

Opera Limited announces second quarter 2018 financial results

August 23, 2018

OSLO, Norway, Aug. 23, 2018 (GLOBE NEWSWIRE) -- Opera Limited (Nasdaq: OPRA) ("Opera"), one of the world's leading browser providers and an influential player in the field of integrated AI-driven digital content discovery and recommendation platforms, today announced its unaudited consolidated financial results for the second quarter ended June 30, 2018.

Second quarter 2018 financial highlights

- Operating revenue was \$39.8 million, an increase of 50.3% year-over-year.
- Net income was \$7.4 million, representing a net margin of 18.6%, compared to a net loss of \$2.6 million during the second quarter of 2017, which represented a negative 9.6% margin.
- Adjusted EBITDA(1) was \$16.2 million, representing an adjusted EBITDA margin of 40.6%, compared to \$4.3 million during the second quarter of 2017, which represented a 16.0% margin.
- Adjusted net income(1) was \$10.8 million, representing an adjusted net margin of 27.1%, compared to \$1.1 million during the second quarter of 2017, which represented a 4.0% margin.

⁽¹⁾ Please see the separate section "About non-IFRS financial measures" for details on adjusted EBITDA and adjusted net income.

Second quarter 2018 user base highlights

- Opera News average monthly active users ("MAUs") in the quarter was 101.0 million (+307.3% year-over-year), of which users on the standalone Opera News app that was launched in January 2018 reached 7.9 million average MAUs in the quarter, with 11.2 million active users in June 2018.
- Total smartphone users reached 182.2 million in the quarter (+13.4% year-over-year).
- Total PC users reached 57.1 million in the quarter (+25.2% year-over-year).

Mr. Yahui Zhou, Opera's Chairman and CEO, stated, "We are excited to present our first quarterly report after becoming a listed company, with records within both revenue and profitability. The IPO process was also very rewarding in that it allowed us to meet so many investors who share our vision – and ambition – for this great company. We continue to execute on our strategy to grow our AI-driven content recommendation platform in Africa and emerging Asia. We are very pleased that Opera News exceeded 100 million MAUs in the second quarter, marking an important milestone in our development of AI-based content services. Further, the standalone Opera News app that we launched earlier this year reached an average MAU of 7.9 million in the quarter – with 11.2 million active users in June. This is a solid foundation for further growth, and demonstrates our commitment and capability to grow and take our AI-based content services to the next level."

Mr. Lin Song, Opera's COO, highlighted, "The tremendous growth of Opera News, both as a service in our browsers and as a standalone app, paired with our market presence, publisher partnerships and monetization capabilities, represents an excellent platform for us to continue building a strong and defendable position in the content space in our core markets, and will allow us to further strengthen our monetization potential going forward. We also continue to drive and maintain a healthy PC and smartphone browser user base, fueled by continuous innovation in this space, as well. For instance, in the second quarter we launched Opera Touch, a companion mobile browser for our PC users, which enables seamless transitions between devices. This novel browser later won a Red Dot Award for communication design. Again, this showcases our dedication to lead and attract users by feature-rich browser products and to stay at the forefront of innovation."

Mr. Frode Jacobsen, Opera's CFO, said, "We achieved strong results in the second quarter, with over 50% revenue growth year-over-year, and record recurring profitability across all relevant metrics. While we continue to prioritize Opera News user growth and product development, we also achieved robust user-driven revenue growth both in advertising and search revenue, up 63.1% and 26.2% year-over-year, respectively. We remain confident that our strategy and operations will continue delivering on an attractive financial trajectory."

Second quarter 2018 consolidated financial results

Operating revenue was \$39.8 million, a 50.3% increase year-over-year.

- Search revenue was \$19.8 million, a 26.2% increase year-over-year. The increase was primarily due to an increase in our average revenue per qualified search following improved monetization by our search partners and the PC user base growth in high-ARPU markets such as Europe and the United States, directly affecting the monetary value of our revenue share. This trend was amplified by our collaboration with search partners to enhance the mobile search experience for many of our users by enabling richer landing pages that also featured more high-end advertisements.
- Advertising revenue was \$13.7 million, a 63.1% increase year-over-year. The substantial lift followed the introduction of the Opera News service in our mobile browsers. This opened up a new advertising inventory that we began monetizing in the second half of 2017, ultimately resulting in rapid revenue growth on industry-standard mobile ad units. Further, price factors such as growth in high-ARPU markets such as Europe and the United States for the PC user base and closer collaboration with our e-commerce partners to improve conversion rates represented favorable factors towards our overall

growth in advertising revenue.

