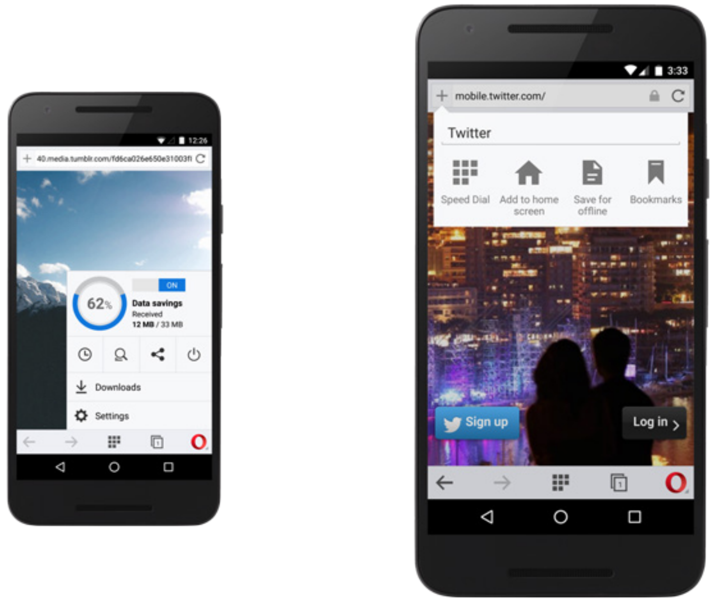
Discrimination on the bases of sickness or disability shall not occur at Opera. We work hard to meet all our employees´ needs - we offer shorter working hours and other services to accommodate our employees with disabilities our other particular needs.

Opera has a low sick leave, with an average of 2,95 % in 2015 .

In 2015, Opera had a global turnover of 21%, where 15% were voluntary and 6% were involuntary terminations.

There has been no reports of work related accidents or injuries in 2015.

Learning and developing at Opera
Opera´s success as a company depends on the success of each employee. It is very important for us to offer professional and personal growth to retain key talent.



In 2015, we continued our successful leadership programs Shape and Connect. Being a leader at Opera means leading highly skilled people in an innovative and diverse environment. This is a demanding task, with huge potential for personal and professional growth. To support our leaders at the various points in their career, we offer different and tailored programs.

The Shape program is a global training program tailored for the leaders of Opera. The goal is to lift the leaders, taking them away from the day-to-day business and giving them the opportunity to reflect, discuss, and get feedback on their strengths and areas of improvement as leaders. The Shape program spans over three face-to-face sessions, in three different locations around the world, each session lasting two days.

The Connect program is a program tailored for middle managers, offered locally in the different offices, including locations in the United States, Poland, Norway and Sweden. Connect is designed to help the front-line manager rise to the challenge of leading at Opera. This learning program is designed for new team leaders and managers, as well as managers who have been working in their role for a while but who have not received any prior management training.
All employees worldwide have access to the online learning portal, Opera Campus. Opera Campus offers a wide range of tools and activities, as well as the ability to upload and discuss their own content and training materials.

Employee representatives in the Board of Directors
Employees at Opera have the right and obligation to elect three employee representatives and five substitute representatives to the Board of Directors. The representatives are elected for a period of two years and participate in the Board on the same terms as the representatives elected by the shareholders. All staff members globally are eligible to nominate and vote in the election.

2. SOCIAL COMMITMENT
Our products enable access to the internet
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 globally. The cost of getting online is one of the biggest challenges for users worldwide. We want to help get the next billion users online. Our products make it possible to access the web from even the most basic phones. Our mobile browser, Opera Mini is our most important contribution towards achieving our goal of connecting more people to the internet. Today, we have hundreds of millions of Opera Mini users around the world, with a majority of them in developing countries.

Freedom of expression and the right to privacy
Through our products and services, we enable millions of people across the globe access to the internet. Freedom of expression and privacy are fundamental human rights. Opera strongly believes in these rights, and we will continue to strive to protect them for our users, employees, partners and stakeholders. The open internet has true potential as an open communication platform, enabling users to exercise their freedom of expression. Conversely, new technologies can be used to invade citizens´ privacy. Opera will take the required measures to protect our users´ basic right to privacy and freedom of expression.

Worldreader
Opera has teamed up with the non-profit organization Worldreader, which works to create a literate world. As they state on their website: "Literacy is transformative - it increases earning potential, decreases inequality, improves health outcomes and breaks the cycle of poverty (UNESCO). Yet there are 740 million illiterate people in this world and 250 million children of primary school age who lack basic reading and writing skills (UNESCO)."

Mobile plays a major role in enabling people access to content online – whether you´re researching, learning new things, checking the weather or catching up with friends and family. We´re now taking this commitment a step forward by partnering with Worldreader to help distribute free books and learning materials. With the Opera Mini mobile browser, we´re already helping to bring as many people online as possible by alleviating barriers like data limits and poor connectivity. And, now, it´s also making it easier to access these reading materials. Students in 58 countries can access read. worldreader.org with just one click, as it is built into one of the Speed Dial entries in Opera Mini.

Kon-Tiki 2

In 2015, Opera sponsored the Kon-Tiki 2 expedition. The expedition sailed two balsa rafts from South America to Easter Island, while documenting climate change, marine life and plastic pollution in the ocean. The path took the expedition through one of the largest garbage accumulation zones of the world oceans. Here the crew identified and quantified macro- and micro plastics from this accumulation. Opera´s own Chief Technology Officer traveled on the raft for 43 days.

3. ANTI-CORRUPTION

Opera abstains from and works actively to combat corruption and bribery. Corruption distorts economic decision-making, deters investment, undermines competitiveness and, ultimately, weakens economic growth.

There is no single, comprehensive, universally accepted definition of corruption. Therefore, each Opera employee must adhere to the existing laws and regulations in their country of operation. As a minimum, Opera´s internal regulations apply to all employees. Controls are made to ensure that the rules are followed. Opera has put in place internal guidelines to help employees in their day-to-day operations. The following is an extract of these guidelines.

Bribery

No person acting on behalf of Opera shall attempt to influence someone 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. This includes all forms of facilitation payments.

Correspondingly, no person acting on behalf of Opera shall request, accept or receive improper advantage in connection with his/her 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, credits, discounts, travel, accommodation and o ther services.

Insider trading

Opera employees are prohibited from trading in Opera securities based on information that is material, nonpublic information; that is, the public does not yet have access to this information, and this information may be deemed interesting for an investor to use when deciding whether to buy or sell securities. This rule also applies to other companies, where Opera employees may have access to such nonpublic information. Please note that even a tip to family and friends is considered illegal, if this should be used as a basis for buying or selling securities.

Gifts

It is a normal part of business life to exchange business courtesies, such as meals, transportation, recreation, facilities or small gifts. Such an exchange of business courtesies must always follow local laws and regulations and not put any Opera employee in the position of a sense of obligation to return the favor, compromise professional judgment or create the appearance of compromise or corruption. Opera employees should always check with their manager or the HR department, if in doubt, and consider whether the exchange of business courtesy would be acceptable if it should become publicly known.

No person acting on behalf of Opera is allowed to accept any amount of cash or cash equivalents (such as gift certificates or market securities and similar), regardless of sum. Correspondingly, cash or cash equivalents may never be offered by Opera employees as a business courtesy, regardless of sum.

Whistleblowing

Opera encourages freedom of speech and blowing the whistle on malpractice, fraud, illegality, or breaches of rules, regulations, and procedures or raising health and safety. Any Opera staff member making a whistleblowing report is protected from any repercussions, such as dismissal and other forms of reprisal. To secure an effective procedure, staff members may blow the whistle either in person or anonymously to the Work Environment committee.

To improve communication and ensure that issues do not escalate to the point where they become a whistleblowing case, Opera focuses on the following practices:

- 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 and possibility 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.

4. THE ENVIRONMENT

Opera understands the importance of supporting the environment and seeks to prevent any negative environmental impact our activities might have. Opera has incorporated its environmental policy as a part of the Ethical Code of Conduct.

Opera shall:

- Act according to environmental laws to limit the environmental burden on earth, air, water and ecosystem.
- Commit to using environmentally safe products in the workplace.
- Educate staff about company environmental regulations.
- Evaluate the consumption of energy and other resources to determine means of control.
- Ensure the development of environmentally protective procedures.

For several years, Opera has made data-center efficiency, low-power CPUs in our servers and procuring power from renewable energy sources key components of our hosting-expansion strategy. Our colocation agreements with data centers require the use of renewable energy and compliance with our power efficiency standard. Across all locations, we are 27% more efficient than the Uptime Institute industry average. Opera´s approach reduces the cost per transaction and the negative environmental impact of our company.

When purchasing servers and other larger infrastructures, we focus on reducing waste throughout the lifecycle of the product. New purchases are assembled at the factory and delivered with minimal packaging. We focus on using the equipment as long as it is efficient, often years longer than the original expected life. When used equipment is ready for retirement, Opera has entered into collaboration with Greentech, part of the Arrow Group, who buy and refurbish equipment, before they resell or recycle it.

Opera works actively to reduce the production of paper waste form our operations. Further, Opera has effectively removed all disposable cups and glasses from our offices. Instead, our employees receive a personal cup and water bottle upon joining the company. We encourage keeping the lights out after hours and in unused areas. We encourage the use of video conferencing, rather than extensive traveling.

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:

Business risk

Our international operations expose us to additional risks that could harm our business, operating results and financial condition.

In certain international markets, we have limited operating experience and may not benefit from any first-to-market advantages or otherwise succeed. In addition to risks described elsewhere in this section, our international operations expose us to other risks, including the following:

Changes in local political, economic, regulatory, social and labor conditions, which may adversely harm our operations. Restrictions on foreign ownership and investments, as well as stringent foreign-exchange controls that might prevent us from repatriating cash earned in certain foreign countries. Import and export requirements, tariffs, trade disputes and barriers, and customs classifications that may prevent us from offering products or providing services to a particular market and may increase our operating costs. Longer payment cycles in certain countries, and higher levels of payment fraud. Different employee/employer relationships, existence of workers´ councils and labor unions, and other challenges caused by distance, language, and cultural differences, making it harder to do business in certain jurisdictions.

Financial risk

The majority of the financial risk that the Opera is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations.

In 2015, approximately 82% of revenues were in USD, 9% in EUR, 2% in GBP 2% in BRL and 4% in other currencies; for expenses, approximately 65% were in USD, 15% in NOK, 4% in EUR, 3% in PLN, 3% in GBP and 14% in other currencies. Please note that some revenue numbers are impacted by changes in local currencies which are the basis for subsequent invoicing of customers in USD or EUR.

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.

In March 2015, Opera signed an agreement with DNB Bank ASA to increase the size our secured credit facility ("facility") from $150 million to $250 million, of which $60 million is a 3-year term loan and $190 million is a 3-year Revolving Credit Facility. The new facility is primarily secured through a share pledge in Opera Software International AS and floating charges over accounts receivable in Opera Software ASA and certain of its U.S. subsidiaries.

As of December 31, 2015, Opera had $150 million in interest-bearing debt, and the cash balance was $97.7 million (parent company: $7 million). Opera´s equity ratio was 41% (2014: 45%). 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 NOK 2 million 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 advisors, 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 customers and/or end users on Opera´s revenues and business could be significant. Loss of large customers 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 attract and retain 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 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.

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, 2015, Opera Software ASA had 145,636,085 outstanding shares. Total stock-based compensation expenses for employees in 2015 were $8.8 million (parent company: 2.5), compared to $11.3 million (parent company: 2.5) in 2014.

As of December 31, 2015, the Group´s equity was $354.9 million (parent company: $401.3 million).

Allocation of the annual profit
The total comprehensive income for the period for Opera Software ASA was $51.4 million in 2015. The Board of Directors recommends that no dividend be paid for the 2015 financial year. The dividend disbursement for 2014 amounted to approximately $4.8 million based on a NOK/USD exchange rate of 8.0. The Board proposes that of the 2015 total comprehensive profit, $104.1 million is transferred to other equity, and $-52.7 million is transferred to the translation reserve.

Going concern
In accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on the going concern principle.

Subsequent events
No subsequent events have occurred after the reporting date that would require the consolidated financial statements to be adjusted. For further information on subsequent events, see note 16 of the "Consolidated financial statements".

For further information, please see the announcements published on the Oslo Stock Exchange website (www.oslobors.no).

Share incentive program
At the Annual General Meeting in June 2015, the Board of Directors and the Company´s shareholders adopted a program for the granting of equity compensation in the form of restricted stock unit ("RSU") awards and stock options program to the executive officers and other employees of the Company (the "RSU Program").

The RSU Program can be summarized as follows (and as further detailed below):

- The program shall be approved by the Annual General Meeting on an annual basis, meaning that any approved program will be valid from the relevant Annual General Meeting and until the next Annual General Meeting.
- One RSU entitles the holder upon exercise to receive one share in Opera Software ASA, against payment of the par value of the share (currently NOK 0.02 per share). If and when RSUs vest, they will exercise automatically.
- The number of RSU´s to be approved shall not exceed 0.8% of outstanding shares on December 31st of the year preceding the relevant Annual General Meeting. Vesting of the RSUs can be time based and/or performance based.
- For the period from June 3, 2015, up to the Annual General Meeting in 2016, a maximum of 1,145,612 RSUs may be granted.

The Options Program can be summarized as follows (and as further detailed below):

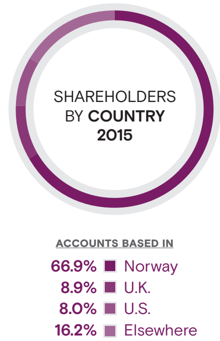
- The program shall be approved by the Annual General Meeting on an annual basis, meaning that any approved program will be valid from the relevant Annual General Meeting and until the next Annual General Meeting.
- One option entitles the holder upon exercise to receive one share in Opera Software ASA, against payment of the applicable strike price for the option. If and when options vest, they will exercise automatically.
- The applicable strike price for options will be the volume weighted average share price 5 trading days before and 5 trading days after the granting of the options.
- The number of options to be approved shall not to exceed 1.2% of outstanding shares on December 31st of the year preceding the relevant Annual General Meeting.
- For the period from June 3, 2015, up to the Annual General Meeting in 2016, a maximum of 1,718,419 options may be granted.
- Vesting of the options will as a main rule be time based, but individual performance criteria may be added.
- Options will normally vest 1/3 after 2 years, 1/3 after 3 years and 1/3 after 4 years.
- Recipients of options will be proposed by management, approved Opera´s Remuneration Committee through a delegation from the Board of Directors.
- Allocation of options to the CEO will be proposed by the Remuneration Committee and approved by the Board of Directors or by the Chairman of the Board of Directors, if the Board of Directors delegates this authority.

Stock Buyback Program
During 2015, Opera did not purchase any treasury shares.

Shareholders
As of December 31, 2015, there were 145,636,085 (143,201,613 as of December 31, 2014) shares outstanding. The Company had 6,628 (2014: 4,525) shareholders at year´s end. At that time, 66.9% (2014: 56.7%) of the shares were held in Norway-based accounts, 8.9% (2014: 14.8%) in U.K.-based accounts, 8.0% (2014: 9.9%) in U.S.-based accounts and 16.2% (2014: 18.6%) 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 of-

SHAREHOLDERS



fering 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 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.

STRATEGIC REVIEW
In August 2015 Opera announced that its Board of Directors, in response to strategic interest in the Company from a number of parties, initiated a process to evaluate and consider strategic alternatives for the Company, with the objective of further enhancing shareholder value.

On February 10, 2016, Opera announced that it had reached an agreement with Golden Brick Silk Road (Shenzhen) Equity Investment Fund II LLP, the general partner of which is Golden Brick Silk Road Fund Management (Shenzhen) LLP and the limited partners of which are Beijing Kunlun Tech Co. Ltd., Qihoo 360 Software (Beijing) Co. Ltd., and Yonglian (Yinchuan) Investment Co., Ltd. (collectively the "Consortium"), whereby Golden Brick will launch, through a directly or indirectly wholly owned special purpose vehicle (the "Offeror"), a recommended voluntary cash offer (the "Offer") for 100% of the shares of Opera. A cash consideration of NOK 71.00 will be offered per share, valuing the total outstanding share capital of Opera at approximately NOK 10.5 billion (USD 1.2 billion) on a fully diluted basis.

The Board of Directors unanimously decided to recommend to its shareholders to accept the Offer. In addition, the members of the executive team and the Board holding shares have entered into pre-acceptances to accept the Offer with respect to their shareholdings in Opera.

OUTLOOK
Opera remains positive about the Company´s overall growth prospects.

Within our mobile business, the Company continues to deliver a very compelling value proposition to our significant mobile browser base, providing a fast and data saving, and therefore cheaper, browsing experience. Opera´s strategy is to capitalize on its over 280 million mobile browser user base by building and expanding Opera´s owned and operated properties and monetizing these properties via primarily mobile advertising and search.

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

Within Opera´s Mobile Advertising (Third-Party Publisher) business, Opera expects to generate solid revenue growth from this business in 2016 compared to 2015, in particular from mobile video advertising, as Opera continues to ramp up revenue from brand and performance advertisers and app developers and expands into new geographies. Key focus areas for our mobile brand and performance businesses going into 2016 continue to be video, native advertising, programmatic and measurement solutions.

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

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

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
The company's operating revenues decreased by 14% to $170.1 million in 2015 (2014: 198.0). Solid TV revenue was offset by lower other Tech Licensing revenue, whilst growth from Mobile O&O, Apps & Games and Performance & Privacy Apps was offset by negative FX effects and declining co-Brand Revenue. Operating expenses decreased marginally to $155.5 million (2014: 156.1), 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. The company delivered EBIT (excluding costs for restructuring the business) of $14.6 million (2014: 41.8), a decrease of 65%, and profit before income taxes (including costs for restructuring the business) ended at $125.0 million (2014: 5.1). The increase from 2014 was mainly due to profit from the sale of AdColony, Inc. to Opera Mediaworks, LLC (a fully owned subsidiary), as further explained in note 9 of the Parent Company financial statements. Income taxes were $21.0 million (2014: 20.7), and the Company's profit for the period was $104.1 million (2014: -15.5). Earnings per share was USD 0.72 (USD -0.11), and diluted earnings per share was USD 0.72 (USD -0.11).

Net cash flow from operating activities in 2015 totaled $-50.0 million (2014: 36.8). The company's cash balance in 2015 was impacted positively by pre-tax profits and proceeds from the sale of shares in AdColony. The cash balance in 2015 was reduced by $138.3 million (2014: 118.6) related to acquisitions, $4.1 million (2014: 4.2) for capital expenditure and $4.8 million (2014: 5.2) related to dividends. As of December 31, 2015, the Company had a cash balance of $7.4 million (2014: 10.4). The Company's equity ratio was 70% (2014: 54%).

It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2015.

Oslo, April 27, 2016

Sverre Munck Chairman of the Board	Audun Wickstrand Iversen	Marianne Blystad
Sophie Charlotte Moatti	Andre Christensen	Erik Möller Employee Representative
Christian Uribe Employee Representative	Malin Rundberg 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, 2015, (Annual Report for 2015).