• Technology licensing and other revenue was \$6.3 million, a 163.1% increase year-over-year. This revenue category is volatile in nature, as it largely follows the timing of underlying support and licensing agreements.

Operating expenses totaled \$29.4 million, a 1.2% increase year-over-year. Operating expenses represented 73.7% of operating revenue in the second quarter 2018, compared to 109.6% in the second quarter 2017.

- Payouts to publishers and monetization partners were \$1.4 million, compared to \$0.1 million in the second quarter 2017. This category is growing as the monetization of our user base evolves, with both content and service partnerships supporting the growth.
- Personnel expenses were \$9.4 million, a 16.1% decline year-over-year. This consisted of cash-based compensation
 expense of \$9.1 million, a 9.6% increase year-over-year, and share-based remuneration expense of \$0.2 million, a 92.2%
 decrease from \$2.8 million in the second quarter 2017. The decline in share-based remuneration was mainly due to a
 correction of accrued social security cost, leading to a \$1.3 million reduction of social security accruals in the quarter, and
 the fact that share-based remuneration expense was elevated in 2017 because it was the first year of a new employee
 Restricted Share Unit program.
- Depreciation and amortization expenses were \$3.4 million, a 6.3% decrease year-over-year. The decline is largely explained by equipment in use that is fully depreciated.
- Other operating expenses were \$15.2 million, a 10.4% increase year-over-year. The increase was primarily due to increased marketing and distribution expenses, totaling \$7.8 million in the quarter, which were 19.6% higher than the second quarter 2017, and an increase in the cost of audit, legal and other advisory services during our IPO preparations, totaling \$2.6 million in the quarter, which was 242.8% higher than the second quarter 2017. The other expenses in the category, including hosting, office and rent, software license fees, travel and other totaled \$4.8 million and was 26.6% down versus the second quarter 2017, mainly driven by a reduction of our hosting costs.
- Restructuring cost was zero, compared with \$0.4 million in the second quarter 2017.

Operating profit reached \$10.5 million in the quarter, representing an operating margin of 26.3%, compared to a \$2.5 million operating loss in the second quarter 2017.

Income tax expense was \$2.5 million in the quarter, compared to \$0.7 million in the second quarter 2017. Our effective tax rate was 25.5% in the second quarter 2018, due to non-taxable losses from associates and joint ventures, and the recognized equity cost of our RSU program.

Net income was \$7.4 million in the quarter, representing a net margin of 18.6%, compared to a net loss of \$2.6 million in the second quarter of 2017, which represented a negative 9.6% margin.

Adjusted EBITDA was \$16.2 million in the second quarter 2018, representing a 40.6% adjusted EBITDA margin and a 280.5% increase year-over-year. In the second quarter of 2017, adjusted EBITDA was \$4.3 million, representing a 16.0% margin. Adjusted EBITDA excludes share-based remuneration, restructuring charges, and as of the second quarter 2018, expensed IPO-related costs for audit, legal and other advisory services.

Adjusted net income was \$10.8 million in the second quarter 2018, representing a 27.1% adjusted net margin. In the second quarter of 2017, adjusted net income was \$1.1 million, representing a 4.0% margin. Adjusted net income excludes share-based remuneration, amortization of intangible assets related to acquisitions (all of which relate to the Opera privatization in 2016), and as of the second quarter 2018, expensed IPO related costs. Adjusted net income further includes reversals of the income tax benefits related to the foregoing three adjustments.

Net income per ADS was \$0.078 in the quarter, and \$0.075 on a diluted basis. Adjusted net income per ADS was \$0.113 in the quarter, and \$0.110 on a diluted basis. Each ADS represents two shares in Opera Limited.

Business outlook

Opera expects that 2018 full-year revenue will amount to \$170-175 million, representing a growth of 32-36% versus full-year 2017. This translates to a total expected revenue of \$91-96 million for the second half of 2018, with both sequential and year-over-year revenue growth in each of the third and fourth quarters likely to be driven by the search and advertising revenue categories.

About non-IFRS financial measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with IFRS, we use adjusted EBITDA and adjusted net income, both non-IFRS financial measures, to understand and evaluate our core operating performance. These non-IFRS financial measures, which may differ from similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS.