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 2015 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, 2015, 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 27, 2016

Sverre Munck
Chairman of the Board

Audun Wickstrand Iversen

Marianne Blystad

Sophie Charlotte Moatti

Andre Christensen

Erik Möller
Employee Representative

Christian Uribe
Employee Representative

Malin Rundberg
Employee Representative

Lars Boilesen
CEO

Consolidated group annual accounts report 2015 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**

Numbers in $ million, except per share amounts	Note	1/1 - 12/31 2015	1/1 - 12/31 2014
Revenue	1, 2, 5	615.9	480.8
Total operating revenue		**615.9**	480.8
Publisher and revenue share cost	1, 2, 5	248.0	137.8
Payroll and related expenses, excluding stock-based compensation expenses	3, 5	155.8	143.6
Stock-based compensation expenses	3	8.8	11.3
Depreciation, amortization, and impairment expenses	7	54.2	65.9
Other operating expenses	3, 4, 5, 7, 14	104.1	81.5
Total operating expenses		**570.9**	440.0
Operating profit ("EBIT"), excluding restructuring costs		**45.0**	40.8
Restructuring costs	12	10.4	3.2
Operating profit ("EBIT")		**34.6**	37.6
Interest income	5	2.0	2.3
Other financial income	5	52.6	40.1
Interest expenses	5	(6.2)	(3.7)
Other financial expenses	5	(50.2)	(24.2)
Interest expense related to contingent consideration	11	(25.5)	(18.6)
FX gains (losses) related to contingent consideration, net	11	(34.1)	(31.6)
Revaluation of contingent consideration	11	1.2	(31.8)
Share of the profit (loss) from associated companies	8	(3.2)	(10.3)
Profit (loss) before income taxes		**(28.8)**	(40.2)
Income taxes	6	22.4	18.0
Profit (loss)		**(51.2)**	(58.1)
Items that may or will be transferred to profit (loss)			
Foreign currency translation differences		8.3	3.8
Total comprehensive income (loss)		**(42.9)**	(54.4)
Profit (loss) attributable to:			
Owners of Opera Software ASA		(51.2)	(58.1)
Non-controlling interests		0.0	0.0
Total comprehensive income (loss) attributable to:			
Owners of Opera Software ASA		(42.9)	(54.4)
Non-controlling interests		0.0	0.0
Earnings per share:			
Basic earnings per share (USD)	15	(0.355)	(0.424)
Diluted earnings per share (USD)	15	(0.355)	(0.424)

Consolidated statement of **financial position**

Numbers in $ million	Note	12/31/2015	12/31/2014
Assets			
Deferred tax assets	6	27.0	27.0
Goodwill	7, 8	389.7	318.4
Other intangible assets	7, 8	129.7	116.5
Property, plant and equipment	7	27.5	20.5
Other investments	8, 10	0.1	0.0
Other non-current assets	4, 8, 10	2.5	2.0
Total non-current assets		**576.6**	484.5
Inventories		0.3	0.0
Accounts receivable	5, 10	197.3	150.8
Other receivables	6	34.0	35.9
Cash and cash equivalents	5	97.7	138.2
Total current assets		**329.3**	324.8
Total assets		**905.8**	809.3

Consolidated statement of **financial position**

Numbers in $ million	Note	12/31/2015	12/31/2014
Shareholders' equity and liabilities			
Equity attributable to owners of the company	9	354.9	367.3
Non-controlling interests	9	0.0	0.0
Total equity		**354.9**	367.3
Liabilities			
Deferred tax liability	6	13.2	0.0
Financial lease liabilities	5	5.6	1.4
Loans and borrowings	5	150.0	60.0
Other non-current liabilities	5, 10	0.1	0.1
Provisions	10, 11	59.6	140.5
Total non-current liabilities		**228.5**	202.0
Financial lease liabilities	5	5.7	1.3
Accounts payable	10	42.9	46.1
Taxes payable	6	14.5	12.5
Public duties payable		9.8	9.9
Deferred revenue	5	8.4	9.0
Stock-based compensation liability	3	0.1	0.3
Other current liabilities	5, 10	96.9	61.0
Provisions	10, 11	144.0	99.8
Total current liabilities		**322.5**	240.0
Total liabilities		**551.0**	441.9
Total equity and liabilities		**905.8**	809.3

Oslo, April 27, 2016

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Chairman of the Board

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Sophie Charlotte Moatti

Andre Christensen

Erik Möller
Employee Representative

Christian Uribe
Employee Representative

Malin Rundberg
Employee Representative

Lars Boilesen
CEO

Consolidated statement of **cash flows**

Numbers in $ million		1/1 - 12/31 2015	1/1 - 12/31 2014
Cash flow from operating activities			
Profit (loss) before taxes		(28.8)	(40.2)
Income taxes paid	6	(26.2)	(38.9)
Depreciation and amortization expense	7	54.2	34.8
Net (gain) loss from disposals of PP&E, intangible assets, and goodwill		(0.1)	(0.1)
Impairment losses	7, 12	0.0	31.0
Changes in accounts receivable [1]		(31.6)	(25.9)
Changes in accounts payable		(13.5)	(2.2)
Changes in other liabilities and receivables, net		39.6	16.2
Share of net income (loss) and net (gain) loss from disposal of associated companies	8	2.4	11.2
Share-based remuneration	3	7.8	9.7
Earnout cost and cost for other contingent payments [2]	8, 11	58.4	82.0
FX differences related to changes in balance sheet items		(6.2)	(19.1)
Net cash flow from operating activities		**56.0**	58.6
Cash flow from investment activities			
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets		0.2	3.9
Purchases of property, plant and equipment (PP&E) and intangible assets	7	(7.5)	(14.1)
Capitalized development costs	4, 7	(16.0)	(11.5)
Purchases of subsidiaries and associated companies, net of cash acquired [3]	8	(153.0)	(144.7)
Other investments [4]	8	(3.0)	(9.1)
Net cash flow from investment activities		**(179.2)**	(175.5)
Cash flow from financing activities			
Proceeds from exercise of treasury shares (incentive program)	9	1.3	2.8
Purchase of treasury shares	9	0.0	(34.7)
Proceeds from issuance of shares, net (incentive program)	9	0.0	3.6
Proceeds from issuance of shares, net (equity increase)	9	0.0	125.9
Proceeds from loans and borrowings	5	90.0	0.0
Repayments of loans and borrowings	5	0.0	0.0
Payment of finance lease liabilities	5	(3.7)	(0.7)
Dividends paid to equity holders of Opera Software ASA	9	(4.8)	(5.2)
Net cash flow from financing activities		**82.8**	91.7
Net change in cash and cash equivalents		**(40.5)**	(25.2)
Cash and cash equivalents (beginning of period)		138.2	163.4
Cash and cash equivalents 5) 6)		**97.7**	138.2

Consolidated statement of cash flows (continued)

[1] Changes in unbilled revenue are included in changes in accounts receivables.

[2] Interest income and interest expenses are included in Profit (loss) before taxes. Interest paid and interest received are recognized in the same year that interest income and interest expenses are recognized in the consolidated statement of comprehensive income, with the exception of interest related to re-evaluation of the contingent liabilities related to acquisitions. Conversion differences and interest related to, and re-evaluation of, contingent liabilities are recognized on a separate line as net cash flow from operating activities.

[3] includes earnout payments

Earnout payments in 2015 with cash flow effect:

AdColony:	62.3
Individually immaterial acquistions:	15.0
Total:	**77.3**

Cash payments in 2015 related to purchases of subsidiaries and associated companies

Bemobi:	29.9
Individually immaterial acquistions:	18.9
Total:	**48.8**

Net cash existing on the acquisition date, has been netted in this line item in the Consolidated statement of cash flows.

Bemobi:	(3.1)
Individually immaterial acquistions:	(0.9)
Total:	**(4.0)**

Payments set in escrow in 2015 related to purchases of subsidiaries and associated companies

Bemobi:	13.5
Individually immaterial acquistions:	8.5
Total:	**22.0**

[3] This figure includes a cash payment of $9.0 million related to the acquisition of the user base associated with the Nokia Store business (OVI Store) unit of Microsoft.

[4] In 2015, Opera invested $2.7 (2014: 11.0) million in nHorizon Innovation.

[5] As of December 31, 2015, the conversion discrepancy loss recognized on cash and cash equivalents was $0.1 million (2014: 3.7).

[6] Of which $8.2 million (2014: $7.1 million) is restricted cash as of December 31, 2015.

Consolidated statement of **changes in equity**

Numbers in $ million (except number of shares)	Number of shares (million)	Share capital	Share premium	Other reserves	Reserve for treasury shares	Trans-lation reserve	Other equity	Total equity
Balance as of 12/31/2014	**141.7**	**0.5**	**317.2**	**30.6**	**(34.7)**	**5.5**	**48.2**	**367.3**
Comprehensive income for the period								
Profit (loss)							(51.2)	(51.2)
Other comprehensive income								
Foreign currency translation differences						8.3		8.3
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**8.3**	**(51.2)**	**(42.9)**
Contributions by and distributions to owners								
Dividends							(4.8)	(4.8)
Issuance of ordinary shares related to business combinations	2.4	0.0	29.4					29.4
Issuance of ordinary shares related to incentive program								0.0
Issuance of ordinary shares related to equity increase								0.0
Treasury shares purchased								0.0
Treasury shares sold	1.2				0.0		1.3	1.3
Tax deduction on equity issuance costs			(3.1)					(3.1)
Share-based payment transactions				7.8				7.8
Total contributions by and distributions to owners		**0.0**	**26.3**	**7.8**	**0.0**	**0.0**	**(3.5)**	**30.6**
Other equity changes								
Other changes			(0.2)					(0.2)
Total other equity changes		**0.0**	**(0.2)**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.2)**
Balance as of 12/31/2015	**145.3**	**0.5**	**343.4**	**38.4**	**(34.7)**	**8.3**	**(6.6)**	**354.9**

Face value of the shares
The face value of the shares is NOK 0.02.

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

Reserve for treasury shares
The reserve for the Group's treasury 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**

Numbers in $ million	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Trans-lation reserve	Other equity	Total equity
Balance as of 12/31/2013	**132.3**	**0.4**	**186.9**	**20.9**	**0.0**	**1.8**	**103.8**	**314.0**
Comprehensive income for the period								
Profit (loss)							(58.1)	(58.1)
Other comprehensive income								
Foreign currency translation differences						3.8		3.8
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**3.8**	**(58.1)**	**(54.4)**
Contributions by and distributions to owners								
Dividends							(5.2)	(5.2)
Issuance of ordinary shares related to business combinations								0.0
Issuance of ordinary shares related to incentive program	0.9	0.0	3.5					3.6
Issuance of ordinary shares related to equity increase	10.0	0.0	125.8	0.0				125.9
Treasury shares purchased	(2.5)				(34.7)			(34.7)
Treasury shares sold	1.0				0.0		2.8	2.8
Tax deduction on equity issuance costs			1.0				5.0	6.1
Share-based payment transactions				9.7				9.7
Total contributions by and distributions to owners		**0.0**	**130.4**	**9.7**	**(34.7)**	**0.0**	**2.6**	**108.1**
Other equity changes								
Other changes			**(0.2)**				**(0.1)**	**(0.3)**
Total other equity changes		**0.0**	**(0.2)**	**0.0**	**0.0**	**0.0**	**(0.1)**	**(0.3)**
Balance as of 12/31/2014	**141.7**	**0.5**	**317.2**	**30.6**	**(34.7)**	**5.5**	**48.2**	**367.3**

Note 1. Significant accounting principles and general information

General information
Opera Software ASA (the "Company") is a company domiciled in Norway. The Company's principal offices are located at Gjerdrums vei 19, Oslo, Norway. The company is a public limited company that is listed on the Oslo Stock Exchange under ticker OPERA.

The consolidated financial statements of the Group for the year ended December 31, 2015, comprise the Company and its subsidiaries.

Statement of compliance
The consolidated and parent company 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 and parent company 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.

These consolidated and parent company financial statements have been approved by the Board of Directors on April 27, 2016 and will be proposed to/are subject to approval by the Annual General Meeting June 28, 2016.

Basis of preparation
The consolidated and parent company financial statements have been prepared on a historical cost basis.

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

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 recognized 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 the carrying amount.

The preparation of consolidated and parent 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 and parent company 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 and parent company 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 the 2015 financial year.

Basis of consolidation

Business combinations
Business combinations are accounted for using the acquisition method. Subsidiaries are included in the consolidated financial statements from the date the Group effectively obtains control of the subsidiary (acquisition date) and until the date the Group ceases to control the subsidiary. 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.

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.

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.

Subsidiaries – consolidated financial statements
Subsidiaries are entities controlled by the Group. Control exists when the Group 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 - associates and jointly controlled entities
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 and jointly controlled entities
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 of the associate 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.

Investments in subsidiaries – parent company
For investments in subsidiaries, associates and jointly controlled entities, the cost method is applied. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken as income. Dividends exceeding the portion of retained profit after the acquisition are reflected as a reduction in cost price. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

Investments in subsidiaries, associates and jointly controlled entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

Transactions eliminated on consolidation
Intra-group balances, any unrealized gains and losses, or income and expenses arising from intragroup 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.

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 recognized 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 recognized 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, the components are depreciated separately.

Leased assets
Leases, where the Group assumes substantially all the risks and rewards of ownership, are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

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 recognized 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).

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 Group develops specifically designed browsers for use in its customers' products. A fee is paid to the Group 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 recognized 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 recognized 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, Opera Software Poland Sp. z o.o, Skyfire Labs, Inc. and Surfeasy, Inc. Please see note 8 for further information. 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.

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.

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 publicly announced. 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 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.

Restricted Stock Unit Plans are measured at the grant date using the current market value reduced by expected dividends paid before the vesting date, which is then further discounted.

Provisions
A provision is recognized in the statement of financial position when the Group has a currently existing legal or constructive obligation as a result of a past event, and it is probable that a future 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 recognized 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 (i.e. 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 of payment 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 revenue 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; CPCV (cost per completed video view), where Opera charges advertisers and recognizes revenue based upon a completed view of a mobile video advertisement; 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 and CPCV 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), a subscription from a "co-branded" mobile store, 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 a "co-branded" or 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 occurs on a transaction basis, and is recognized 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 revenue is recognized in the period in which the transaction occurs.

Subscription
Revenue is recognized on a straight line basis over the period in which the subscription relates. That portion of the revenue recorded as received in advance is carried on the balance sheet as deferred revenue. Subscription revenue is generated by Opera's VPN service for smartphones, tablets, and computers, and from mobile-app discovery services. There are both paid premium subscription based VPN offerings with unlimited data as well as a free option with monthly renewing data limits. For the paid premium subscription based VPN service, Opera offers subscriptions that can be renewed for a range of periods, generally monthly or annually, all of which require payment in advance. In addition to periodic subscriptions, revenue is generated through hardware sales of Private Browser keys that plug into the USB port to fully secure the user's internet connection. This product is acquired through a one-time payment and in return the user is given unlimited data protection as long as the user possesses the USB key. Revenue from the sale of the USB hardware is recognized in the period the product is sold.

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

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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 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.

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.

New standards and interpretations not yet adopted

- IFRS 9 Financial Instruments - Classification and Measurement; effective date January 1, 2018.
- IFRS 15 Revenue from Contracts with Customers; effective date January 1, 2018.
- IFRS 16 Leases; effective date January 1, 2019.

As of the date of issue of Opera's financial statements, these standards were not endorsed by the EU. Opera is in the process of evaluating the potential accounting impact of IFRS 9, IFRS 15 and IFRS 16. Preliminary assessment of these has not indicated any significant changes in timing of recognition or how to measure revenue, cost, assets or liabilities. There will be some changes to presentation and disclosures; however, the detailed effect has not yet been determined.

Note 2. Revenue, costs 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), subscription revenue from mobile-app discovery and VPN services, and advertising revenue generated from the Opera Advertising Network (i.e., non- Opera-owned-and-operated properties) primarily from Opera's Mediaworks subsidiaries.

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.

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, in the consolidated financial statements, or further definitions of products and services.

Revenue by region *[Numbers in $ million]*	**2015**	**2014**
EMEA	136.6	160.2
Americas	447.1	281.4
Asia Pacific	32.3	39.1
Total	**615.9**	480.8

The breakdown of revenue by region reflects the customer'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 2015, there were no customers that accounted for more than 10% of total Group revenues.

Revenue attributed to customers domiciled in the United States amounted to $419.4 million (2014: 271.6).

Revenues attributed to Norway for 2015 amounted to $2.0 million (2014: 1.0), and revenue attributed to all foreign countries in total amounted to $613.9 million (2014: 479.1).

Non-current assets *[Numbers in $ million]*	**2015**	**2014**
Non-current assets located in Norway	33.1	30.7
Non-current assets located in foreign countries	516.4	426.7
Total	**549.5**	457.4

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 $352.8 million (2014: 371.1) of the total non-current assets. The majority of the value is from the acquisitions described in more detail 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.

Publisher and revenue share cost *[Numbers in $ million]*	**2015**	**2014**
Publisher cost	239.7	137.8
Revenue Share Cost	8.2	0.0
Total	**248.0**	137.8

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 that we recognize the associated revenue.

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

Revenue type *[Numbers in $ million]*	**2015**	**2014**
Mobile Advertising - 3rd Party Publishers	417.7	272.8
Consumer (Owned and Operated Properties)	130.6	130.3
Tech Licensing	67.7	77.7
Total	**615.9**	480.8

Consumer (Owned and Operated Properties)	**2015**	**2014**
Operator Co-brand Solutions	26.2	49.4
Desktop Browser	49.5	51.1
Mobile Browser	34.7	28.2
Apps and Games	17.7	1.7
Performance and Privacy Apps	2.5	0.0
Total	**130.6**	130.3

Mobile Advertising - 3rd Party Publishers
Mobile Advertising - 3rd Party Publishers revenue is primarliy 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.

Tech Licensing
Tech Licensing revenue is primarily comprised of license revenue generated through the Connected TV, Operator and Consumer Internet markets. The revenue is generated through licensing technology to third parties that it embeds in its own consumer products and services, such as the Rocket Optimizer technology which powers Opera Max, and video optimization for Opera Mini.

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

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

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

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

Performance and Privacy Apps revenue is primarily comprised of subscription revenue generated by Opera's VPN service for smartphones, tablets, and computers.

See note 1 for further information regarding revenue recognition.

Revenue by customer type *[Numbers in $ million]*	**2015**	**2014**
Mobile Operators	38.6	67.3
Mobile Consumers (Opera owned-and-operated properties)	76.4	52.9
Mobile Publishers and Advertisers (Opera Publisher Partner Members)	417.7	272.8
Desktop Consumers	51.9	62.2
Device OEMs	31.4	24.7
Other	0.0	0.8
Total	**615.9**	480.8

Revenue type [Numbers in $ million]	**2015**	**2014**
Licenses/royalties	77.2	109.7
Development fees	10.4	11.1
Maintenance, support and hosting	7.9	7.4
Search	48.6	46.8
Advertising	455.8	303.9
Application and content	15.6	1.7
Subscription	0.3	0.2
Other revenue	0.0	0.0
Total	**615.9**	480.8

Note 3. Payroll expenses and remuneration to management

Payroll expenses *[Numbers in $ million]*	**2015**	**2014**
Salaries/bonuses	117.1	105.1
Social security cost	15.9	14.7
Pension cost	4.5	3.6
Stock-based compensation expense, including social security cost	8.8	11.3
Other payments	10.1	11.2
Consultancy fees for technical development	8.3	8.9
Total	**164.6**	154.9
Average number of employees	1 565	1 249

The company has incorporated the requirements set out by the Mandatory Occupational Pensions Act ("Obligatorisk Tjeneste Pensjon").

Compensation to the CEO and Chairman of the Board
The CEO has waived his rights under Section 15-16 of the Norwegian Working Environment Act of 2005 relating to employees' protection, termination of employment contracts, etc.

As compensation, the CEO is entitled to receive a termination amount of two years' base salary if the employment contract is terminated by the Company.

As of December 31, 2015, 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, a limit is set for the amount of bonus that can beachieved. The size of the bonus payment is dependent on actual company performance compared to a set of predefined targets. The bonus program and predefined targets are approved by the Renumeration committee and the Board of Directors.

An accrual for all 2015 bonuses for senior executives has been recognized in the consolidated financial statements. Bonuses will be paid in 2016.

Note 3 (continued)

Independent auditors
The total fees billed by independent auditors during 2015 was $1.2 million (2014: 0.5). This is broken down as follows:

Audit fees *[Numbers in $ million]*	**2015**	**2014**
Audit and audit related services	0.9	0.5
Assurance services	0.2	0.0
Tax services	0.0	0.0
Other service	0.1	0.0
Total	**1.2**	0.5

Share compensation program
At the Annual General Meeting in June 2015, the Board of Directors and the Company's shareholders adopted a program for the granting of equity compensation in the form of restricted stock unit ("RSU") awards and stock options program to the executive officers and other employees of the Company (the "RSU Program").

The RSU Program can be summarized as follows (and as further detailed below):
The program shall be approved by the Annual General Meeting on an annual basis, meaning that any approved program will be valid from the relevant Annual General Meeting and until the next Annual General Meeting

One RSU entitles the holder upon exercise to receive one share in Opera Software ASA, against payment of the par value of the share (currently NOK 0.02 per share). If and when RSUs vest, they will exercise automatically.

The number of RSU´s to be approved shall not exceed 0.8% of outstanding shares at 31 December of the year preceding the relevant Annual General Meeting. Vesting of the RSUs can be time based and/or performance based.

For the period from 3 June 2015 up to the Annual General Meeting in 2016, a maximum of 1,145,612 RSUs may be granted.

The Options Program can be summarized as follows (and as further detailed below):
The program shall be approved by the Annual General Meeting on an annual basis, meaning that any approved program will be valid from the relevant Annual General Meeting and until the next Annual General Meeting.

One option entitles the holder upon exercise to receive one share in Opera Software ASA, against payment of the applicable strike price for the option. If and when options vest, they will exercise automatically.

The applicable strike price for options will be the volume weighted average share price 5 trading days before and 5 trading days after the granting of the options.

The number of options to be approved shall not to exceed 1.2% of outstanding shares at 31 December of the year preceding the relevant Annual General Meeting.

For the period from 3 June 2015 up to the Annual General Meeting in 2016, a maximum of 1,718,419 options may be granted.

Vesting of the options will as a main rule be time based, but individual performance criteria may be added.

Options will normally vest 1/3 after 2 years, 1/3 after 3 years and 1/3 after 4 years.

Recipients of options will be proposed by management, approved Opera's Remuneration Committee through a delegation from the Board of Directors.

Allocation of options to the CEO will be proposed by the Remuneration Committee and approved by the Board of Directors or by the Chairman of the Board of Directors, if the Board of Directors delegates this authority.

Options

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

[In thousands of options]	**Weighted average exercise price 2015 (NOK)**	**Number of options 2015**	**Weighted average exercise price 2014 (NOK)**	**Number of options 2014**
Outstanding at the beginning of the period	43.63	5 744	34.75	7 109
Terminated (employee terminations)	48.25	182	40.85	329
Forfeited during the period	0	0	0	0
Expired during the period	0	0	0.00	0
Exercised during the period	30.36	382	30.50	1 936
Granted during the period	0.00	0	76.25	900
Outstanding at the end of the period		5 180		5 744
Exercisable at the end of the period		2 879		1 358

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 2014, 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.

No options were granted in 2015 (2014: 900,000 options).

Fair value of share options and assumptions *[Numbers in NOK]*	**2015**	**2014**
Fair value at measurement date (average per option)	-	29.25
Expected volatility (weighted average)	-	45.95
Option life (adjusted for expectations of early exercise)	-	5.00
Expected dividends	-	0.00
Risk-free interest rate (based on national government bonds)	-	2.16

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

Note 3 (continued)

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

	Total outstanding options			Vested options	
Exercise price *[In thousands of options]*	**Outstanding options per 12/31/2015**	**Weighted average remaining lifetime**	**Weighted average exercise price (NOK)**	**Vested options 12/31/2015**	**Weighted average exercise price (NOK)**
10.00 - 12.30	-	-	-	-	-
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	310.30	0.03	18.57	310.30	18.57
20.00 - 25.00	564.75	2.10	20.84	564.75	20.84
25.00 - 30.00	1 253.50	3.26	26.63	1 253.50	26.63
30.00 - 35.00	775.00	4.40	34.18	55.00	32.82
35.00 - 40.00	1 446.27	3.93	37.28	695.84	37.25
40.00 - 45.00	-	-	-	-	-
45.00-	830.00	5.72	75.75	-	-
Total	5 180	3.69	37.49	2 879	27.31

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)**
1/2/2015	250	97.98
3/23/2015	31	67.00
6/3/2015	101	65.75
Total	**382**	

Restricted stock units
The total number of RSUs granted in 2015 was 1 129 000 (2014: 1 874 855).

Fair value of RSUs and assumptions *[Numbers in NOK]*	**2015**	**2014**
Fair value at measurement date (average per RSU)	68.98	75.53
Spot Price at grant	71.00	75.85
Expected dividends to reduce fair value (PV)	2.02	0.32
RSU life	1.76	2.00
Risk-free interest rate (based on national government bonds), in %	0.89%	1.56%

	2015		2014	
Restricted Stock Units	**Shares**	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**
Outstanding at the beginning of period	1 868 490	0.02		
Granted	1 129 000	0.02	1 874 855	0.02
Transferred in	37 500	0.02	4 000	0.02
Exercised				
Released	-813 985	0.02		
Cancelled				
Forfeited	-74 425	0.02		
Expired				
Adjusted quantity	10 496	0.02		
Performance adjusted			-6 365	0.02
Transferred out	-37 500	0.02	-4 000	0.02
Outstanding at the end of period	2 119 576	0.02	1 868 490	0.02
Vested options	5 000	0.02		
Weighted Average Fair Value of Options Granted during the period	1 129 000	68.70	1 874 855	75.53
Intrinsic value outstanding options at the end of the period	2 119 576	107 102 175	1 874 855	178 073 728.00
Intrinsic value vested options at the end of the period	5 000	252 650		

The actual 2015 performance level was 75%.

Note 3 (continued)

Compensation to executive management

Compensation to executive management 2015

[Numbers in $ million]	Remuner-ation	Salary	Bonus	Other compen-sation	Pension compen-sation	Benefit exercised options/ RSUs	Total compen-sation
Executives							
Lars Boilesen, CEO		0.50	0.09	0.04	0.07	0.21	0.92
Erik C. Harrell, CFO/CSO		0.34	0.03	0.10	0.02	0.04	0.53
Andreas Thome, CCO		0.27	0.07	0.01	0.03	0.04	0.42
Will Kassoy, CEO Opera Mediaworks from December 2015		0.35	0.35		0.01	0.00	0.71
Mahi de Silva, CEO Opera Mediaworks until December 2015		0.41	0.50		0.01	0.61	1.53
Tove Selnes, CHRO, director until August 2015		0.18	0.06	0.01	0.02	0.04	0.32
The Board of Directors							
Sverre Munck, Chairman	0.07						0.07
Andre Christensen, Board Member	0.06						0.06
Audun Wickstrand Iversen, Board Member	0.04					0.08	0.13
Marianne Blystad, Board Member	0.04						0.04
Sophie Charlotte Moatti, Board Member from June 2015	0.03						0.03
Kari Stautland, Board Member until June 2015	0.02						0.02
Christian Uribe, Board Member - Employee Representative	0.01	0.11	0	0.00	0.01		0.13
Erik Möller, Board Member - Employee Representative	0.01	0.09			0.00		0.09
Lis Malin Rundberg, Board Member - Employee Representative from June 2015	0.00	0.08			0.00		0.09
Krystian Kolondra, Board Member - Employee Representative until June 2015	0.00	0.14	0.02	0.00	0.00		0.17
The Nomination Committee							
Jakob Iqbal, Chairman	0.00						0.00
Nils Foldal, Member	0.00						0.00
Michael Tetzschner, Member until June 2015	0.00						0.00
Total	**0.29**	**2.47**	**3.38**	**0.18**	**0.17**	**2.75**	**9.25**

Will Kassoy's compensation excludes proceeds related to his participation in the earnout agreement for AdColony.

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.

Sophie Charlotte Moatti was elected as a Board Member at the Annual General Meeting in June 2015.

Christian Uribe and Erik Möller were re-elected, and Lis Malin Rundberg was elected as Board members - Employee representatives in June 2015.

Kari Stautland was elected as a member of the Nomination Committee at the Annual General Meeting in June 2015.

Compensation to executive management 2014

[Numbers in $ million]	Remuner-ation	Salary	Bonus	Other compen-sation	Pension compen-sation	Benefit exercised options	Total compen-sation
Executives							
Lars Boilesen, CEO		0.62	0.55	0.05	0.10	3.93	5.25
Erik C. Harrell, CFO/CSO		0.43	0.33	0.30	0.01		1.07
Rikard Gillemyr, EVP Product Development		0.29	0.20	0.00	0.00	1.10	1.60
Tove Selnes, CHRO		0.27	0.15	0.03	0.03	0.72	1.19
Andreas Thome, CCO		0.31	0.44	0.00	0.03	2.01	2.80
Mahi de Silva, CEO Opera Mediaworks		0.32	0.22	0.00	0.01	0.39	0.93
The Board of Directors							
Arve Johansen, Chairman until June 2014	0.14					0.22	0.36
Sverre Munck, Chairman from June 2014	0.05						0.05
Gregory Gerard Coleman, Board Member until June 2014	0.04					0.08	0.13
Andre Christensen, Board Member from June 2014	0.03						0.03
Kari Stautland, Board Member	0.05						0.05
Audun Wickstrand Iversen, Board Member	0.05					0.10	0.15
Marianne Blystad, Board Member	0.05						0.05
Christian Uribe, Board Member - Employee Representative	0.01	0.13	0.00	0.00	0.01		0.15
Krystian Kolondra, Board Member - Employee Representative	0.01	0.14	0.03			0.36	0.54
Erik Möller, Board Member - Employee Representative	0.01	0.10	0.00	0.00		0.00	0.11
The Nomination Committee							
Jakob Iqbal, Chairman	0.01						0.01
Michael Tetzschner, Member	0.00						0.00
Nils Foldal, Member	0.00						0.00
Total	**0.45**	**2.60**	**1.93**	**0.38**	**0.19**	**8.92**	**14.48**

Presented above are the bonuses earned in 2014 and paid in 2015, which are based on the 2014 results.

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.

Sverre Munck was elected as Chairman of the Board in June 2014. Andre Christensen was elected as a Board Member in June 2014.

Note 3 (continued)

Options to executive management, as at December 31, 2015
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.

[In thousands of options]	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 ($ million)	IFRS 2 cost for the period ($ million)
Executives										
Lars Boilesen, CEO	300					300	22.58		8.4	0.0
Erik C. Harrell, CFO/CSO	613					613	34.61	3.58	9.8	1.7
Andreas Thome, CCO	520					520	36.69	3.76	7.2	1.7
Will Kassoy, CEO Opera Mediaworks from December 2015										
Mahi de Silva, CEO Opera Mediaworks until December 2015	44			44	28.2					0.1
Tove Selnes, CHRO, director until August 2015	80		25			55	32.61	0.67	1.0	0.1
Total	**1 556**		**25**	**44**		**1 488**			**26.4**	**3.6**

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

The table below shows option and RSU grants in 2015, and option and RSU costs in 2015
(in thousands of options and RSUs, cost in $ million)

	Options		RSUs	
Executives	Granted	2015 Cost	Granted	2015 Cost
Lars Boilesen, CEO			78	0.35
Erik C. Harrell, CFO/CSO		0.21	20	0.07
Andreas Thome, CCO		0.21	20	0.07
Will Kassoy, CEO Opera Mediaworks from December 2015			18	0.06
Mahi de Silva, CEO Opera Mediaworks until December 2015		0.01	100	0.39
Tove Selnes, CHRO, director until August 2015		0.02		0.01
The Board of Directors				
Sverre Munck, Chairman				
Andre Christensen, Board Member				
Audun Wickstrand Iversen, Board Member				
Marianne Blystad, Board Member				
Sophie Charlotte Moatti, Board Member from June 2015				
Kari Stautland, Board Member until June 2015		0.00		
Christian Uribe, Board Member - Employee Representative		0.02		
Erik Möller, Board Member - Employee Representative				
Lis Malin Rundberg, Board Member - Employee Representative from June 2015				
Krystian Kolondra, Board Member - Employee Representative until June 2015		0.09		
The Nomination Committee				
Jakob Iqbal, Chairman				
Kari Stautland, Member from June 2015, see above under The Board of Directors				
Nils Foldal, Member				
Michael Tetzschner, Member until June 2015				
Total	**0**	**0.56**	**236**	**0.93**

Note 3 (continued)

Options to executive management, as at December 31, 2014
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.

[In thousands of options]	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, CEO	700			400	27.8	300	28.31	0.92	2.7	0.0
Erik C. Harrell, CFO/CSO	613					613	40.33	4.58	4.5	0.4
Rikard Gillemyr, EVP Product Development	663			88	37.6	575	37.25	4.08	4.5	0.3
Mahi de Silva, CEO Opera Mediaworks	88			44	28.4	44	28.16	0.01	0.4	0.0
Tove Selnes, CHRO	158			78	31.6	80	39.48	5.35	0.6	0.1
Tom Christian Gotschalksen, EVP Mobile Services	150		150						0.0	0.0
Andreas Thome, CCO	753			233	31.9	520	42.41	4.76	3.7	0.4
Total	**3 123**		**150**	**841**		**2 131**			**16.3**	**1.2**

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

The table below shows option and RSU grants in 2014, and option and RSU costs in 2014
(in thousands of options and RSUs, cost in $ million)

	Options		RSUs	
Executives	Granted	2014 Cost	Granted	2014 Cost
Lars Boilesen, CEO			120	0.42
Erik C. Harrell, CFO/CSO		0.38	20	0.07
Rikard Gillemyr, EVP Product Development			10	0.04
Tove Selnes, CHRO		0.28	20	0.07
Andreas Thome, CCO		0.42	20	0.07
Mahi de Silva, CEO Opera Mediaworks		0.03	115	0.40
The Board of Directors				
Arve Johansen, Chairman until June 2014		(0.29)		
Sverre Munck, Chairman from June 2014				
Gregory Gerard Coleman, Board Member until June 2014		(0.15)		
Andre Christensen, Board Member from June 2014				
Kari Stautland, Board Member		0.02		
Audun Wickstrand Iversen, Board Member				
Marianne Blystad, Board Member		0.00		
Christian Uribe, Board Member - Employee Representative	20	0.01		
Krystian Kolondra, Board Member - Employee Representative	50	0.10		
Erik Möller, Board Member - Employee Representative				
The Nomination Committee				
Jakob Iqbal, Chairman				
Michael Tetzschner, Member				
Nils Foldal, Member				
Total	**70**	**0.81**	**305**	**1.07**

Shares, options, RSUs owned by members of the Board and the Chief Executive Officer as of December 31, 2015
[In thousands of shares, options amd RSUs]

Name	Commission	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)	Weighted average strike price - RSUs (NOK)
Sverre Munck [1]	Chairman	25			25		
Andre Christensen	Board Member				0		
Audun Wickstrand Iversen [2]	Board Member	40			40		
Marianne Blystad [3]	Board Member	110	30		140	23.40	
Sophie Charlotte Moatti	Board Member				0		
Christian Uribe [4]	Board Member		25		25	64.74	
Lis Malin Rundberg [4]	Board Member	2			2		
Erik Möller [4]	Board Member	1			1		
Lars Boilesen	CEO	24	300	168	492	18.64	0.02
		202	**355**	**355**	**725**		

[1] Sverre Munck, with family owns 100 % of Libras AS, which owns 25,000 shares.
[2] Audun Wickstrand Iversen holds 40,000 shares through Naben AS, 100% owned by Iversen.
[3] Marianne Blystad holds a total of 10 000 shares in Opera Software and, with family, owns 100% of the shares in the investment company Spencer Trading Inc, which holds 100,000 shares.
[4] Employee representative

Shares, options and RSUs owned by other leading employees as of December 31, 2015
[In thousands of shares, options amd RSUs]

	Title	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)	Weighted average strike price - RSUs (NOK)
Erik C. Harrell	CFO/CSO	104	613	35	752	32.36	0.02
Andreas Thome	CCO	12	520	35	567	34.73	0.02
Will Kassoy	CEO Opera Mediaworks from December 2015	189		18	207		0.02
Mahi de Silva	CEO Opera Mediaworks until December 2015			186	186		0.02
Tove Selnes	CHRO, director until August 2015		55	5	60	30.08	0.02
		305	**1 188**	**279**	**1 772**		

Shares, options, RSUs owned by members of the Board and the Chief Executive Officer as of December 31, 2014
[In thousands of shares, options amd RSUs]

Name	Commission	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)	Weighted average strike price - RSUs (NOK)
Sverre Munck [1]	Chairman	20	0	0	20		
Kari Stautland [2]	Board Member	7 437	30	0	7 467	31.86	
Andre Christensen	Board Member	0	0	0	0		
Audun Wickstrand Iversen [3]	Board Member	25	18	0	43	21.90	
Marianne Blystad [4]	Board Member	110	30	0	140	23.66	
Christian Uribe [5]	Board Member	0	25	0	25	65.00	
Krystian Kolondra [5]	Board Member	0	140	0	140	47.70	
Erik Möller [5]	Board Member	1	0	0	1		
Lars Boilesen	CEO	10	300	120	430	18.90	0.02
		7 603	**543**	**120**	**8 266**		

[1] Sverre Munck, with family owns 100 % of Libras AS, which owns 20,000 shares.
[2] Kari Stautland owns 100% of Arepo AS, which owns 7,437,120 shares.
[3] Audun Wickstrand Iversen holds 25,000 shares through Naben AS, 100% owned by Iversen.
[4] Marianne Blystad holds a total of 10 000 shares in Opera Software and, with family, owns 100% of the shares in the investment company Spencer Trading Inc, which holds 100,000 shares.
[5] Employee representative

Shares, options and RSUs owned by other leading employees as of December 31, 2014
[In thousands of shares, options amd RSUs]

	Title	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)	Weighted average strike price - RSUs (NOK)
Erik C. Harrell	CFO/CSO	101	613	20	733	32.62	0.02
Rikard Gillemyr	EVP Product Development	360	575	10	945	29.10	0.02
Mahi De Silva	CEO Opera Mediaworks	20	44	115	178	28.16	0.02
Tove Selnes	CHRO	9	80	20	109	31.65	0.02
Andreas Thome	CCO	10	520	20	550	34.99	0.02
		500	**1 831**	**185**	**2 496**		

Note 4. Other expenses, research and development costs, and other non-current assets

Other expenses *[Numbers in $ million]*	**2015**	**2014**
Rent and other office expenses	12.9	11.2
Equipment	5.4	4.8
Audit, legal and other advisory services	9.7	7.9
Marketing expenses	30.3	20.6
Travel expenses	9.6	8.7
Hosting expenses, excl. depreciation cost	23.0	13.6
Other expenses	13.0	14.6
Total	**104.1**	81.5

Research and development costs
Engineering salaries are the primary expense incurred in terms of costs related to source code research, development, and maintenance. In 2015, $45.4 million (2014: 31.8) in engineering salaries were expensed in the financial statements. $16.0 million (2014: 11.5) of development costs were capitalized in 2015. For additional information, please see notes 7 and 13.

Other non-current assets
Rental deposits in various countries comprise the majority of other non-current assets.

Note 5. Financial risk

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

	2015		**2014**	
The following table shows the breakdown of revenue generation per currency: *[Numbers in $ million]*	**$ million**	**%**	**$ million**	**%**
USD	504.6	81.9	377.3	78.5
EUR	56.3	9.1	64.4	13.4
GBP	15.0	2.4	12.9	2.7
BRL	14.4	2.3	0.8	0.2
Other	25.6	4.2	25.4	0.0
Total	**615.9**	**100.0**	480.8	100.0

	2015		**2014**	
The following table shows the breakdown of operating expenses per currency: *[Numbers in $ million]*	**$ million**	**%**	**$ million**	**%**
USD	378.4	65.1	296.8	67.0
NOK	84.8	14.6	54.3	12.3
EUR	23.9	4.1	5.5	1.2
PLN	15.4	2.7	16.7	3.8
GBP	15.4	2.6	16.9	3.8
SEK	11.4	2.0	17.2	3.9
Other	52.1	9.0	35.8	8.1
Total	**581.3**	**100.0**	443.2	100.0

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

	2015	2014
EUR	1.11	1.31
GBP	1.53	1.64
BRL	0.26	0.43

The table below shows the positive effect on the Group's revenue of a 10 % appreciation of certain functional currencies relative to the USD:

[Numbers in $ million]	2015	2014
EUR	5.6	6.4
GBP	1.5	1.3
BRL	1.4	0.1

Conversely, a 10% depreciation of the functional currencies in the table above would have a similar negative effect on the Group's revenue.

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

Realized / Unrealized FX gain (loss)

[Numbers in $ million]	2015	2014
Realized FX gain (loss)	(9.6)	4.7
Unrealized FX gain (loss)	(22.1)	(20.5)
Net FX gain (loss)	(31.7)	(15.8)

These figures include foreign exchange gains and losses related to contingent considerations. See note 11 for further information related to contingent considerations.