We define adjusted EBITDA as net income (loss) excluding income tax expense (benefit), total net financial loss (income), share of net loss (income) of associates and joint ventures, restructuring costs, depreciation and amortization, share-based remuneration and expensed costs related to our recent initial public offering, less other income.

We define adjusted net income as net income excluding share-based remuneration, amortization cost related to acquired intangible assets, and expensed costs related to our recent initial public offering.

We believe that adjusted EBITDA and adjusted net income provide useful information to investors and others in understanding and evaluating our operating results. These non-IFRS financial measures adjust for the impact of items that we do not consider indicative of the operational performance of our business. While we believe that these non-IFRS financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared and presented in accordance with IFRS.

Safe harbor statement

This press release contains statements of a forward-looking nature. These statements, including statements relating to Opera's future financial and operating results, are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as "will," "expects," "believes," "anticipates," "intends," "estimates" and similar statements. Among other things, management's quotations and the Business outlook section contain forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about Opera and the industry. Potential risks and uncertainties include, but are not limited to, those relating to its goals and strategies; its expected development and launch, and market acceptance, of its products and services; its expectations regarding demand for and market acceptance of our brand, platforms and services; our expectations regarding growth in our user base and level of engagement; its ability to attract, retain and monetize users; its ability to continue to develop new technologies and/or upgrade our existing technologies and quarterly variations in its operating results caused by factors beyond its control and global macroeconomic conditions and its potential impact in the markets it has businesses. All information provided in this press release is as of the date hereof, and Opera undertakes no obligation to update any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although Opera believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that its expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results. Further information regarding risks and uncertainties faced by Opera is included in Opera's filings with the U.S. Securities and Exchange Commission, including its registration statement on Form F-1 filed in connection with its initial public offering.

Conference call

Opera's management team will host a conference call at 7:30 AM U.S. Eastern Time (1:30 PM Central European Time, 7:30 PM Beijing/Hong Kong time) on Friday, August 24, 2018.

The dial-in details for the live conference call are:

China:	400 120 8590
Hong Kong:	+852 3018 4588
Norway:	+47 2350 0296
UK:	+44 (0)330 336 9411
USA:	+1 929-477-0448
Confirmation Code:	2382884

The recorded conference call will be available on the Investor Relations section of Opera's website at https://investor.opera.com

About Opera

Founded in 1995 in Norway, Opera is one of the world's leading browser providers and an influential player in the field of integrated Al-driven digital content discovery and recommendation platforms.

For investor inquiries, please contact investor-relations@opera.com

For media inquiries, please contact: press-team@opera.com

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

[Numbers in US\$ thousands, except per share amounts]	Q2-2017 (Unaudited)	Q2-2018 (Unaudited)	YTD 2017 (Unaudited)	YTD 2018 (Unaudited)
Operating revenue and other income				
Operating revenue	26,491	39,828	51,966	79,274
Other income	-	-	-	-
Operating expenses				
Payouts to publishers and monetization partners	(108)	(1,401)	(212)	(2,079)
Personnel expenses including share-based remuneration	(11,145)	(9,356)	(19,871)	(20,466)
Depreciation and amortization	(3,605)	(3,379)	(7,406)	(6,766)
Other operating expenses	(13,795)	(15,224)	(24,105)	(29,718)
Restructuring costs	(370)	-	(2,111)	-
Total operating expenses	(29,022)	(29,359)	(53,704)	(59,029)
Operating profit	(2,531)	10,469	(1,738)	20,245
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Income (loss) from associates and joint ventures

Share of net income (loss) of associates and joint ventures	(218)	(615)	(573)	(1,624)
Net financial income (expenses)		100	22	100
Financial income	9	102	22	198
Financial expense	(140)	(43)	(203)	(77)
Net foreign exchange gains (losses)	1,026	31	711	112
Total net financial income (loss)	895	91	531	233
Net income (loss) before income taxes	(1,853)	9,945	(1,781)	18,854
Income tax (expense) benefit	(697)	(2,535)	(938)	(4,824)
Net income (loss)	(2,551)	7,411	(2,719)	14,030
Profit (loss) attributable to:	,			
Equity holders of the parent	(2,551)	7,411	(2,719)	14,030
Non-controlling interests	-	-	-	-
Total attributed	(2,551)	7,411	(2,719)	14,030
Weighted average number of ordinary shares outstanding				
Basic, millions ⁽¹⁾	190.25	190.25	190.25	190.25
Diluted, millions ⁽²⁾	190.25	196.62	190.25	195.98
Net income (loss) per ordinary share				
Basic, US\$	(0.013)	0.039	(0.014)	0.074
Diluted, US\$	(0.013)	0.038	(0.014)	0.072
Net income (loss) per ADS				
Basic, US\$	(0.027)	0.078	(0.029)	0.147
Diluted, US\$	(0.027)	0.075	(0.029)	0.143

Assuming 200 million shares in Opera Limited were outstanding for all periods presented, less 9.75 million shares that were surrendered by two ⁽¹⁾ shareholders upon completion of the initial public offering.