Foreign exchange contracts
During 2015 and 2014, 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, 2015.

The distribution per currency of accounts receivables, as of December 31, is presented in the table below:

The numbers below are presented in local currencies

	2015	% of gross AR	2014	% of gross AR
USD	101.2	75.1%	75.5	72.1%
EUR	9.5	7.8%	14.1	15.1%
TRY	16.1	4.1%	0.0	0.0%
BRL	18.1	3.4%	0.0	0.0%
GBP	2.6	2.9%	4.2	6.3%
CNY	19.1	2.2%	22.8	3.5%
Other	n/a	4.5%	n/a	3.0%

The accounts receivables are converted, as of December 31, at the following exchange rates:

	2015	2014
EUR	1.09	1.12
GBP	1.48	1.56
CNY	0.15	0.16
BRL	0.25	n/a

Credit risk
Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations.

Credit risk related to accounts receivable is assessed to be limited due to the high number of customers in the Group's customer base. No single customer accounted for more then 10 % of the Group's revenue during the financial year.

Further, the Group conducts most of its business with large global companies and has not experienced significant credit-related losses during this or previous financial years. Therefore, no further credit risk provision is considered to be required in excess of the normal provision for bad and doubtful receivables.

No customers have committed any collateral or other means to secure their outstanding debt.

The following shows the breakdown of gross accounts receivable per region:

[Numbers in $ million]	2015	2014
EMEA	38.5	30.6
Americas	69.4	58.0
Asia Pacific	26.7	16.2
Total	134.6	104.8

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

	2015		2014	
[Numbers in $ million]	Gross receivables	Provision for bad debt	Gross receivables	Provision for bad debt
Not past due	61.2	0.1	49.4	0.1
Past due 0-30 days	25.7	0.1	22.3	0.0
Past due 31-60 days	16.1	0.1	11.1	0.0
Past due 61-90 days	7.5	0.0	7.3	0.0
More than 90 days	24.2	10.2	14.7	7.3
Total	**134.6**	**10.5**	104.8	7.4

Accounts receivables and other receivables *(Numbers in $ million)*	2015	2014
Accounts receivable	124.2	97.2
Unbilled revenue	73.1	53.5
Other receivables	34.0	35.9
Total	**231.3**	186.6

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

Other receivables consists of prepayments, non-trade receivables, and escrow payments related to acquisitions.

As of December 31, 2015, $23.8 million (2014: 28.8) was related to escrow payments in connection with acquisitions.

Liquidity risk

Liquidity reserve *[Numbers in $ million]*	12/31/2015	12/31/2014
Cash and cash equivalents		
Cash in hand and on deposit	97.7	138.2
Less restricted funds [1)]	8.2	7.1
Unrestricted cash	**89.5**	131.0
Unutilized credit facilities	100.0	90.0
Short-term overdraft facility	0.0	0.0
Liquidity reserve	**100.0**	90.0

[1)] Cash and cash equivalents of $8.2 million were restricted assets as of December 31, 2015.
Cash and cash equivalents of $7.1 million were restricted assets as of December 31, 2014.

Credit Facility *[Numbers in $ million]*	12/31/2015	12/31/2014
Long-term cash credit	250.0	150.0
Utilized	150.0	60.0
Short-term overdraft facility	0.0	0.0
Utilized	0.0	0.0

The Group has, in March 2015, signed an agreement with DNB Bank ASA to increase the size of its secured credit facility from $150 million to $250 million of which $60 million is a 3 year term loan and $190 million is a 3 year Revolving Credit Facility. 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.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. Opera intends to use the financing for general corporate purposes. The loan and credit facility have the following covenants: A) i) the Leverage Ratio to be below 2.00:1. ii) the Leverage ratio may be 2.50:1 during one quarter of the lifetime of this Agreement if the increase from 2.00:1 to 2.50:1 is attributable to Exceptional Items. iii) the Leverage ratio to be measured on a 12 month rolling basis. B) the Equity Ratio to hold the minimum level of 30%. The Group is compliant as at December 31, 2015.

The Revolving Credit facility and 3 year term loan is payable in March 2018. There are no installment payments due before maturity. Based on LIBOR and amounts outstanding at 31.12.15, future interest payments will be approximately as follows: 2016: 5.9, 2017: 6.1, 2018: 1.5.

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, $8.4 million (2014: 9.0) relates to deferred revenue, of which $4.1 million (2014: 6.3) has been prepaid.

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 Group has issued options and RSUs to its employees in accordance with its objective that employees shall hold company shares.

In 2015, the Board of Directors has used its authorization to purchase the treasury shares.

Please see note 9 for more information.

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

Cash pool agreement
The Group has established cash pool systems. Under these agreements, Opera Software Financing Limited is the Group account holder and the other companies in the Group are sub-account holders or participants. The banks can offset balances in their favour against deposits, so that the net position represents the net balance between the bank and the Group account holder.

Finance lease liabilities
The Group leases server equipment for hosting purpose under several finance leases. Some leases provide the option to buy the equipment at the end of the leasing period. However, the Group has, as of today, no intention to exercise that option.

Minimum lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance lease liabilities are payable as follows:

(Numbers in $ million)	**Future minimum lease payments**		**Interest**		**Present value of minimum lease payments**	
Finance lease liabilities	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Less than one year	6.2	1.4	0.3	0.1	5.9	1.3
Between one and five years	5.7	1.4	0.3	0.0	5.4	1.4
More than five years	0.0	0.0	0.0	0.0	0.0	0.0
Total	**11.9**	2.8	**0.6**	0.1	**11.3**	2.7

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that Group will obtain ownership by the end of the lease term.

Lease expenses *(Numbers in $ million)*	**2015**	**2014**
Depreciation expense	4.1	0.7
Interest expense	0.4	0.0
Total	**4.5**	0.7

Note 6. Tax

Tax expense *[Numbers in $ million]*	**2015**	**2014**
Current tax	29.5	27.5
Deferred tax	(10.3)	(13.7)
Tax expense related to change in tax rate	0.0	0.0
Deferred tax assets from previously unrecognized tax losses	0.0	0.0
Taxes on capital raising costs	0.1	(0.0)
Tax payable abroad	2.9	4.1
Too much/little tax booked previous year	0.3	0.1
Total	**22.4**	18.0

Tax payable *[Numbers in $ million]*	**2015**	**2014**
Current tax	29.7	27.4
Tax payable abroad	1.0	3.8
Too much/little tax booked previous year	(0.0)	0.2
Tax settlement previous year	0.0	0.0
Prepaid tax subsidiaries/branches	(15.0)	(11.0)
Taxes on capital raising costs	(0.2)	0.0
Withholding tax paid to a foreign country	(0.2)	(3.8)
Tax effect on losses from sales of own shares*	0.0	(3.0)
Effect of FX differences	(0.7)	(1.2)
Withholding tax utilized	0.0	0.0
Total	**14.5**	12.5

*Booked against equity.

Recognized deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
[Numbers in $ million]	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Inventory, office machinery, etc.	(12.8)	(6.7)	32.5	25.7	19.7	19.0
Accounts receivables	2.8	(2.2)	0.0	0.0	(2.8)	(2.2)
Other liabilities	(14.8)	(35.6)	0.8	0.8	(14.1)	(34.8)
Tax value of loss carry-forwards utilized	(16.8)	(8.9)	0.0	0.0	(16.8)	(8.9)
Deferred taxes/ (tax assets)	(47.1)	(53.5)	33.2	26.5	(13.8)	(27.0)
Set-off of tax	33.2	26.5	(33.2)	(26.5)	0.0	0.0
Net deferred taxes / (tax assets)	**(13.8)**	(27.0)	**0.0**	0.0	**(13.8)**	(27.0)

Deferred tax assets and deferred tax liabilities pertain to several different tax jurisdictions, some of which are offset in the Consolidated statement of financial position.

Deferred tax assets and liabilities
Movement in temporary differences during the year

[Numbers in $ million]	Balance 1/1/14	Posted to statement of comprehensive income	Posted directly to the equity	Acquired in business combinations (note 8)	Balance 12/31/14
Inventory, office machinery, etc.	0.1	(8.8)	0.1	27.6	19.0
Accounts receivables	(1.5)	(0.9)	0.2	(0.0)	(2.2)
Liabilities	(12.4)	(0.8)	(3.3)	(18.4)	(34.8)
Tax value of loss carry-forwards utilized	(9.9)	(3.2)	4.2	0.0	(8.9)
Deferred taxes / (tax assets)	(23.6)	(13.8)	1.3	9.1	(27.0)

[Numbers in $ million]	Balance 1/1/15	Posted to statement of comprehensive income	Posted directly to the equity	Acquired in business combinations (note 8)	Balance 12/31/15
Inventory, office machinery, etc.	19.0	(15.1)	(16.7)	0.0	(12.7)
Accounts receivables	(2.2)	(0.5)	(0.0)	0.0	(2.8)
Liabilities	(34.8)	18.3	(11.6)	14.0	(14.1)
Tax value of loss carry-forwards utilized	(8.9)	(9.9)	34.5	0.0	15.7
Deferred taxes / (tax assets)	(27.0)	(7.1)	6.2	14.0	(13.8)

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 US entities are included in a US consolidated tax group.

Change in deferred tax asset directly posted against the equity capital *[Numbers in $ million]*	2015	2014
Changes due to foreign currency changes	3.0	3.8
Other changes	3.2	-2.6
Total deferred taxes posted directly against the equity	6.2	1.3

Reconciliation of effective tax rate *[Numbers in $ million]*		2015		2014
Profit before tax		(28.8)		(40.2)
Income tax using the domestic corporate tax rate	27.0 %	(7.8)	27.0 %	(10.8)
Overbooked taxes, previous year	-1.3 %	0.4	-0.9 %	0.4
Tax paid to a foreign country	-2.2 %	0.6	-1.1 %	0.4
Effect of different tax rates between countries	3.2 %	(0.9)	6.8 %	(2.7)
Taxes on other permanent differences	-104.6 %	30.1	-76.5 %	30.7
Deferred tax assets from previously unrecognized tax losses	-0.0 %	(0.0)	-0.0 %	0.0
Total tax expense for the year	**-77.8 %**	**22.4**	-44.7 %	18.0

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

Note 7. Property, plant and equipment, development cost and other intangible assets

[Numbers in $ million]	Cost rented premises	Machinery and equipment	Fixtures and fittings	Development	Other intangible assets	2015 Total	2014 Total
Acquisition cost							
Acquisition cost as of 1/1/15	2.4	42.8	1.7	21.6	135.4	203.9	99.8
Acquisitions through business combinations	0.1	0.8	0.1	1.9	51.8	54.7	72.2
Additions	0.9	17.8	0.5	16.0	0.0	35.2	44.9
Disposal	0.0	(1.5)	(0.0)	0.0	(0.0)	(1.6)	(6.0)
Currency differences	(0.2)	(2.2)	(0.2)	(2.3)	(10.8)	(15.7)	(7.0)
Acquisition cost as of 12/31/15	3.2	57.6	2.1	37.2	176.4	**276.5**	203.9
Depreciation and impairment losses							
Depreciation and impairment losses as of 1/1/15	0.5	25.2	0.7	9.2	31.3	66.8	37.9
Acquisitions through business combinations	0.0	0.3	0.0	0.9	0.3	1.6	0.5
Disposal	0.0	(0.4)	(0.0)	0.0	0.0	(0.4)	(2.3)
Currency differences	(0.1)	(0.8)	(0.1)	(2.4)	0.2	(3.1)	(4.0)
Accumulated depreciation and impairment losses as of 12/31/15	0.9	33.4	1.0	18.7	65.2	**119.2**	66.8
Net book value as of 12/31/15	2.3	24.2	1.1	18.5	111.2	**157.3**	137.0
Depreciation for the year	0.4	9.0	0.3	11.0	33.5	54.2	34.8
Impairment losses for the year (see note 8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Useful life	Up to 6 years	Up to 10 years	Up to 5 years	Up to 4 years	Up to 7 years		
Depreciation plan	Linear	Linear	Linear	Linear	Linear		

Development is internally developed intagible asset.

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 and Norway.

The Company's lease agreement for the rental of its Norwegian offices at Gjerdrums vei 19 will run through November 2019.

The lease agreement, according to IAS 17, is considered an operating lease.

[Numbers in $ million]	2015	2014
Leasing costs expensed	9.2	7.8
Termination date of the lease contract	11/30/19	11/30/19

Non-terminable operating leases due in:	2015	2014
Less than one year	8.2	7.2
Between one to five years	12.0	14.3
More than five years	0.0	1.4
Total	**20.3**	22.9

Note 8. Business combinations, goodwill, associated companies and other shares

Business combinations

Acquisition of Bemobi

On August 7 2015, Opera announced the acquisition of 100 % of the shares of Bemobi, a leading subscription based mobile app and games discovery service in Latin America.

Opera paid an upfront amount of $29.9 million, net of any working capital adjustments, in cash at the close of the transaction. Up to $81.0 million (including a $13.5 million performance based escrow) in performance payouts are tied to 2015 - 2019 subscription services revenue and Adjusted EBITDA targets, with an additional up to $29.0 million in payments tied to overachievement of financial goals. A meaningful portion of the earn-out payments are tied to Bemobi working with Opera to take their product and services to Opera's markets outside Latin America.

Financial performance earn-outs will be paid out from actual free cash flow generated from the Bemobi products and services, meaning that the transaction will be self-funded after closing and Opera´s foreign exchange exposure will be limited.

Identifiable assets acquired and liabilities assumed [Numbers in $ million]

Net identifiable assets	
Other intangible assets	1.1
Property, plant and equipment	0.1
Accounts receivable	7.6
Other receivables	0.1
Cash and cash equivalents	3.1
Deferred tax liability	(1.0)
Accounts payable	(4.4)
Taxes payable	(0.5)
Other current liabilities	(0.2)
Total net identifiable assets	**6.2**
Cash consideration	29.9
Escrow	0.0
Contingent consideration	53.2
Excess value	**77.0**
The allocation of excess value is as follows	
Customer relationships	13.4
Customer contracts	12.8
Proprietary technology	5.8
Trademark	0.4
Deferred tax on excess values	(11.0)
Goodwill	55.6

Opera calculated the discounted fair value on the acquisition date and recognized a contingent consideration of $53.2 million in the financial statements. The contingent consideration is revalued each quarter. Please see note 11 for further information.

The table below shows the estimated remaining useful life of the net identifiable assets:

Customer relationships	9 years
Customer contracts	2 years
Proprietary technology	5 years
Trademark	5 years

Individually immaterial business combinations

From time to time, the Group acquires 100% of the shares/membership interest of one or several companies that, individually, are not determined to be material transactions. These business combinations are, however, determined to be material collectively. The business combination numbers shown below are therefore disclosed in aggregate for acquisitions in the year to date.

Identifiable assets acquired and liabilities assumed *[Numbers in $ million]*

Total net identifiable assets	2.5
Cash consideration	18.6
Escrow	1.4
Contingent consideration	20.2
Excess value	37.7
The allocation of excess value is as follows	
Customer relationships	7.4
Proprietary technology	8.5
Trademark	0.2
Deferred tax on excess values	(4.2)
Goodwill	25.9

The table below shows the estimated remaining useful life of the net identifiable assets:

Customer relationships	5 to 7 years
Proprietary technology	5 years
Trademark	3 years

Opera calculated the discounted fair value on the acquisition dates and recognized a contingent consideration of $20.2 million in the financial statements. The contingent consideration is revalued each quarter. Please see note 11 for further information.

The purchase price allocations have been carried out by external consultants.

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 recognized the excess value part of the fair value of the total identifiable assets as customer relationships, customer contracts, proprietary technology, trademarks, deferred tax on excess values and goodwill, since the excess value has been deemed to be related to these intangible assets.

Opera has treated the contingent consideration as consideration for the purchase of the business with exception of any non-compete payment, which has been treated as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

Associated companies

In 1Q 2011, Opera and China's Telling Telecom announced that they planned to establish a company in 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 Opera Consumer products in China, providing users with a simple, fast, and smooth internet experience and to help people enjoy a comfortable mobile internet life. For more information, please visit www.oupeng.com.

The focus of nHorizon Innovation is on the massive consumer mobile internet market and revenue opportunity in China.

Information regarding nHorizon Innovation *[Numbers in $ million]*	**2015**	**2014**
Revenue	9.4	12.0
EBIT	(20.5)	(26.3)
Net profit (loss)	(21.0)	(27.3)
Assets	10.7	19.7
Current liabilities	15.9	14.0
Equity	(5.3)	5.7

Investment in associate

The investments in nHorizon Innovation are accounted for using the equity method. In 2015, Opera invested $2.7 million (2014: 11.0). The total investment as of December 31, 2015 is $26.6 million (2014: 23.8).

The Company has restricted cash on deposit with the bank of $6.0 million as security for investee obligations.

As of December 31, 2015, Opera owned 29.09% of nHorizon Innovation (29.09 % of the voting rights). Opera has recognized the following fair value amount as Other investments and deposits:

Carrying value *[Numbers in $ million]*	**2015**	**2014**
Investment (Booked value January [1)]	(1.2)	0.0
Investment during the financial year	2.7	11.0
FX adjustment	0.8	(1.0)
Share of the profit (loss)	(3.2)	(9.4)
Elimination	0.8	(1.8)
Total	**0.0**	(1.2)

Other shares

Opera Software ASA owns 20% of the European Center for Information and Communication Technologies — EICT GmbH, and 1.1% of the shares in Alliance Venture Spring AS. The recognized value of the shares is $0.2 million. The market values of the companies are 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. Alliance Venture Spring is a Norwegian venture capital firm investing in early stage technology companies.

Goodwill *[Numbers in $ million]*	**Other 1)**	**AdMarvel**	**Mobile Theory**	**4th Screen Advertising**	**Handster**	**Opera Mediaworks Performance**	**Hunt**	**Apprupt**	**AdColony**	**Advine**	**Total**
Acquisition cost											
Acquisition cost as of 1/1/14	69.7	13.2	34.4	11.3	7.2	14.4	–	–	–	–	150.3
Acquisitions through business combinations	–	–	–	–	–	–	5.6	10.9	183.2	0.6	200.4
FX adjustment	–	–	–	–	(0.5)	–	–	–	–	–	(0.5)
Acquisition cost as of 12/31/14	**69.7**	**13.2**	**34.4**	**11.3**	**6.7**	**14.4**	**5.6**	**10.9**	**183.2**	**0.6**	**350.3**
Accumulated impairment losses											
Accumulated impairment losses as of 1/1/14	0.8	–	–	–	–	–	–	–	–	–	0.0
Impairment losses	31.0	–	–	–	–	–	–	–	–	–	31.0
FX adjustment	–	–	–	–	–	–	–	–	–	–	0.0
Accumulated impairment losses as of 12/31/14	31.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.8
Carrying amount											
As of December 31 2014	**37.9**	**13.2**	**34.4**	**11.3**	**6.7**	**14.4**	**5.6**	**10.9**	**183.2**	**0.6**	**318.4**

	Other 1)	**AdMarvel**	**Mobile Theory**	**4th Screen Advertising**	**Handster**	**Opera Mediaworks Performance**	**Hunt**	**Apprupt**	**AdColony**	**Advine**	**Mobilike**	**Bemobi**	**Adquota**	**Total**
Acquisition cost														
Acquisition cost as of 1/1/15	69.7	13.2	34.4	11.3	6.7	14.4	5.6	10.9	183.2	0.6	–	–		350.3
Acquisitions through business combinations	20.0	–	–	–	–	–	–	–	1.4	–	4.4	55.6	0.7	82.1
FX adjustment	(1.0)	–	–	(0.7)	–	–	–	(2.4)	0.0	(0.1)	(0.3)	(6.4)	(0.0)	(10.9)
Acquisition cost as of 12/31/15	**88.8**	**13.2**	**34.4**	**10.6**	**6.7**	**14.4**	**5.6**	**8.5**	**184.6**	**0.5**	**4.1**	**49.2**	**0.7**	**421.5**
Accumulated impairment losses														
Accumulated impairment losses as of 1/1/15	31.8	–	–	–	–	–	–	–	–	–	–	–	–	31.8
Impairment losses	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0
FX adjustment	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0
Accumulated impairment losses as of 12/31/15	31.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.8
Carrying amount														
As of December 31 2015	**57.0**	**13.2**	**34.4**	**10.6**	**6.7**	**14.4**	**5.6**	**8.5**	**184.6**	**0.5**	**4.1**	**49.2**	**0.7**	**389.7**

1) Other comprises revenue from the following revenue types Consumer(ex. Apps and Games) and Tech Licensing, including the Hern Labs, Netview Technology, Opera Software Poland, Skyfire Labs and Surfeasy acquistions.

Impairment testing
Goodwill acquired through business combinations has been allocated to individual cash-generating units as presented in the reconciliation above.

Opera has carried out impairment testing as of December 31, 2015, according to IAS 36. Discounted cash flow models are applied to determine the value in use for the cash-generating units with goodwill. Management has projected cash flows based on financial forecasts and strategy plans covering a three or four year period. Beyond the explicit forecast period, the cash flows are extrapolated using constant nominal growth rates.

Key assumptions
Key assumptions used in the calculation of value in use are growth rates, EBITDA margins, capital expenditure and discount rates.

Growth rates
The expected growth rates for a cash-generating unit is derived from from the level experienced over the last few years to the long-term growth level in the market the entity operates. The growth rates used to extrapolate cash flow projections beyond the explicit forecast period are based on management's past experience, and assumptions in terms of expectations for the market development in which the entity operates. The growth rates used to extrapolate cash flows in the terminal year are not higher than the expected long-term growth in the market in which the entity operates.

Average EBITDA margin
The EBITDA margin represents the operating margin before depreciation and amortisation and is estimated based on the current margin level and expected future market development.

Capital expenditure («Capex»)
A normalised Capex to sales ratio (Capex as a percentage of revenue) is assumed.

Discount rates
Discount rates are based on Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM) methodology. The WACC calculations are based on a Global-Local approach, implying that a global risk free rate is applied as a basis (US 20Y Government bond). The inflation difference between the respective country of the specific CGU and the US is added to reflect the local risk free rate. Country risk premiums in addition to the US market risk premium are applied to correct for local risk. The discount rates also take into account gearing, the corporate tax rate, and the equity beta.

The following discount rates were used in determining the value in use:

	Other 1)	**AdMarvel**	**Mobile Theory**	**4th Screen Advertising**	**Handster**	**Opera Mediaworks Performance**	**Hunt**	**Apprupt**	**AdColony**	**Advine**	**Mobilike**	**Bemobi**	**Adquota**
	Norway	USA	USA	UK	Norway	USA	2) LATAM	Germany	USA	S.Africa	Turkey	Brazil	DK/ NO/SE
Post-tax in %	10.1	10.0	10.0	10.6	10.1	10.0	22.2	9.7	10.0	18.2	20.1	17.8	9.6
Pre-tax in %	10.8	16.7	16.7	13.3	10.8	17.3	32.2	11.2	16.4	25.3	25.1	27.0	12.6

1) Opera Software ASA parent company is considered to be the smallest CGU for the the following acquisitons: Hern Labs, Netview Technology, Opera Software Poland, Skyfire Labs and Surfeasy. Hence,"Other" comprises revenue from Consumer (ex. Apps and Games) and Tech Licensing.

2) Argentina, Brazil, Mexico, Uruguay (average of these country specific discount rates was used)

Impairment loss
Based on the impairment testing carried out as of December 31, 2015, the Group has not recognized any impairment losses. In 2014, the Group recognized an impairment loss of $31.0 million relating to Skyfire Labs.

Sensitivity analysis
In connection with the impairment testing of goodwill, sensitivity analyses have been carried out. For each CGU tested, the discount rate was increased by 2% points, and a 5% decrease was applied to future cash flows. Other than for Bemobi, the Group believes that no reasonably possible change in any of the key assumptions used for impairment testing would cause the carrying amount of the cash generating unit to exceed its value in use. The estimated recoverable amount exceeds the carrying amount of the cash generating unit by approximately $ 19 million for Bemobi.

The following changes in key assumptions, in isolation, would result in the value in use amount being approximately equal to the carrying amount, and any changes beyond those described below may lead to an impairment loss:

- Decrease in revenue by approximately 10.0 percentage points during the forecast period 2016–2019.

- Decrease in EBITDA margin by approximately 4.0 percentage points for the whole period including terminal value.

- Increase in discount rate before tax by 2.0 percentage points for the whole period including terminal value.

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.

Option and RSU programs
For information regarding share options and RSUs, please see note 3.

Authorization to acquire treasury shares
The Annual General Meeting held on June 2, 2015, passed the following resolution:
a) 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."
b) 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.
c) The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 291,272. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 20, and the maximum amount is NOK 200.
d) The authorization comprises the right to establish pledge over the Company's own shares.
e) This authorization is valid from registration with the Norwegian Register of Business Enterprises and until and including June 30, 2016.
f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

During 2015, the Group purchased 0 (2014: 2,500,000) treasury shares and sold 1,158,491 (2014: 960,925) treasury shares for $1.3 million (2014: 2.8). As of December 31, 2015, the Group owned 380,584 treasury shares (2014: 1,539,075).

Authorization to increase the share capital by issuance of new shares
The Annual General Meeting held on June 2, 2015, passed the following resolutions:

1 Authorization regarding incentive program
a) The Board of Directors is authorized to increase the Company's share capital by a total amount of up to NOK 291,272, by one or several share issues of up to a total of 14,563,600 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 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 and including June 30, 2016.
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 2, 2015, to June 30, 2016, 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 291,272, by one or several share issues of up to a total of 14,563,600 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 and including June 30, 2016.
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 2, 2015, to June 30, 2016, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company's share capital.

During 2015, Opera issued 0 (2014: 913,381) ordinary shares related to the incentive program, 2,434,472 (2014: 0) ordinary shares related to business combinations, and 0 (2014: 10,000,000) ordinary shares related to an equity increase.

Dividends for 2014 of NOK 0.26 per share
The Annual General Meeting held on June 2, 2015, passed the following resolution: NOK 0.26 per share is paid as dividend for 2014, constituting an aggregate dividend payment of NOK 37.9 million (approximately $4.8 million). The dividend was paid to those who were shareholders at end of trading on June 2, 2015.

Other resolutions passed at the AGM
For further details about the meeting held on June 2, 2015, please see the protocol from the Annual General Meeting published on the Oslo Stock Exchange website (www.oslobors.no).

Ownership structure
The 20 biggest shareholders of Opera Software ASA shares as of December 31, 2015, were as follows:

[In thousands of shares]	**Shares**	**Owner's share**	**Voting share**
LUDVIG LORENTZEN AS	12 115	8.32%	8.32%
FOLKETRYGDFONDET	10 531	7.23%	7.23%
FERD AS	7 855	5.39%	5.39%
AREPO AS	7 437	5.11%	5.11%
SUNDT AS	7 169	4.92%	4.92%
CLEARSTREAM BANKING S.A.	4 551	3.13%	3.13%
LAZARD FRERES BANQUE	3 788	2.60%	2.60%
VERDIPAPIRFONDET DNB NORGE (IV)	3 628	2.49%	2.49%
ILMARINEN MUTUAL PENSION INSURANCE	2 750	1.89%	1.89%
SKANDINAVISKA ENSKILDA BANKEN AB	2 547	1.75%	1.75%
GEVERAN TRADING CO LTD	2 248	1.54%	1.54%
PERSHING LLC	1 906	1.31%	1.31%
VPF NORDEA KAPITAL	1 669	1.15%	1.15%
VERDIPAPIRFONDET DNB NORDIC TECHNO	1 611	1.11%	1.11%
HOME CAPITAL AS	1 601	1.10%	1.10%
STATE STREET BANK & TRUST COMPANY	1 499	1.03%	1.03%
VERDIPAPIRFONDET KLP AKSJENORGE	1 319	0.91%	0.91%
J.P. MORGAN CHASE BANK N.A. LONDON	1 306	0.90%	0.90%
DNB LIVSFORSIKRING ASA	1 304	0.90%	0.90%
VERDIPAPIRFONDET DNB NORGE SELEKTIV (III)	1 290	0.89%	0.89%
Sum	78 125	53.64%	53.64%
Other shareholders	67 511	46.36%	46.36%
Total numbers of shares	145 636	100.00%	100.00%

The Board of Directors proposes that the 2016 Annual General Meeting does not approve any dividend payment.

In connection with a de-merger of Daland AS, which is owned by co-founder Jon S. von Tetzchner with 94.05 % and CTO Håkon Wium Lie with 5.95 %, it was on December 22, 2009 transferred 15,999,742 shares in Opera Software ASA to Mozart Invest AS which is wholly owned Jon S. von Tetzchner, and 1,013,082 shares in Opera Software ASA were transferred to Merm AS, which is wholly owned by Håkon Wium Lie. The VPS accounts for Mozart Invest AS and Merm AS was not established as of December 31, 2009 and Daland AS is therefore registered as the owners of the shares in the VPS register. Mozart Invest AS and Merm AS were established in connection with the de-merger. Daland AS will be dissolved in connection with the de-merger. Mozart Invest AS holds 13.38 % of the shares in Opera Software ASA and Merm AS 0.85 %.

Note 10. 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, 2015
The following table shows the carrying amounts and fair values of financial assets and financial liabilities (level 3 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.

	CARRYING AMOUNT				FAIR VALUE			
[Numbers in $ million]	**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								
Other investments		0.1		0.1				
Other non-current assets		2.5		2.5				
Accounts receivable		197.3		197.3				
Cash and cash equivalents		97.7		97.7				
Total financial assets not measured at fair value	0.0	297.5	0.0	**297.5**				
Financial liabilities measured at fair value								
Provisions	203.6			203.6			203.6	203.6
Total financial liabilities measured at fair value	203.6	0.0	0.0	**203.6**			203.6	203.6
Financial liabilities not measured at fair value								
Financial lease liabilities			11.4	11.4				
Secured bank loans			150.0	150.0				
Accounts payable			42.9	42.9				
Other current liabilities			96.9	96.9				
Total financial liabilities not measured at fair value	0.0	0.0	301.2	**301.2**				

For more information on fair value of provisions please see note 11.

Other investments
Other non-current assets

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, 2014
The following table shows the carrying amounts and fair values of financial assets and financial liabilities (level 3 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.

	CARRYING AMOUNT				FAIR VALUE			
[Numbers in $ million]	**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								
Other investments		0.0		0.0				
Other non-current assets		2.0		2.0				
Accounts receivable		150.8		150.8				
Cash and cash equivalents		138.2		138.2				
Total financial assets not measured at fair value	0.0	290.9	0.0	**290.9**				
Financial liabilities measured at fair value								
Provisions	240.3			240.3			240.3	240.3
Total financial liabilities measured at fair value	240.3	0.0	0.0	**240.3**			240.3	240.3
Financial liabilities not measured at fair value								
Financial lease liabilities			2.7	2.7				
Secured bank loans			60.0	60.0				
Accounts payable			46.1	46.1				
Other current liabilities			61.0	61.0				
Total financial liabilities not measured at fair value	0.0	0.0	169.8	**169.8**				

For more information on fair value of provisions please see note 11.

Other investments
Other non-current assets

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 $ million]	Note	Contingent consideration
Balance as of 1/1/2014		59.7
Assumed in a business combination	8	179.2
Paid	8	(49.5)
Finance cost	8	82.0
Translation differences	8	(31.1)
OCI	8	0.0
Balance as of 12/31/2014		240.3
Assumed in a business combination	8	73.4
Paid	8	(134.3)
Finance cost	8	58.4
Translation differences	8	(34.2)
OCI	8	0.0
Balance as of 12/31/2015		203.6

Earnout payments made in 2015 *[Numbers i $ million]*	AdColony	Bemobi	Individually immaterial	Total
With cash flow effect				
Q1	42.2			42.2
Q2			15.0	15.0
Q3	20.1			20.1
Q4				0.0
Total	**62.3**	**0.0**	**15.0**	**77.3**
With no cash flow effect (released from escrow)				
Q1	6.7		1.0	7.7
Q2	33.3		1.0	34.3
Q3				0.0
Q4	15.0			15.0
Total	**55.0**	**0.0**	**2.0**	**57.0**

Of the $33.3 million paid to AdColony in Q2, $30.0 million was paid in shares and $3.3 million was released from escrow.

Estimated future payments *[Numbers in $ million]*	AdColony	Bemobi	Individually immaterial	Total
Apr-16	109.6	3.7	19.1	132.4
Sep-16	15.2	4.9		20.1
Apr-17	3.1	18.2	7.2	28.5
Sep-17		8.1		8.1
Apr-18		8.5	7.2	15.7
Sep-18		5.4		5.4
Apr-19		6.9		6.9
Sep-19		6.1		6.1
Apr-20		7.7		7.7
Total	**127.9**	**69.6**	**33.4**	**230.9**

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

Estimated maximum payments *[Numbers in $ million]*	AdColony	Bemobi	Individually immaterial	Total
Apr-16	109.6	3.7	25.8	139.2
Sep-16	15.2	5.6		20.8
Apr-17	3.1	24.0	11.5	38.6
Sep-17		9.6		9.6
Apr-18		20.0	9.7	29.7
Sep-18		8.1		8.1
Apr-19		10.1		10.1
Sep-19		9.8		9.8
Apr-20		12.3		12.3
Total	**127.9**	**103.2**	**47.0**	**278.1**

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

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

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant assumptions (forecast annual revenue and forecast EBIT) would, holding the other assumptions constant 1), have the following effects on the net present value and the fair value of the contingent consideration.
[1)] Generally, a change in the annual revenue is accompanied by a directionally similar change in EBIT.

Effect on Net present value *[Numbers in $ million]*	**AdColony**	**Bemobi**	**Individually immaterial**
Annual revenue (10% increase)	N/A	5.0	1.3
Annual revenue (10% decrease)	N/A	(11.4)	(5.5)
EBIT (5% increase)	N/A	1.9	0.2
EBIT (5% decrease)	N/A	(13.9)	(1.9)

Effect on Fair value *[Numbers in $ million]*	**AdColony**	**Bemobi**	**Individually immaterial**
Annual revenue (10% increase)	N/A	7.0	1.5
Annual revenue (10% decrease)	N/A	(15.3)	(6.8)
EBIT (5% increase)	N/A	2.6	0.3
EBIT (5% decrease)	N/A	(16.7)	(2.1)

Note 12. Restructuring costs

During 2015, 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.

Costs for restructuring the business *[Numbers in $ million]*	**2015**	**2014**
Salary restructuring cost	5.2	0.2
Office restructuring cost	0.7	0.1
Legal fees related to business combinations	4.5	2.7
Other restructuring cost	0.0	0.2
Total	**10.4**	3.2

As of December 31, 2015, $0.9 million (2014: 0.6) was not paid and was recognized as other short-term liabilities in the consolidated statement of financial position.

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 and critical accounting judgments in applying the Group's accounting policies

Contingent considerations
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.

Stock-based compensation
The options and RSUs are recognized in accordance with IFRS 2. The option and RSU costs are calculated on the basis of various assumptions, such as volatility, interest level, dividend and and employee turnover. For RSUs, estimates of achieved performance targets are also included. The chosen assumptions can have a significant impact on the size of the option and RSU costs. The assumptions are given in note 3.

Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on best estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Estimated fair value of cash generating unit for impairment testing of goodwill
In accordance with IAS 36, the Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on a value-in-use calculation. This calculation requires the use of estimates and is based on assumptions that are consistent with the market valuation of the Group.

Percentage of completion
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. 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 reason 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. The adjustments and modifications are carried out continuously over time.

Hence, income and costs recognized in accordance with the percentage of completion method, which states that related income and expenses are to be recognized in the same period. 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 recognized income.

Development costs
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.

Bundled agreements
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 recognized as the elements are delivered. If the elements can not be separated, all income is recognized in aggregate, in accordance with the percentage of completion method.

Note 14. Related parties

In 2015, 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, and earnout payments to shareholders, 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 0.3% of the Group's voting share as per December 31, 2015. The Company has not provided any loans to directors or Executive Team members as of December 31, 2015.

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

Note 15. Earning per share

Earning per share	2015	2014
Earnings per share (basic) (USD)	(0.35)	(0.42)
Earnings per share, fully diluted (USD)	(0.35)	(0.42)
Shares used in earnings per share calculation	144 408 900	137 181 075
Shares used in earnings per share calculation, fully diluted	144 408 900	137 181 075

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.

In periods with negative net income, the dilutive instruments will have an anti dilutive effect when calculating diluted earnings per share. For this reason, there is no difference between earnings per share and diluted earnings per share for these periods.

	2015
Average number of shares	144 408 900
The following equity instruments have a diluting effect:	
Options	4 349 821
RSUs	1 847 287
Total	**6 197 108**
Options	6 197 108
Number of shares purchased (NOK 131.4 million/63.62)	2 064 650
Number of shares with diluting effect	4 132 458
Expected options to be exercised	3 512 590

Note 16. Events after the reporting period

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

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

Demerger
On December 21, 2015, an Extraordinary General Meeting ("EGM") was called to approve a demerger plan for Opera Software ASA. On January 25, 2016, the EGM approved the demerger plan for Opera Software ASA. This plan was proposed by the Board of Directors in order to carry out a corporate structure reorganization, designed specifically to separate the Browser and TV businesses into two separate entities and move operations from the ultimate parent company.

The first steps of the proposed corporate structure reorganization process are to transfer the group's business areas related to Browser and TV as well as subsidiaries, to two new wholly owned subsidiaries of Opera Software ASA; Opera Software AS and Opera TV AS. This was completed through two simultaneous and mutually conditional demergers. The demergers will not affect the listing of the Company's shares on the Oslo Stock Exchange. The new companies are unlisted private limited companies owned 100% by Opera Software ASA.

The demerger was notified to the Norwegian Register of Business Enterprises on January 25, 2016 and the six weeks creditor notification expired without any objections being raised. On March 11, 2016, the demerger was completed and registered in the Norwegian Register of Business Enterprises.

The demergers were carried out in accordance with the statutory provisions on demergers set out in chapter 14 of the Norwegian Public Limited Liability Companies Act and in accordance with the provisions in the Norwegian Tax Act on tax neutral demergers.