(2) Includes the net dilutive impact of employee equity awards.

OPERA LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME

[Numbers in US\$ thousands]	Q2-2017 (Unaudited)	Q2-2018 (Unaudited)	YTD 2017 (Unaudited)	YTD 2018 (Unaudited)
Net income (loss)	(2,551)	7,411	(2,719)	14,030
Other comprehensive income				
Exchange differences on translation of foreign operations	876	(1,500)	1,482	(1,096)
Amounts to be reclassified from other comprehensive income to statement of operations		(138)		(138)
Other comprehensive income – items that may be reclassified to net income	876	(1,638)	1,482	(1,234)
Total comprehensive income	(1,675)	5,773	(1,236)	12,796
Total comprehensive income attributable to:				
Equity holders of the parent	(1,675)	5,773	(1,236)	12,796
Non-controlling interests				
Total attributed	(1,675)	5,773	(1,236)	12,796

OPERA LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of	
As of June	December	As of June
30, 2017	31, 2017	30, 2018

ASSETS Non-current assets 13,828 13,400 13,213 Intangible assets 123,200 118,620 117,161 Goodwill 421,578 421,578 421,578 Investments in associates and joint ventures 470 5,517 4,126 Other financial assets 1,765 1,857 2,660 Deferred tax assets 783 958 1,117 Total non-current assets 561,823 561,829 559,825 Current assets 6,012 7,865 7,075 Prepayments 4,117 2,166 3,001 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 Total current assets 61,22	[Numbers in US\$ thousands]	(Unaudited)	(Unaudited)	(Unaudited)
Furniture, fixtures and equipment 13,828 13,460 13,213 Intangible assets 123,200 118,620 117,161 Goodwill 421,578 421,578 421,578 421,578 Investments in associates and joint ventures 470 5,517 4,126 Other financial assets 1,765 1,857 2,660 Deferred tax assets 783 958 1,117 Total non-current assets 561,623 961,899 559,855 Current assets 30,001 31,072 37,526 Other receivables 6,012 7,865 7,075 Prepayments 4,117 2,166 3,001 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 Total current assets 61,228 74,311 91,636 Total current assets 61,228 74,311 91,636 Total current assets 53,602 53,602 589,595 Non-corrent liabilities 1,605	ASSETS			
Intangible assets 123,200 118,620 117,161 Goodwill 421,578 421,578 421,578 421,578 Investments in associates and joint ventures 470 5,517 4,125 Other financial assets 1,765 1,857 2,660 Deferred tax assets 733 958 1,117 Total non-current assets 561,623 561,989 559,855 Current assets 561,623 561,989 559,855 Current assets 6,012 7,865 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 642,281 656,300 651,491 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-current liabilities 16,282 11,823 14,819 Financial lease liabilities and other loans 3,438 4,032 3,237 Deferred tax liabilities	Non-current assets			
Goodwill 421,578 421,578 421,578 Investments in associates and joint ventures 470 5,517 4,126 Other financial assets 1,765 1,857 2,660 Deferred tax assets 783 958 1,117 Total non-current assets 561,623 561,829 559,855 Current assets 30,001 31,072 37,526 Other receivables 6,012 7,866 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 Total current assets 61,228 76,531 576,531 Total current assets 622,851 636,300 651,491 Contributed equity 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8,359) 538,503 598,585 Non-controlling interests 568,989 583,503 598,585 Non-current labilities 1,685 8	Furniture, fixtures and equipment	13,828	13,460	13,213
Investments in associates and joint ventures 42,00 52,00 52,100 52,100 Other financial assets 1,765 1,857 2,660 Deferred tax assets 783 988 1,117 Total non-current assets 561,623 561,939 558,855 Current assets 6,012 7,865 7,075 Prepayments 6,012 7,865 7,075 Prepayments 21,099 33,207 41,391 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 Total current assets 61,228 74,311 91,636 Total current assets 61,228 74,311 91,636 Total current assets 62,2651 636,300 651,491 Equity 576,531 576,531 576,531 576,531 Contributed equity 568,989 583,503 598,585 Non-controlling interests 568,989 583,503 598,585 Total eand other loans 3,4	Intangible assets	123,200	118,620	117,161
Other financial assets 1,765 1,857 2,660 Deferred tax assets 783 958 1,117 Total non-current assets 561,823 561,989 559,855 Current assets 30,001 31,072 37,526 Other receivables 6,012 7,865 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total assets 61,228 74,311 91,636 Total current assets 61,228 74,311 91,636 Contributed equity 576,531 576,531 576,531 576,531 576,531 Equity attributed to members 568,989 583,563 586,585 583,565 586,585 Non-controlling interests 568,989 583,503 598,585 709 Non-current liabilities 1,865 87 109 77,865 Other liabilities 1,865 87 109 77,865 Total acurity 52,922 11,828	Goodwill	421,578	421,578	421,578
Deferred tax assets 1.003 <th1.003< th=""> <th1.003< th=""> 1.003</th1.003<></th1.003<>	Investments in associates and joint ventures	470	5,517	4,126
Total non-current assets 561,623 561,623 561,623 561,623 Current assets 30,001 31,072 37,526 Other receivables 6,012 7,865 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 Total contributed equity 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8,395) 5,366 21,683 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests	Other financial assets	1,765	1,857	2,660
Current assets 30,001 31,072 37,526 Other receivables 6,012 7,865 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,836 Total current assets 622,851 636,300 651,491 Equity 576,531 576,531 576,531 Contributed equity 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8395) 536,503 598,585 Non-controlling interests	Deferred tax assets	783	958	1,117
Trade receivables 30,001 31,072 37,526 Other receivables 6,012 7,865 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 Total current assets 622,851 636,300 651,491 EQUITY AND LIABILITIES 622,851 536,000 651,491 Equity 576,531 576,531 576,531 576,531 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests 568,989 583,503 598,585 Non-current liabilities 15,292 11,828 14,519 Other liabilities 16,885 87 109 Total equity 568,989 583,503 598,585 Non-current liabilities 14,828 14,519 Other liabilities 14,829 14,829 14,829	Total non-current assets	561,623	561,989	559,855
Other receivables 50,01 51,012 51,012 Prepayments 6,012 7,865 7,075 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 TOTAL ASSETS 622,851 636,300 651,491 EQUITY AND LIABILITIES 622,851 636,300 651,491 Equity Contributed equity 576,531 576,531 576,531 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests				
Description 0.012 1,003 1,003 Prepayments 4,117 2,166 3,041 Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 TOTAL ASSETS 622,851 636,300 651,491 EQUITY AND LIABILITIES 622,851 636,300 651,491 Equity 576,531 576,531 576,531 576,531 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests 568,989 583,503 598,585 Non-current liabilities 15,292 11,828 14,519 Other liabilities 15,292 11,828 14,519 Other liabilities 1,685 87 109 Total enc-current liabilities 12,604 1,472 2,180 Current liabilities 13,024 2,073 2,589 Income tax payable 1,394 3,709		30,001	31,072	37,526
Cash and cash equivalents 21,099 33,207 43,993 Total current assets 61,228 74,311 91,636 TOTAL ASSETS 622,851 636,300 651,491 EQUITY AND LIABILITIES 622,851 636,300 651,491 EQUITY AND LIABILITIES Equity 576,531 576,531 576,531 Contributed equity 576,531 576,531 576,531 576,531 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-current liabilities 568,989 583,503 598,585 Non-current liabilities 15,292 11,828 14,519 Other liabilities 16,885 87 109 Total ease liabilities 19,175 21,401 21,804 Deferred tax liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,189 Trade and other payables 19,175 21,401 21,804 Deferred revenue	Other receivables	6,012	7,865	7,075
Total current assets 61,228 74,311 91,636 TOTAL ASSETS 622,851 636,300 651,491 EQUITY AND LIABILITIES 622,851 636,300 651,491 Equity 576,531 576,531 576,531 576,531 Contributed equity 576,531 576,531 576,531 576,531 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests	Prepayments	4,117	2,166	3,041
TOTAL ASSETS 622,851 6336,300 651,491 EQUITY AND LIABILITIES Equity 576,531 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8,395) 5,366 21,683 Other components of equity 852 1,605 372 Equity atributed to members 568,989 583,503 598,585 Non-controlling interests	Cash and cash equivalents	21,099	33,207	43,993
EQUITY AND LABILITIES Equity Contributed equity 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8,395) 5,366 21,683 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests 568,989 583,503 598,585 Non-current liabilities 1 5,292 11,828 14,519 Other liabilities 1,685 87 109 Total equity 20,415 15,947 17,865 Current liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 7,250 8,195 6,102 Total current liabilities 53,862 52,797 5	Total current assets	61,228	74,311	91,636