Parent company annual accounts report 2015 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**

Numbers in $ million	Note	2015	2014
Revenue	1, 2, 5, 9	170.1	198.0
Total operating revenue		**170.1**	198.0
Cost of goods sold	5, 9	1.3	0.4
Payroll and related expenses, excluding stock-based compensation expenses	3, 5	24.0	31.3
Stock-based compensation expenses	3	3.2	2.5
Depreciation, amortization, and impairment expenses	5, 7	9.7	6.2
Impairment of shares	8	2.7	6.9
Other operating expenses	3, 4, 5, 7, 9, 14	114.5	109.0
Total operating expenses		**155.5**	156.1
Operating profit ("EBIT"), excluding restructuring costs		**14.6**	41.8
Restructuring costs	13	5.1	2.8
Operating profit ("EBIT")		**9.5**	39.1
Interest income	5, 9	3.7	2.3
Other financial income	5	47.2	40.0
Interest expenses	5, 9	(1.8)	(0.9)
Other financial expenses	5	(9.6)	(6.2)
Interest expense related to contingent consideration	8, 11	(17.6)	(9.5)
FX gains (losses) related to contingent consideration, net	8, 11	(26.8)	(31.5)
Revaluation of contingent consideration	8, 11	(9.7)	(28.2)
Profit sale shares	8	130.0	0.0
Profit (loss) before income taxes		**125.0**	5.1
Income taxes	6	21.0	20.7
Profit (loss)		**104.1**	(15.5)
Items that may or will be transferred to profit (loss)			
Foreign currency translation differences		(52.7)	(81.8)
Total comprehensive income (loss)		**51.4**	(97.3)
Profit (loss) attributable to:			
Owners of Opera Software ASA		104.1	(15.5)
Non-controlling interests		0.0	0.0
Total comprehensive income (loss) attributable to:			
Owners of Opera Software ASA		51.4	(97.3)
Non-controlling interests		0.0	0.0
Earnings per share:			
Basic earnings per share (USD)	16	0.72	-0.11
Diluted earnings per share (USD)	16	0.72	-0.11

Statement of **financial position**

Numbers in $ million	Note	12/31/2015	12/31/2014
Assets			
Deferred tax assets	6	4.2	3.3
Other intangible assets	7	16.1	25.6
Property, plant and equipment	7	7.4	5.6
Investments in subsidiaries	8	210.5	376.8
Investments in other shares	8	0.2	0.1
Other investments and deposits	4	0.7	0.8
Other non-current assets	8, 9, 11	38.2	4.2
Total non-current assets		**277.3**	416.4
Accounts receivable	5, 9, 11	53.3	66.1
Other receivables	6, 9	138.5	31.1
Cash pool receivable	5	97.0	63.9
Cash and cash equivalents	5	7.4	10.4
Total current assets		**296.2**	171.5
Total assets		**573.5**	587.9

Statement of **financial position**

Numbers in $ million	Note	12/31/2015	12/31/2014
Shareholders' equity and liabilities			
Share capital	10	0.3	0.4
Share premium		244.1	258.2
Other reserves		31.0	25.5
Other equity		125.9	30.6
Total equity		**401.3**	314.6
Liabilities			
Stock-based compensation liability	3	0.1	0.1
Provisions	12	2.8	127.4
Total non-current liabilities		**2.9**	127.5
Accounts payable	9, 11	14.2	13.1
Taxes payable	6	18.5	13.6
Public duties payable		2.7	7.6
Deferred revenue	5	4.5	7.5
Stock-based compensation liability	3	0.1	0.3
Other current liabilities	5, 9, 11	11.0	20.0
Provisions	12	118.2	83.5
Total current liabilities		**169.3**	145.8
Total liabilities		**172.2**	273.3
Total equity and liabilities		**573.5**	587.9

Oslo, April 27, 2016

Sverre Munck
Chairman of the Board

Audun Wickstrand Iversen

Marianne Blystad

Sophie Charlotte Moatti

Andre Christensen

Erik Möller
Employee Representative

Christian Uribe
Employee Representative

Malin Rundberg
Employee Representative

Lars Boilesen
CEO

Statement of **cash flows**

Numbers in $ million	Note	1/1 - 12/31 2015	1/1 - 12/31 2014
Cash flow from operating activities			
Profit (loss) before taxes		125.0	5.1
Income taxes paid	6	(17.5)	(23.7)
Depreciation and amortization expense	7	9.7	6.2
Net (gain) loss from disposals of PP&E, intangible assets, and goodwill		0.0	0.0
Net (gain) loss from sale of shares [4)]	8	(130.0)	0.0
Impairment of assets	7	0.0	0.0
Impairment losses	8	2.7	6.9
Loss on sale of shares	8	0.0	0.0
Changes in accounts receivable [1)]		16.9	(8.0)
Changes in accounts payable		(1.6)	1.9
Changes in other liabilities and receivables, net [8)]	9	(85.4)	2.9
Share of net income (loss) and net (gain) loss from disposal of associated companies		0.0	0.0
Share-based remuneration	3	3.2	1.9
Earnout cost and cost for other contingent payments [2)]	8, 12	54.1	69.2
FX differences related to changes in balance sheet items		(27.2)	(25.7)
Net cash flow from operating activities		**(50.0)**	36.8
Cash flow from investment activities			
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	7	0.0	0.0
Proceeds from sale of shares [4)]	8	210.9	0.0
Purchases of property, plant and equipment (PP&E) and intangible assets	7	(4.1)	(4.2)
Capitalized development costs	4, 7	(2.4)	(5.4)
Purchases of subsidiaries and associated companies, net of cash acquired [3)]	8	(138.3)	(118.6)
Other investments [5)]	8	(3.0)	(9.1)
Net cash flow from investment activities		**63.1**	(137.3)
Cash flow from financing activities			
Proceeds from exercise of own shares (incentive program)	10	1.3	2.8
Purchase of treasury shares		0.0	(34.7)
Proceeds from issuance of shares, net (incentive program)	10	0.0	3.6
Proceeds from issuance of shares, net (equity increase)	10	(0.0)	125.9
Proceeds from loans and borrowings		0.0	0.0
Repayments of loans and borrowings		0.0	0.0
Payment of finance lease liabilities		0.0	0.0
Payment of group contribution	8	(12.5)	(5.1)
Dividends paid to equity holders of Opera Software ASA	10	(4.8)	(5.2)
Net cash flow from financing activities		**(16.1)**	87.2
Net change in cash and cash equivalents		**(3.0)**	(13.2)
Cash and cash equivalents (beginning of period)		10.4	23.6
Cash and cash equivalents [6) 7)]		**7.4**	10.4

[1)] Changes in unbilled revenue are included in changes in accounts receivables.

[2)] Interest income and interest expenses are included in Profit (loss) before taxes. Interest paid and interest received are recognized in the same year that interest income and interest expenses are recognized in the consolidated statement of comprehensive income, with the exception of interest related to re-evaluation of the contingent liabilities related to acquisitions. Conversion differences and interest related to, and re-evaluation of, contingent liabilities are recognized on a separate line as net cash flow from operating activities.

[3)] Purchases of subsidiaries and associated companies, net of cash acquired:

Capital increase to Opera Software International AS:	(67.0)
Earnout payments with cash flow effect related to the acquisition of AdColony:	(62.3)
Payment related to the acquisition of the user base associated with the Nokia Store business (OVI Store) unit of Microsoft:	(9.0)
Capital increase for 3 new entities in connection with the Demerger (see note 16 of the consolidated financial statements for further information):	(0.0)
Total	**(138.3)**

[4)] These figures represent the gain, and the cash received from the sale of the shares in AdColony. See note 8 for further information.

[5)] This figure includes the investment in 2015 of $2.7 (2014: 11.0) million in nHorizon Innovation.

[6)] As of December 31, 2015, the conversion discrepancy loss recognized on cash and cash equivalents was $5.6 million (2014: 3.7).

[7)] Of which $7.0 million (2014: $7.0 million) is restricted cash as of December 31, 2015.

[8)] This includes changes in intercompany balances. See note 9 for further information.

Statement of **changes in equity**

Numbers in MUSD	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Trans-lation reserve	Other equity	Total equity
Balance as of 12/31/2014	**141.7**	**0.5**	**317.2**	**29.9**	**(34.7)**	**(89.2)**	**90.9**	**314.6**
Comprehensive income for the period								
Profit for the period							104.1	104.1
Other comprehensive income								
Foreign currency translation differences						(52.7)		(52.7)
Total comprehensive income for the period	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(52.7)**	**104.1**	**51.4**
Contributions by and distributions to owners								
Dividend to equity holders							(4.8)	(4.8)
Issue of ordinary shares related to business combinations								0.0
Issue of ordinary shares related to the incentive program								0.0
Issue of ordinary shares related to equity increase	2.4	0.0	29.4					29.4
Treasury shares acquired								0.0
Treasury shares sold	1.2				0.0		1.3	1.3
Tax deduction on equity issuance costs							0.0	0.0
Share-based payment transactions				9.6				9.6
Total contributions by and distributions to owners	**3.6**	**0.0**	**29.4**	**9.6**	**0.0**	**0.0**	**(3.5)**	**35.5**
Other equity changes								
Other changes			(0.2)					(0.2)
Total other equity changes	**0.0**	**0.0**	**(0.2)**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.2)**
Balance as of 12/31/2015	**145.3**	**0.5**	**346.5**	**39.4**	**(34.7)**	**(141.9)**	**191.5**	**401.3**

Face value of the shares
The face value of the shares is NOK 0.02.

Other reserves
Other reserves consist of option and RSU costs recognized 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**

Numbers in MUSD	Number of shares	Share capital	Share premium	Other reserves	Reserve for own shares	Trans-lation reserve	Other equity	Total equity
Balance as of 12/31/2013	**132.3**	**0.4**	**187.0**	**19.8**	**0.0**	**(7.4)**	**106.9**	**306.6**
Comprehensive income for the period								
Profit for the period							(15.5)	(15.5)
Other comprehensive income								
Foreign currency translation differences						(81.8)		(81.8)
Total comprehensive income for the period	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(81.8)**	**(15.5)**	**(97.3)**
Contributions by and distributions to owners								
Dividend to equity holders							(5.2)	(5.2)
Issue of ordinary shares related to business combinations								0.0
Issue of ordinary shares related to the incentive program	0.9	0.0	3.5					3.6
Issue of ordinary shares related to equity increase	10.0	0.0	125.8	0.0				125.9
Treasury shares acquired	(2.5)				(34.7)			(34.7)
Treasury shares sold	1.0				0.0		2.8	2.8
Tax deduction on equity issuance costs			1.0				2.0	3.0
Share-based payment transactions				10.1				10.1
Total contributions by and distributions to owners	**9.4**	**0.0**	**130.4**	**10.1**	**(34.7)**	**0.0**	**(0.4)**	**105.4**
Other equity changes								
Other changes			(0.2)					(0.2)
Total other equity changes	**0.0**	**0.0**	**(0.2)**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.2)**
Balance as of 12/31/2014	**141.7**	**0.5**	**317.2**	**29.9**	**(34.7)**	**(89.2)**	**90.9**	**314.6**

Note 1. Accounting principles

Information about the accounting principles is given in the accompanying note 1 in the consolidated financial statements.

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), and subscription revenue from mobile-app discovery and VPN services.

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 Company 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 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 further definitions of products and services.

Revenue by region *[Numbers in $ million]*	**2015**	**2014**
EMEA	79.8	113.5
Americas	52.3	44.0
Asia Pacific	37.9	40.5
Total	**170.1**	198.0

The breakdown of revenue by region reflects the customer'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 2015, the Company had sales to two customers that accounted for more than 10% of total Company revenues. Revenue in 2015 from these two customers, on a combined basis, ranges between $40 and 50 million in total.

Revenue attributed to customers domiciled in the United States amounted to $49.6 million (2014: 42.3).

Revenues attributed to Norway for 2014 were $2.0 million (2014: 1.0), and revenues attributed to all foreign countries in total were $168.1 million (2014: 197.0).

Revenue type *[Numbers in $ million]*	**2015**	**2014**
Mobile Advertising - 3rd Party Publishers	0.0	0.0
Consumer (Owned and Operated Properties)	105.7	118.9
Tech Licensing	64.3	79.1
Total	**170.1**	**198.0**

Consumer (Owned and Operated Properties)	**2015**	**2014**
Operator Co-brand Solutions	26.2	39.6
Desktop Browser	49.5	51.1
Mobile Browser	25.9	26.5
Apps and Games	4.1	1.7
Performance and Privacy Apps	0.0	0.0
Total	**105.7**	**118.9**

Tech Licensing
Tech Licensing revenue is primarily comprised of license revenue generated through the Connected TV, Operator and Consumer Internet markets. The revenue is generated through licensing technology to third parties that it embeds in its own consumer products and services, such as the Rocket Optimizer technology which powers Opera Max, and video optimization for Opera Mini.

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

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

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

Apps and Games revenue is primarily comprised of: i) Subscription revenue when a user purchases a subscription from 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.

Performance and Privacy Apps revenue is primarily comprised of subscription revenue generated by Opera's VPN service for smartphones, tablets, and computers.

See note 1 of the consolidated financial statements for further information regarding revenue recognition.

Revenue type *[Numbers in $ million]*	**2015**	**2014**
Licenses/royalties	72.9	103.5
Development fees	10.3	11.0
Maintenance, support and hosting	6.8	5.6
Search	48.6	46.8
Advertising	28.7	29.8
Application and content	2.6	1.2
Other revenue	0.1	0.1
Total	**170.1**	198.0

Revenue customer type *[Numbers in $ million]*	**2015**	**2014**
Mobile Operators	36.0	57.6
Mobile Consumers	50.8	52.5
Desktop Consumers	51.9	62.2
Device OEMs	31.4	24.8
Other	0.0	0.9
Total	**170.1**	198.0

Note 3. Payroll expense and remuneration to management

Payroll expenses *[Numbers in $ million]*	**2015**	**2014**
Salaries/bonuses	17.7	23.5
Social security cost	3.2	3.5
Pension cost	1.1	1.2
Share-based remuneration including social security cost	3.2	2.5
Other payments	1.1	2.6
Consultancy fees for technical development	0.8	0.4
Total	**27.2**	33.7
Average number of employees	200	215

The company has incorporated the requirements set out by the Mandatory Occupational Pensions Act ("Obligatorisk Tjeneste Pensjon").

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 2015 were $0.6 million (2014: 0.2). This is broken down as follows:

Audit fees *[Numbers in $ million]*	**2015**	**2014**
Audit and audit related services	0.3	0.2
Assurance services	0.2	0.0
Tax services	0.0	0.0
Other service	0.1	0.0
Total	**0.6**	0.2

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

In thousands of options	**Weighted average exercise price 2015 (NOK)**	**Number of options 2015**	**Weighted average exercise price 2014 (NOK)**	**Number of options 2014**
Outstanding at the beginning of the period	46.96	3 017	34.65	3 868
Transferred in	33.18	613	0.00	0
Transferred out	42.78	190	0.00	0
Terminated (employee terminations)	0.00	0	0.00	0
Forfeited during the period	56.14	108	39.30	247
Expired during the period	0.00	0	0.00	0
Exercised during the period	30.62	57	30.96	1 295
Granted during the period	0.00	0	76.25	690
Outstanding at the end of the period		3 275		3 017
Exercisable at the end of the period		1 838		659

No Options were granted for 2015

Fair value of share options and assumptions *[Numbers in NOK]*	**2015**	**2014**
Fair value at measurement date (average per option)	-	28.54
Expected volatility (weighted average)	-	45.95
Option life (adjusted for expectations of early exercise)	-	5.00
Expected dividends	-	0.00
Risk-free interest rate (based on national government bonds)	-	2.16

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

Additional information pertaining to options and RSUs 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.

	TOTAL OUTSTANDING OPTIONS			VESTED OPTIONS	
Exercise price *[In thousands of options]*	**Outstanding options per 12/31/2015**	**Weighted average remaining lifetime**	**Weighted average exercise price (NOK)**	**Vested options 12/31/2015**	**Weighted average exercise price (NOK)**
10.00 - 12.30	-	-	-	-	-
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	300	0.00	18.64	300	18.64
20.00 - 25.00	230	2.17	21.05	230	21.05
25.00 - 30.00	782	3.28	26.65	782	26.65
30.00 - 35.00	420	4.21	34.09	55	32.82
35.00 - 40.00	958	3.94	37.01	471	37.01
40.00 - 45.00	-	-	-	-	-
45.00-	585	5.72	75.75	-	-
Total	**3 275**	**3.65**	**38.28**	**1 838**	**27.48**

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)**
3/24/2019	17	67.00
6/4/2019	40	65.75

Restricted stock units
The total number of RSUs granted in 2015 was 134 963 (2014: 197 000).

Fair value of RSUs and assumptions *[Numbers in NOK]*	**2015**	**2014**
Fair value at measurement date (average per RSU)	58.23	75.43
Spot Price at grant	71.00	75.85
Expected dividends to reduce fair value (PV)	12.77	0.42
RSU life	2.59	2.36
Risk-free interest rate (based on national government bonds)	0.93%	1.58%

	2015		2014	
Restricted Stock Units	**Shares**	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**
Outstanding at the beginning of period	193 000	0.02		
Granted	134 963	0.02	197 000	0.02
Transferred in	35 000	0.02		
Exercised	-	-		
Released	-48 250	0.02		
Cancelled	-	-		
Forfeited	-10 000	0.02		
Expired	-	-		
Adjusted quantity	-	-		
Performance adjusted	-	-		
Transferred out	-	-	-4 000	0.02
Outstanding at the end of period	304 713	0.02	193 000	0.02
Vested options	5 000	0.02		
Weighted Average Fair Value of Options Granted during the period	134 963	58.23	197 000	75.43
Intrinsic value outstanding options at the end of the period	304 713	15 397 148	193 000	18 331 140
Intrinsic value vested options at the end of the period	5 000	252 650		

Estimated performance levels for unvested RSUs are estimated to be at 100% of the performance targets.

Note 4. Other expenses, research and other non-current assets

Other expenses *[Numbers in $ million]*	**2015**	**2014**
Intercompany services	76.2	75.8
Rent and other office expenses	2.1	2.4
Equipment	1.9	2.8
Audit, legal and other advisory services	2.8	3.0
Marketing expenses	23.0	15.5
Travel expenses	2.5	3.1
Hosting expenses, excl. depreciation cost	1.2	1.1
Other expenses	4.9	5.4
Total	**114.5**	109.0

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 (including branches/subsidiaries). 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. In 2015, engineering salaries, expensed in the financial statements, were $4.9 million (2014: 10.5). Development costs capitalized in 2015 were $2.4 million (2014: 5.6). For additional information, please see notes 7 and 13.

Other non-current assets
Rental deposits in comprise the majority of other non-current assets.

Note 5. Financial risk

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

The following table shows the breakdown of revenue generation per currency:

	2015		2014	
[Numbers in $ million]	**$ million**	**%**	**$ million**	**%**
USD	113.1	66.5	124.8	63.0
EUR	50.6	29.7	56.8	28.7
CNY	3.0	1.7	13.8	7.0
Other	3.4	2.0	2.6	1.3
Total	**170.1**	**100.0**	198.0	100.0

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

	2015	**2014**
EUR	1.31	1.31
CNY	0.16	0.16

The table below shows the positive effect on the Group's revenue of a 10 % appreciation of certain functional currencies relative to the USD:

[Numbers in $ million]	**2015**	**2014**
EUR	5.1	5.7
CNY	0.3	1.4

Conversely, a 10% depreciation of the functional currencies in the table above would have a similar negative effect on the Group's revenue.

The unrealized foreign exchange gain (loss) is estimated as the difference between exchange rates. These numbers are shown in the table below. *[Numbers in $ million]*

Realized / Unrealized FX gain (loss)	**2015**	**2014**
Realized FX gain (loss)	(16.1)	(1.1)
Unrealized FX gain (loss)	89.8	4.6
Net FX gain (loss)	73.7	3.5

These figures include foreign exchange gains and losses related to contingent considerations. See note 11 for further information related to contingent considerations.

Foreign exchange contracts
During 2015 and 2014, the Company did not use forward exchange contracts to hedge its currency risk, and the Company had not entered into any foreign exchange contracts as of December 31, 2015.

The distribution per currency of accounts receivables, as of December 31, is presented in the table below:

The numbers below are presented in local currencies	**2015**	**% of gross AR**	**2014**	**% of gross AR**
USD	21.0	64.4%	21.5	53.7%
EUR	7.5	25.3%	12.1	36.6%
CNY	19.1	9.1%	22.8	9.3%
Other	n/a	1.3%	n/a	0.4%

The accounts receivables are converted, as of December 31, at the following exchange rates:

	2015	**2014**
EUR	1.09	1.12
CNY	0.15	0.16

Credit risk
Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations.

Credit risk related to accounts receivable is assessed to be limited due to the high number of customers in the Group's customer base. Further, the Group conducts most of its business with large global companies and has not experienced significant credit-related losses during this or previous financial years. Therefore, no further credit risk provision is required in excess of the normal provision for bad and doubtful receivables.

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

The following shows the breakdown of gross extermaø accounts receivable per region:

[Numbers in $ million]	**2015**	**2014**
EMEA	16.0	19.7
Americas	4.1	7.3
Asia Pacific	12.4	13.0
Total	**32.6**	40.0

External accounts receivable, as of December 31, by age, are as follows:

	2015		2014	
[Numbers in $ million]	**Gross receivables**	**Provision for bad debt**	**Gross receivables**	**Provision for bad debt**
Not past due	11.5	0.0	19.2	0.0
Past due 0-30 days	3.6	0.0	7.8	0.0
Past due 31-60 days	3.4	0.0	2.5	0.0
Past due 61-90 days	1.5	0.0	4.2	0.0
More than 90 days	12.6	7.5	6.4	4.8
Total	**32.6**	**7.5**	40.0	4.8

The majority of the 2015 receivables that are more than 90 days outstanding have been paid in 2015 or are recognized against deferred income in the "Statement of financial position".

Accounts receivable and other receivables *[Numbers in $ million]*	**2015**	**2014**
External accounts receivable	25.0	35.2
Internal accounts receivable	13.5	13.0
Unbilled revenue	14.9	18.0
Other receivables	138.5	31.1
Total	**191.8**	97.2

Please see note 9 for further information regarding Other receivables.

Liquidity risk
The Company had the following liquidity reserve and credit facility as of December 31.

Liquidity reserve *[Numbers in $ million]*	1/1/2020	1/1/2019
Cash and cash equivalents		
Cash and cash equivalents outside the Group's cash pool systems	7.4	10.4
-of which restricted funds [1)]	7.0	7.0
Cash and cash equivalents in the Group's cash pool systems	97.0	63.9
Unrestricted cash	97.4	67.3
Unutilized credit facilities	0.0	0.0
Short-term overdraft facility	0.0	0.0
Liquidity reserve	0.0	0.0

[1)] Cash and cash equivalents of $7.0 million were restricted assets as of December 31, 2015.
Cash and cash equivalents of $7.0 million were restricted assets as of December 31, 2014.

Credit Facility *[Numbers in $ million]*	1/1/2020	1/1/2019
Long-term cash credit	250.0	150.0
-of which utilized	150.0	60.0
Short-term overdraft facility	0.0	0.0
-of which utilized	0.0	0.0

Cash pool agreement
The Company has entered into the cash pool system established by the Group. Under these agreements, Opera Software Financing Limited is the Group account holder and the other companies in the Group are sub-account holders or participants. The banks can offset balances in their favour against deposits, so that the net position represents the net balance between the bank and the Group account holder.

Foreign exchange forward contracts
During 2014 and 2015, 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, 2015.

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, $4.5 million (2014: 7.5) relates to deferred revenue, and $2.8 million (2014: 6.0) 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 and RSUs to its employees in accordance with its objective that employees shall hold company shares.

In 2015, the Board of Directors has not used its authorization to purchase the treasury shares.

Please see note 9 in 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 $ million]*	2015	2014
Profit before income tax	125.0	5.1
Permanent differences in profit and loss	(51.0)	64.2
Tax deductible issue cost booked against equity	0.0	0.0
Taxes paid abroad	0.0	0.0
Changes in temporary differences	6.5	3.3
Use of taxable loss carried forward	0.0	0.0
Basis for current tax	**80.6**	72.6
Tax 27%	21.8	19.6
Taxes paid abroad	(2.6)	(3.8)
Current tax	**19.2**	15.8

*Including tax effect from equity bookings of $0.0 (2014: $3.0) million.

Tax expense *[Numbers in $ million]*	2015	2014
Current tax	19.5	17.4
Deferred tax — gross changes	(1.5)	(0.9)
Tax expense related to change in tax rate	0.0	0.0
Taxes on capital raising costs	0.1	0.0
Tax effect on losses from sales of own shares	0.0	0.0
Tax payable abroad	2.7	3.8
Too much/little tax booked previous year	0.2	0.4
Total	**21.0**	20.7

Tax payable: *[Numbers in $ million]*	2015	2014
Current tax	19.5	17.4
Tax payable abroad	2.7	3.8
Too much/little tax booked previous year	0.2	0.4
Taxes on capital raising costs	0.1	0.0
Withholding tax paid to a foreign country	(2.7)	(3.8)
Tax effect on losses from sales of own shares*	(0.1)	(3.0)
Withholding tax utilized	0.0	0.0
Effect of FX differences	(1.2)	(1.2)
Total	**18.5**	13.6

*Recognized against equity.

Recognized deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
[Numbers in $ million]	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Inventory, office machinery, etc.	(2.2)	(1.9)	0.0	0.0	(2.2)	(1.9)
Accounts receivables	(1.8)	(1.1)	0.0	0.0	(1.8)	(1.1)
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	(0.2)	(0.4)	0.0	0.0	(0.2)	(0.4)
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)	(4.2)	(3.3)	0.0	0.0	(4.2)	(3.3)
Set-off of tax	0.0	0.0	0.0	0.0	0.0	0.0
Net deferred taxes / (tax assets)	**(4.2)**	(3.3)	**0.0**	0.0	**(4.2)**	(3.3)

Deferred tax assets and liabilities
Movement in temporary differences during the year

[Numbers in $ million]	**Balance 1/1/14**	**Posted to statement of comprehensive income**	**Posted directly to equity capital**	**Balance 12/31/14**
Inventory, office machinery, etc.	(1.3)	(1.0)	0.4	(1.9)
Accounts receivables	(0.6)	(0.7)	0.2	(1.1)
Liabilities	(1.1)	0.6	0.1	(0.4)
Tax value of loss carry-forwards utilized	0.0	0.0	0.0	0.0
Deferred taxes / (tax assets)	**(2.9)**	**(1.0)**	**0.7**	**(3.3)**

[Numbers in $ million]	**Balance 1/1/15**	**Posted to statement of comprehensive income**	**Posted directly to equity capital**	**Balance 12/31/15**
Inventory, office machinery, etc.	(1.9)	(0.3)	0.0	(2.2)
Accounts receivables	(1.1)	(0.7)	0.0	(1.8)
Liabilities	(0.4)	0.2	0.0	(0.2)
Tax value of loss carry-forwards utilized	0.0	0.0	0.0	0.0
Deferred taxes / (tax assets)	**(3.3)**	**(0.9)**	**0.0**	**(4.2)**

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 $ million]*	**2015**	**2014**
Translation differences	0.0	0.0
Total deferred taxes posted directly against the equity	0.0	0.0

Reconciliation of effective tax rate *[Numbers in $ million]*		**2015**		**2014**
Profit before tax		125.0		5.1
Income tax using the domestic corporate tax rate	27.0 %	33.8	27.0 %	1.4
Overbooked taxes, previous year	0.2 %	0.2	7.9 %	0.4
Effect of changes in tax rate	1.0 %	0.3	0.0 %	0.0
Tax paid to a foreign country	0.0 %	0.0	0.0 %	0.0
Taxes on other permanent differences	-10.7 %	(13.4)	367.2 %	18.9
Total tax expense for the year	**16.8 %**	**21.0**	**402.1 %**	**20.7**

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

Note 7. Property, plant & equipment, development cost and other intangible assets

[Numbers in $ million]	**Cost rented premises**	**Machin-ery and equip-ment**	**Fixtures and fittings**	**Develop-ment**	**Other intangible assets**	**2015 Total**	**2014 Total**
Acquisition cost							
Acquisition cost as of 1/1/15	1.3	9.8	0.7	13.0	19.4	44.2	22.5
Acquisitions	0.1	4.0	0.0	2.3		6.4	28.8
Disposal						0.0	(1.0)
Currency differences	(0.2)	(1.8)	(0.1)	(2.0)	(3.0)	(7.1)	(6.1)
Acquisition cost as of 12/31/15	1.1	12.0	0.6	13.3	16.3	**43.4**	44.2
Depreciation							
Depreciation as of 1/1/15	0.3	5.6	0.3	5.9	1.0	13.0	10.6
Disposal						0.0	(1.0)
Currency differences	(0.0)	(0.9)	(0.0)	(1.3)	(0.5)	(2.8)	(2.8)
Accumulated depreciation as of 12/31/15	0.4	5.5	0.4	8.8	4.8	**19.9**	13.0
Net book value as of 12/31/15	0.7	6.5	0.2	4.5	11.5	**23.5**	31.2
Depreciation for the year	0.2	0.8	0.1	4.2	4.4	9.7	6.2
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 assests
Other intangible assets are assets purchased separately.

Operating leases
The Company's lease agreement for the rental of its Norwegian offices at Gjerdrums vei 19 will run through November 2019.

The lease agreement, according to IAS 17, is considered an operating lease.

[Numbers in $ million]	2015	2014
Leasing costs expensed	1.2	1.5
Termination date of the lease contract	11/30/19	11/30/19

Non-terminable operating leases due in:	2015	2014
Less than one year	1.3	1.8
Between one to five years	3.6	6.6
More than five years	0.0	0.0
Total	4.9	8.4

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

The shares in the subsidiaries are booked at the cost of acquisition.

Subsidiaries *[Numbers in $ million]*	Hern Labs AB	Opera Software International AS	Opera Distribution AS	Netview Technology AS	Opera Demerger AS
Formal information					
Acquisition date	12/13/2000	1/6/2009	12/16/2008	5/14/2012	12/5/2015
Registered office	Linköping, Sweden	Oslo, Norway	Oslo, Norway	Oslo, Norway	Oslo, Norway
Ownership interest	100%	100%	100%	100%	100%
Proportion of votes	100%	100%	100%	100%	100%
Equity at year end	5.7	108.7	0.6	0.9	0.0
Profit for the year	1.2	(17.4)	0.0	0.3	0.0
Information related to the acquisition date					
Acquisition cost	0.9	0.1	0.3	0.5	0.0
Group contribution		23.2	0.4		

	Opera Software AS	Opera TV AS
Formal information		
Acquisition date	12/5/2015	12/5/2015
Registered office	Oslo, Norway	Oslo, Norway
Ownership interest	100%	100%
Proportion of votes	100%	100%
Equity at year end	0.0	0.0
Profit for the year	0.0	0.0
Information related to the acquisition date		
Acquisition cost	0.0	0.0
Group contribution		

Carrying value *[Numbers in $ million]*	2015	2014
Purchase price	1.9	267.8
Impairment	(0.5)	(0.5)
Group contribution	23.6	16.9
Options issued*	18.0	15.0
Capital increase	167.5	154.0
FX adjustment	0.1	(76.4)
Total	**210.5**	376.8

*Options issued by the Company on behalf of employees in the subsidiaries.

AdColony, Inc.
During 2015, the Company sold 100% of the shares in AdColony, Inc. to Opera Mediaworks, LLC for net proceeds of $210.9 million. The sale agreement also included a back to back agreement clause whereby Opera Mediaworks, LLC agreed to pay the Company a USD amount equal to the amounts the Company is obliged to pay the former shareholders of AdColony, Inc. as part of the original acquisition, including accumulated and future earn-out consideration. As of 31 December 2015, the remaining estimated liability to former shareholders and corresponding receivable under the back to back agreement was approximately USD 121 million. For further information about the AdColony, Inc. earn-out agreement, see note 11 in the consolidated financial statements.

Because of changes in foreign currency rates from the Company's original purchase date and increases in the estimated earn-out payments, including currency effects, which were expensed in 2014 and 2015, the USD consideration from Opera Mediaworks exceeded the Company's investment in AdColony, Inc. measured in NOK. The difference of approximately USD 130 million was recognized as income in the Company's statement of comprehensive income in 2015.

Opera Software International AS
The Annual General Meeting held on June 2, 2015, passed the resolution to make a group contribution of $12.5 million to Opera Software International AS.

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 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 nHorizon Innovation is on the massive consumer mobile internet market and revenue opportunity in China. Opera will continue to target the operator, mobile OEM, device OEM, and desktop markets in China independently from nHorizon Innovation.

Information regarding nHorizon Innovation *[Numbers in $ million]*	2015	2014
Revenue	9.4	12.0
EBIT	(20.5)	(26.3)
Net profit	(21.0)	(27.3)
Assets	10.7	19.7
Short-term liabilities	15.9	14.0
Equity	(5.3)	5.7

Investment in associate
The investments in nHorizon Innovation are accounted for using the cost method. In 2015, Opera invested $2.7 million (2014: 11.0). The total investment as of December 31, 2015 is $26.6 million (2014: 23.8).

The Company has restricted cash on deposit with the bank of $6.0 million as security for investee obligations.

As of December 31, 2015, Opera owned 29.09% of nHorizon Innovation (29.09 % of the voting rights). Opera has recognized the following fair value amount as Other investments and deposits:

Booked value *[Numbers in $ million]*	2015	2014
Investment (Booked value January 1)	0.0	0.0
Investment during the fiscal year	2.7	11.0
FX adjustment	0.0	(4.1)
Impairment	(2.7)	(6.9)
Total	0.0	0.0

Other shares
Opera Software ASA owns 20% of the European Center for Information and Communication Technologies — EICT GmbH, and 1.1% of the shares in Alliance Venture Spring AS. The recognized value of the shares is $0.2 million. The market values of the companies are 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. Alliance Venture Spring is a Norwegian venture capital firm investing in early stage technology companies.

Note 9. Outstanding accounts between companies within the same group

	OTHER RECEIVABLES (NON-CURRENT)		ACCOUNTS RECEIVABLES		OTHER RECEIVABLES (CURRENT)	
[Numbers in $ million]	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Entity within group	38,2	4,2	13,5	13,0	123,0	2,7
Sum	38,2	4,2	13,5	13,0	123,0	2,7

	ACCOUNTS PAYABLE		OTHER SHORT-TERM LIABILITIES	
[Numbers in $ million]	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Entity within group	11,5	10,8	0,0	-0,0
Sum	11,5	10,8	0,0	-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 *[Numbers in $ million]*	**12/31/2015**	**12/31/2014**
Opera Mediaworks, LLC	121.0	0.0
Opera Distribution AS	32.8	0.0
Opera Mediaworks Ireland Limited	12.5	(1.9)
Opera Software Financing AS	3.0	0.0
Opera Software International US, Inc.	0.3	0.3
Opera Software Netherlands BV	0.3	0.8
Opera Software Iceland ehf	0.2	1.1
Opera Software Financing Limited	0.2	0.0
Opera Commerce, LLC	0.2	0.1
Opera Software Ireland Limited	0.2	3.8
Opera Software Technology (Beijing) Co., Ltd.	0.1	0.2
4th Screen Advertising Limited	0.1	0.0
Huntmads SA	0.1	0.1
Opera Mediaworks GmbH	0.0	0.0
Opera Mediaworks Performance, LLC	0.0	0.6
Opera Software International AS Oddzial w Polsce	-	(0.0)
Opera Mediaworks Advertiser Services, Inc.	-	0.0
Beijing Yuege Software Technology Service Co.,Ltd.	-	(0.0)
Netview Technology AS	-	0.0
Foriades Park SA	-	0.1
Hunt Mobile Ads SA de CV	-	0.0
Hunt Mobile Ads aplicativos para internet Ltda	-	0.0
Hunt Mobile Ads Panamá Corp.	-	0.0
AdColony, Inc.	-0.0	0.0
LLC Opera Software Ukraine	-0.0	(0.3)
Beijing Yuege Software Technology Service Co.,Ltd.	-0.0	
Opera Software Korea Ltd	-0.1	(0.1)
LLC Opera Software Russia	-0.1	(0.2)
Opera Software Brazil Ltda.	-0.2	0.0
Opera Software India Private Limited	-0.3	(0.2)
Hern Labs AB	-0.3	(2.1)
Opera Software Poland Sp. z o.o	-0.4	(0.0)
Opera Software Singapore PTE. LTD	-0.4	(0.3)
Opera Mediaworks, Inc.	-1.2	(0.3)
Handster, Inc	-1.2	
Opera Software Americas, LLC	-1.7	(0.6)
Opera Software International AS	-1.7	8.1

Transactions *[Numbers in $ million]*	**2015**	**2014**
Intercompany revenue	9.5	6.1
Service fee costs	64.2	72.5
Intercompany costs of goods sold	12.0	3.7
Interest income from related parties	0.9	1.1
Interest expense to related parties	0.0	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 Company 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, 2015
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.

	CARRYING AMOUNT				FAIR LEVEL			
[Numbers in $ million]	**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								
Other investments		38.2		38.2				
Other non-current assets		0.2		0.2				
Accounts receivable		53.3		53.3				
Other current assets		123.0		123.0				
Cash and cash equivalents		104.4		104.4				
Total financial assets not measured at fair value	0.0	319.2	0.0	**319.2**				
Financial liabilities measured at fair value								
Provisions	121.0			121.0			121.0	121.0
Total financial liabilities measured at fair value	121.0	0.0	0.0	**121.0**			121.0	121.0
Financial liabilities not measured at fair value								
Accounts payable			14.2	14.2				
Other current liabilities			11.0	11.0				
Total financial liabilities not measured at fair value	0.0	0.0	25.2	**25.2**				

For more information please see note 12.

Fair values of financial assets and financial liabilities as of December 31, 2014
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.

	CARRYING AMOUNT				FAIR LEVEL			
[Numbers in $ million]	**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								
Other receivables		4.2		4.2				
Investments in other shares		0.1		0.1				
Accounts receivable		66.1		66.1				
Other current assets		2.7		2.7				
Cash and cash equivalents		74.3		74.3				
Total financial assets not measured at fair value	0.0	147.4	0.0	**147.4**				
Financial liabilities measured at fair value								
Provisions	210.9			210.9			210.9	210.9
Total financial liabilities measured at fair value	210.9	0.0	0.0	**210.9**			210.9	210.9
Financial liabilities not measured at fair value								
Accounts payable			13.1	13.1				
Other current liabilities			20.0	20.0				
Total financial liabilities not measured at fair value	0.0	0.0	33.2	**33.2**				

Note 12. 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 $ million]	Note	Contingent consideration
Balance as of 1/1/2014		**0.4**
Assumed in a business combination	12	171.8
Paid	12	0.0
Finance cost	12	69.2
Translation differences	12	(30.5)
OCI	12	0.0
Balance as of 12/31/2014		**210.9**
Assumed in a business combination	12	0.0
Paid	12	(117.3)
Finance cost	12	54.1
Translation differences	12	(26.7)
OCI	12	0.0
Balance as of 12/31/2015		**121.0**

AdColony — Earnout agreement and senior management incentive plan
Information regarding the AdColony earnout agreement and senior management incentive plan is given in note 11 of the consolidated financial statements.

Note 13. Restructuring costs

During 2015, the Company recognized restructuring costs related to strategic cost reductions that will better align costs with revenues, and for legal and other costs related to business combinations.

Costs for restructuring the business *[Numbers in $ million]*	**2015**	**2014**
Salary restructuring cost	1.7	0.2
Option restructuring cost	0.0	0.0
Office restructuring cost	0.0	0.0
Termination cost — hosting center	0.0	0.0
Impairment cost	0.0	0.0
Legal fees related to business combinations	3.4	2.3
Other restructuring cost	0.0	0.4
Total	**5.1**	2.8

As of December 31, 2015, $0.9 million (2014: 0.6) was not paid and was recognized as other short-term liabilities in the consolidated statement of financial position.

Note 14. Accounting estimates and judgments

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 and critical accounting judgments in applying the Company's accounting policies

Contingent considerations
The Group has entered into earnout agreements as specified in note 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.

Stock-based compensation
The options and RSUs are recognized in accordance with IFRS 2. The option and RSU costs are calculated on the basis of various assumptions, such as volatility, interest level, dividend and and employee turnover. For RSUs, estimates of achieved performance targets are also included. The chosen assumptions can have a significant impact on the size of the option and RSU costs. The assumptions are given in note 3.

Income taxes
The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on best estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Percentage of completion
The Company 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. 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 reason 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. The adjustments and modifications are carried out continuously over time. Hence, income and costs recognized in accordance with the percentage of completion method, which states that related income and expenses are to be recognized in the same period. 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 recognized income.

Development costs
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.

Bundled agreements
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 recognized as the elements are delivered. If the elements can not be separated, all income is recognized in aggregate, in accordance with the percentage of completion method.

Note 15. Related parties

In FY 2015, 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, , and earnout payments to shareholders, 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 Group and their immediate relatives controlled 0.3% of the Group's voting share as per December 31, 2015. The Company has not provided any loans to directors or Executive Team members as of December 31, 2015.

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	2015	2014
Earnings per share (basic) (USD)	0.72	(0.11)
Earnings per share, fully diluted (USD)	0.72	(0.11)
Shares used in earnings per share calculation	144 408 900	137 181 075
Shares used in earnings per share calculation, fully diluted	147 921 490	137 181 075

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.

In periods with negative net income, the dilutive instruments will have an anti-dilutive effect when calculating diluted earnings per share. For this reason, there is no difference between earnings per share and diluted earnings per share for these periods.

The average stock exchange price for 2015 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 131.4. 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 63.62 when calculating the fully diluted number of shares outstanding. Total options used in the calculations are 6,197,108, of which 3,315,923 options are unvested and 2,881,185 are vested but not yet exercised.

	2015
Average number of shares	144 408 900
The following equity instruments have a diluting effect:	
Options	4 349 821
RSUs	1 847 287
Total	**6 197 108**
Options	6 197 108
Number of shares purchased (NOK 131.4 million/63.62)	2 064 650
Number of shares with diluting effect	4 132 458
Expected options to be exercised	3 512 590

Note 17. Events after the reporting period

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

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

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

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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 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Chief Executive Officer's Responsibility for the Financial Statements

The Board of Directors and the Chief Executive Officer 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 President and Chief Executive Officer 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 2015, and of its financial performance and its 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 and the going concern assumption and the proposal for the allocation of total comprehensive income 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, 29 April 2016
KPMG AS

Bjørn Kristiansen
State Authorized Public Accountant

DECLARATION OF EXECUTIVE COMPENSATION POLICIES

PART 1: POLICIES AND EXECUTIVE COMPENSATION EXCEPT SHARE-BASED INCENTIVES
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 both reaching key financial goals and 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 and (iii) long-term, equity-based incentives. Only the statement in part 2 "Share-based incentives", below, will be binding for the Board of Directors.

1. 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 longer by the Board.

2. 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 on-target cash-incentive bonus unless the Board of Directors makes exemptions in particular cases.

In 2015, the Board approved the Executive Compensation Plan for FY 2015, applicable to all Executive Team members.

The cash-incentive bonus for 2015 was based on achievement of certain Corporate Results.

For the 2015 Corporate Results component, 50% was tied to meeting the FY 2015 Reported Revenue target for the Company and 50% to meeting the FY 2015 Reported Adjusted EBITDA (excluding for extraordinary one-time costs) target for the Company. The Board believes that Revenue and Adjusted EBITDA are key financial measures of the operational performance of the Company. Revenue is a fundamental measure of our success at selling our solutions, growing users for our products and services, innovating and competing in the marketplace. Adjusted EBITDA is a very good indicator of pre-tax profit generation of the Company, as it eliminates the effects of events that either are not part of our core operations or are non-cash such as depreciation related to strategic acquisitions and stock-based compensation.

Based on the FY 2015 Executive Compensation Plan, there were no interim, intra-year payments, no bonus based on Corporate Results was paid or earned for attainment of Revenue below 90% achievement, and the Company had to meet at least 80% of the FY 2015 Reported Adjusted EBITDA (including extraordinary one-time costs, but excluding advisory costs associated with Opera's acquisition-related activities) target component to award any bonus associated with the FY 2015 revenue target.

Provided the aforementioned conditions were met for Reported Revenues and Reported Adjusted EBITDA (including extraordinary one-time costs, but excluding advisory costs associated with Opera's acquisition-related activities), the bonus was calculated as follows: from 90%-100%, bonus percentage achievement was interpolated based on a 30% bonus at 90% achievement and a 100% bonus at 100% achievement, and, from 100%+ achievement, bonus percentage achievement was 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 could not exceed 200% of the bonus opportunity for each Corporate Result component for any one individual. In 2016, the Board approved the Executive Compensation Plan for FY 2016. As a starting point, the cash-incentive bonus for FY 2016 for Executive Team members is based on Corporate Results for FY 2016. Certain members of the Executive Team may, however, have a portion of his or her cash-incentive bonus tied to individualized, strategic business targets linked to his or her particular area of responsibility.

For the Corporate Results component, 50% is tied to meeting certain FY 2016 Reported Revenue targets for the Company and 50% to meeting certain FY 2016 Reported Adjusted EBITDA (excluding extraordinary one-time costs) targets for the Company. Based on the FY 2016 Executive Compensation Plan, there are no interim or intra-year payments. The Adjusted EBITDA bonus is calculated as follows: from 80%-100% target achievement, bonus percentage achievement is interpolated based on a 30% bonus at 80% 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. There is no Adjusted EBITDA bonus payout if Adjusted EBITDA achievement is below 80% of target. The revenue bonus is calculated as follows: from 90%-100% target achievement, 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. There is no revenue bonus payout if revenue achievement is below 90% of target, or if Adjusted EBITDA achievement is below 80% of target. 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, unless the Board of Directors makes exemptions in particular cases.

3. 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.

4. Current public offer

Except for the CEO, no member of the Executive Team has any specific bonuses related to the completion of the current public offer for the shares in the Company.

5. 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 12G.

PART 2: SHARE-BASED INCENTIVES

1. Existing programs

The Company currently has two equity-based incentives: ordinary stock options and Restricted Stock Units ("RSU"). The RSU program has replaced the previous stock-option program, but already-granted and not exercised or terminated stock options are still outstanding. No new stock options will be issued under the previous stock-option program.

2. Vesting criteria for existing RSUs

For members of the Executive Team, the RSUs are typically linked to achievement of further specified targets related to reported revenue and reported adjusted EBITDA. All RSUs granted to members of the Executive Team in 2015 have been issued with vesting criteria which are in accordance with the approvals given by the Annual General Meeting held in 2014, the Annual General Meeting in 2015, and/or the Extraordinary General Meeting held in January 2016.

If the current public offer to acquire shares in the Company is completed, all RSUs granted to members of the Executive Team and issued pursuant to the approvals given by the Ordinary General Meeting in 2014 and 2015, will automatically vest and be settled. Any RSUs issued pursuant to the approval given by the Extraordinary General Meeting in January 2016 will not vest automatically if the current public offer is completed.

PART 3: 2015 COMPLIANCE

In 2015, the Executive Team received base salaries and cash-incentive bonuses in line with the Executive Compensation Policy as presented to the 2015 Annual General Meeting. Increases in base salaries and cash-incentive bonuses for FY 2015 have been given based on individual merit and to ensure closer alignment with competitive pay practices.

Total compensation earned for the Executive Team in FY 2015 is summarized in note 3 of the consolidated financial statements.

During 2015, no deviations from the share-based compensation programs as approved by the 2014 Annual General Meeting were made with respect to the Executive Team.

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 30, 2014, as required for all listed companies on the Oslo Stock Exchange. The Code is available at 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.lovdata.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 including human rights, employee relations, health, environment & safety, anti-discrimination and anti-corruption. Opera Software is a member of the UN Global Compact. Opera respects and supports the Global Compact's ten principles in the areas of Human Rights, Labor, 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.operasoftware.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 its 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. Any proposal to the General Meeting to grant the Board of Directors an authorization to approve the distribution of dividends will be presented for a vote at the Annual General Meeting. However, given the ongoing offer process, no dividend is proposed for 2015.

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 stock incentive 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 2 years and will state the maximum and minimum amount payable for the shares. Opera will, however, in general limit the duration of such authorizations to 1 year. In addition, an authorization to acquire own shares will state the highest nominal value of the shares that 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 the 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 presented for a vote at the Annual General Meeting. 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 2015, there have been no significant transactions outside the normal course of business with closely related parties.

If the Company should enter into a non 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 non 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 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. Such deadline will be set as close as possible to the date of the General Meeting and under every 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 and unless there are valid reasons to be absent, 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 http://www.opera-software.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 Nomination Committee will be encouraged to have contact with shareholders, the Board of Directors and the Company's Chief Executive Officer as part of its work on proposing candidates for election to the Board of Directors. 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 responsibility 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 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 of 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 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), Marianne Blystad and Erik Möller are members of the Audit Committee, and Sverre Munck (Chairperson), Christian Uribe and Andre Christensen 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 2016. 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. 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. 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 that the external auditor's recommendations are given proper attention.
- The Board's duties can be found on our corporate website in the document called "Rules of Procedure for the Board of Directors of Opera Software ASA" found at http://www.operasoftware.com/company/investors/board/procedures/.

Executive Team

Opera's Board has drawn up instructions for the Executive Team of the Company. 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 2015, all 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 corporate and business controllers. The corporate and business controller 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 corporate and business controllers report into 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 have 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 Group CFO, the head of Opera´s internal audit function and leaders of the reporting units are responsible for (i) the ongoing financial reporting and for implementing sufficient procedures to prevent errors in the financial reporting, (ii) identifying, assessing and monitoring the risk of significant errors in the Group's financial reporting, and (iii) implementing appropriate and effective internal controls in accordance with specified group requirements and for ensuring compliance with local laws and requirements. All reporting units have their own management, and the financial functions are adapted to the organization and activities. 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 statements, which ultimately are approved by the Board of Directors.

Other guidelines

As an extension of the general principles and guidelines, Opera has drawn up additional 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 the 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 reporting 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. To ensure that correct information be made public, as well as ensuring 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, to enhance understanding of our operations.

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 assesses 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 Director's statement on the remuneration of the Executive Team will be a separate appendix to the agenda for the General Meeting. The Company will also normally make clear which aspects of the guidelines are advisory and which, if any, are binding. The General Meeting will normally be able to vote separately on each of these aspects of the guidelines. In addition, 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 our 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.

Takeovers
The Board of Directors endorses the recommendation of the Code. Opera's Articles of Association 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 of an impending bid is published.

If an offer is made for the shares of Opera, the Board of Directors will make a recommendation as to 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 reports on internal control observations during the conduct of the audit, 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 at least once each year, 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.

CORPORATE SOCIAL RESPONSIBILITY

Creating a responsible and sustainable business is an integral part of everything we do at Opera. We are committed to the highest standard of social responsibility and believe that transparency and openness are key elements in obtaining a sustainable and responsible operation.

In this report we describe Opera's effort and results related to corporate social responsibility (CSR). Our CSR work is focused around four key areas: Our employees, a global social commitment, anti-corruption and the environment.

Opera has implemented the following guidelines and reporting schemes to ensure a high ethical standard throughout the organization.

Our vision
Opera's vision is the foundation and goal for all business conducted at company. The vision should guide us and our everyday choices should reflect it.

- We champion an open internet.
- We strive to bring the web to everyone.
- We enable content and commerce.
- We create value through partnerships.
- We shape with love and craftsmanship

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.

Our culture is playful, people-centric and innovation-driven, and our goal is to improve communication for the benefit of everyone.

Ethical Code of Conduct
The Ethical Code of Conduct is created to help employees, clients and business partners understand Opera's values and standards. Opera's reputation is created by the conduct of each individual staff member - Therefore, all staff members are obliged to familiarize themselves with the Ethical Code of Conduct when joining the company.

The Ethical Code of Conduct focuses on the following key areas: The rights and obligations of our employees, a healthy and safe working environment, anti-corruption and the external environment.

A violation of the Ethical Code of Conduct may result in disciplinary action, up to and including termination of employment. Several of the guidelines concern actions that are also punishable offenses. The Human Resources department is responsible for following up any possible breaches.

Our commitment to the UN Global Compact
Opera is a proud signatory to the UN Global Compact (UNGC). UNGC is a global reporting initiative where businesses around the world report on progress and challenges in their work with human and labor rights, the environment and anti-corruption.

In our annual report to the initiative, the Communication on Progress, we describe our commitment, implementation and outcomes with regard to the UNGC principles. We continually strive to make the principles a part of our strategy, culture and day-to-day operations.

For more details on our commitment to to the UNGC, please go to: https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/136121

1. OUR EMPLOYEES
Opera's success and innovation springs from the minds and teamwork of its employees. Our employees are our most valuable resource, and we are committed to 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.

Equal opportunities and non-discrimination
Opera strongly condemns discrimination. We believe that people should be treated with respect and insist on fair, non-discriminative treatment, regardless of irrelevant factors such as nationality, political views, religion, sexual orientation and gender.

We promote cultural diversity and we are proud to have more than 50 nationalities represented within the company. We pride ourselves in being an international organization, where innovation and teamwork take place across borders and time zones.

We continually work to improve the gender balance in the company. At the end of 2015 25,4 % of our staff members were women. In addition, the Board of Directors of Opera were represented with three female members.

Opera seeks to promote and encourage our female leaders. As an example, several of our female leaders are or have been part of the leadership program Female Future, a leadership and boardroom competence development program for female leadership talents.

The principles of equal opportunities and non-discrimination are present throughout the organization and in all company activities. When recruiting, we use assessment methods such as programming tests and test cases to give equal opportunities to all qualified applicants. Similar approaches are exercised when promoting, offering training opportunities, etc.

We aim to give equal opportunities to employees in both their work and personal lives. 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.

Labor rights at Opera
Opera respects and observes the fundamental labor rights set out in the international conventions, such as the conventions of the International Labor Organization and the United Nations.

We respect the freedom of assembly and association with others, including the right to form and join labor unions. Several Opera employees are organized in labor unions. We ensure an ongoing and open dialogue with the unions through regular meetings and discussions.

Health and safety
At Opera, we strive to offer our staff members a safe, healthy and inspiring work place. We have a highly international workforce, where we combine the responsiveness of a flat structure with an extreme focus on results and innovation. All employees are expected to comply with safety and health regulations that apply to our business activities.

Opera prides itself as being a family oriented company. We emphasize the importance of a healthy work-life balance, encouraging our employees to take time to focus on family and friends. This view is reflected in our family-friendly policies, such as our two weeks of leave at birth for fathers.

Discrimination on the bases of sickness or disability shall not occur at Opera. We work hard to meet all our employees' needs - We offer shorter working hours and other services to accommodate our employees with disabilities our other particular needs.

Opera has a low sick leave, with an average of 2,95 % in 2015 .

In 2015, Opera had a global turnover of 21%, where 15% were voluntary and 6% were involuntary terminations.

There has been no reports of work related accidents or injuries in 2015.

Learning and developing at Opera
Opera's success as a company depends on the success of each employee. It is very important for us to offer professional and personal growth to retain key talent.

In 2015, we continued our successful leadership programs Shape and Connect. Being a leader at Opera means leading highly skilled people in an innovative and diverse environment. This is a demanding task, with huge potential for personal and professional growth. To support our leaders at the various points in their career we offer different and tailored programs.

The Shape program is a global training program tailored for the leaders of Opera. The goal is to lift the leaders, taking them away from the day-to-day business and giving them the opportunity to reflect, discuss, and get feedback on their strengths and areas of improvement as leaders. The Shape program spans over three face-to-face sessions, in three different locations around the world, each session lasting two days.

The Connect program is a program tailored for middle managers, offered locally in the different offices, including locations in the United States, Poland, Norway and Sweden. Connect is designed to help the front-line manager rise to the challenge of leading at Opera. This learning program is designed for new team leaders and managers, as well as managers who have been working in their role for a while but who have not received any prior management training.

All employees worldwide have access to the online learning portal, Opera Campus. Opera Campus offers a wide range of tools and activities, as well as the ability to upload and discuss their own content and training materials.

Employee representatives in the Board of Directors
Employees at Opera have the right and obligation to elect three employee representatives and five substitute representatives to the Board of Directors. The representatives are elected for a period of two years and participate in the Board on the same terms as the representatives elected by the shareholders. All staff members globally are eligible to nominate and vote in the election.

2. SOCIAL COMMITMENT
Our products enable access to the internet
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 globally. The cost of getting online is one of the biggest challenges for users worldwide. We want to help get the next billion users online. Our products make it possible to access the web from even the most basic phones. Our mobile browser, Opera Mini is our most important contribution towards achieving our goal of connecting more people to the internet. Today, we have hundreds of millions of Opera Mini users around the world, with a majority of them in developing countries.

Freedom of expression and the right to privacy
Through our products and services, we enable millions of people across the globe access to the internet. Freedom of expression and privacy are fundamental human rights. Opera strongly believes in these rights, and we will continue to strive to protect them for our users, employees, partners and stakeholders. The open internet has true potential as an open communication platform, enabling users to exercise their freedom of expression. Conversely, new technologies can be used to invade citizens' privacy. Opera will take the required measures to protect our users' basic right to privacy and freedom of expression.

Worldreader
Opera has teamed up with the non-profit organization Worldreader. Worldreader works to create a literate world. As they state on their website: Literacy is transformative - it increases earning potential, decreases inequality, improves health outcomes and breaks the cycle of poverty (UNESCO). Yet there are 740 million illiterate people in this world and 250 million children of primary school age who lack basic reading and writing skills (UNESCO).

Mobile plays a major role in enabling people access to content online – whether you're researching, learning new things, checking the weather or catching up with friends and family. We're now taking this commitment a step forward. We've partnered with Worldreader to help spread free books and learning materials. With the Opera Mini mobile browser, we're helping to bring as many people online as possible by alleviating barriers like data limits and poor connectivity. And now, it's even easier to access these reading materials. Students in 58 countries can access read.worldreader.org with just one click as it is built into one of the Speed Dial entries in Opera Mini.

Kon Tiki 2
In 2015, Opera sponsored the Kon Tiki 2 expedition. The expedition sailed two balsa rafts from South America to Easter Island, while documenting climate change, marine life and plastic pollution in the ocean. The path took the expedition through one of the largest garbage accumulation zones of the world oceans. Here the crew identified and quantified macro- and micro plastics from this accumulation. Opera's own Chief Technology Officer traveled on the raft for 43 days.

3. ANTI-CORRUPTION
Opera Software abstains from and works actively to combat corruption and bribery. Corruption distorts economic decision-making, deters investment, undermines competitiveness and, ultimately, weakens economic growth.

There is no single, comprehensive, universally accepted definition of corruption. Therefore, each Opera employee must adhere to the existing laws and regulations in their country of operation. As a minimum, Opera's internal regulations apply to all employees. Controls are made to ensure that the rules are followed. Opera has put in place internal guidelines to help employees in their day-to-day operations. The following is an extract of these guidelines.

Bribery
No person acting on behalf of Opera shall attempt to influence someone 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. This includes all forms of facilitation payments.

Correspondingly, no person acting on behalf of Opera shall request, accept or receive improper advantage in connection with his/her 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, credits, discounts, travel, accommodation and other services.

Insider trading
Opera employees are prohibited from trading in Opera securities based on information that is material, nonpublic information; that is, the public does not yet have access to this information, and this information may be deemed interesting for an investor to use when deciding whether to buy or sell securities. This rule also applies to other companies, where Opera employees may have access to such nonpublic information. Please note that even a tip to family and friends is considered illegal, if this should be used as a basis for buying or selling securities.

Gifts
It is a normal part of business life to exchange business courtesies, such as meals, transportation, recreation, facilities or small gifts. Such an exchange of business courtesies must always follow local laws and regulations and not put any Opera employee in the position of a sense of obligation to return the favor, compromise professional judgment or create the appearance of compromise or corruption. Opera employees should always check with their manager or the HR department, if in doubt, and consider whether the exchange of business courtesy would be acceptable if it should become publicly known.

No person acting on behalf of Opera is allowed to accept any amount of cash or cash equivalents (such as gift certificates or market securities and similar), regardless of sum. Correspondingly, cash or cash equivalents may never be offered by Opera employees as a business courtesy, regardless of sum.

Whistleblowing
Opera encourages freedom of speech and blowing the whistle on malpractice, fraud, illegality, or breaches of rules, regulations, and procedures or raising health and safety. Any Opera staff member making a whistleblowing report is protected from any repercussions, such as dismissal and other forms of reprisal. To secure an effective procedure, staff members may blow the whistle either in person or anonymously to the Work Environment committee.

To improve communication and ensure that issues do not escalate to the point where they become a whistleblowing case, Opera focuses on the following practices:

- 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 and possibility 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.

4. THE ENVIRONMENT
Opera understands the importance of supporting the environment and seeks to prevent any negative environmental impact our activities might have. Opera has incorporated its environmental policy as a part of the Ethical Code of Conduct.

Opera shall:

- Act according to environmental laws to limit the environmental burden on earth, air, water and ecosystem.
- Commit to using environmentally safe products in the workplace.
- Educate staff about company environmental regulations.
- Evaluate the consumption of energy and other resources to determine means of control.
- Ensure the development of environmentally protective procedures.

For several years, Opera has made data-center efficiency, low-power CPUs in our servers and procuring power from renewable energy sources key components of our hosting-expansion strategy. Our colocation agreements with data centers require the use of renewable energy and compliance with our power efficiency standard. Across all locations, we are 27% more efficient than the Uptime Institute industry average . Opera's approach reduces the cost per transaction and the negative environmental impact of our company.

When purchasing servers and other larger infrastructures, we focus on reducing waste throughout the lifecycle of the product. New purchases are assembled at the factory and delivered with minimal packaging. We focus on using the equipment as long as it is efficient, often years longer than the original expected life. When used equipment is ready for retirement, Opera has entered into a collaboration with Greentech, part of the Arrow Group, who buy and refurbish, before they resell or recycle the equipment.

Opera works actively to reduce the production of paper waste form our operations. Further, Opera has effectively removed all disposable cups and glasses from our offices. Instead, our employees receive a personal cup and water bottle upon joining the company. We encourage keeping the lights out after hours and in unused areas. We encourage the use of video conferencing, rather than extensive traveling.

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