Equity 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8,395) 5,366 21,683 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests	TOTAL ASSETS	622,851	636,300	651,491
Contributed equity 576,531 576,531 576,531 576,531 Retained earnings (accumulated deficit) (8,395) 5,366 21,683 Other components of equity 852 1,605 372 Equity attributed to members 568,989 583,503 598,585 Non-controlling interests				
Retained earnings (accumulated deficit) (8,395) 5,366 21,683 Other components of equity 852 1,605 372 Equity attributed to members 566,989 583,503 598,585 Non-controlling interests 566,989 583,503 598,585 Non-current liabilities 566,989 583,503 598,585 Non-current liabilities 3,438 4,032 3,237 Deferred tax liabilities and other loans 3,438 4,032 3,237 Other liabilities 15,292 11,828 14,519 Other liabilities 1,685 87 109 Total non-current liabilities 1,685 87 109 Total non-current liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 53,862 52,797 52,906		E76 521	576 521	E76 E21
Other components of equity 852 1,605 372 Equity attributed to members 568,999 583,503 598,585 Non-controlling interests				
Equity attributed to members 568,999 583,503 598,585 Non-controlling interests				
Non-controlling interestsTotal equity568,989Non-current liabilitiesFinancial lease liabilities and other loans3,438A,0323,237Deferred tax liabilities15,292Other liabilities1,68587109Total non-current liabilities1,685Trade and other payables19,17521,40121,804Deferred revenue2,6041,4722,182Financial lease liabilities and other loans3,0242,0732,589Income tax payable1,3943,7092,363Other liabilities7,2508,1956,102Total current liabilities33,44736,85035,041Total liabilities33,86252,79752,906				
Total equity 568,989 583,503 598,585 Non-current liabilities 3,438 4,032 3,237 Deferred tax liabilities 15,292 11,828 14,519 Other liabilities 1,685 87 109 Total non-current liabilities 20,415 15,947 17,865 Current liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906				
Non-current liabilitiesFinancial lease liabilities and other loans3,4384,0323,237Deferred tax liabilities15,29211,82814,519Other liabilities1,68587109Total non-current liabilities20,41515,94717,865Current liabilities19,17521,40121,804Deferred revenue2,6041,4722,182Financial lease liabilities and other loans3,0242,0732,589Income tax payable1,3943,7092,363Other liabilities7,2508,1956,102Total current liabilities33,44736,85035,041Total liabilities53,86252,79752,906	-	568,989	583,503	598,585
Deferred tax liabilities 15,292 11,828 14,519 Other liabilities 1,685 87 109 Total non-current liabilities 20,415 15,947 17,865 Current liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,882 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906				
Other liabilities 1,625 11,026 14,019 Other liabilities 1,685 87 109 Total non-current liabilities 20,415 15,947 17,865 Current liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Financial lease liabilities and other loans	3,438	4,032	3,237
Other liabilities 1,685 87 109 Total non-current liabilities 20,415 15,947 17,865 Current liabilities 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Deferred tax liabilities	15,292	11,828	14,519
Total non-current liabilities 20,415 15,947 17,865 Current liabilities Trade and other payables 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Other liabilities			
Trade and other payables 19,175 21,401 21,804 Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Total non-current liabilities		15,947	17,865
Deferred revenue 2,604 1,472 2,182 Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Current liabilities			
Financial lease liabilities and other loans 3,024 2,073 2,589 Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Trade and other payables	19,175	21,401	21,804
Income tax payable 1,394 3,709 2,363 Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Deferred revenue	2,604	1,472	2,182
Other liabilities 7,250 8,195 6,102 Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Financial lease liabilities and other loans	3,024	2,073	2,589
Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Income tax payable	1,394	3,709	2,363
Total current liabilities 33,447 36,850 35,041 Total liabilities 53,862 52,797 52,906	Other liabilities	7,250	8,195	6,102
	Total current liabilities			
TOTAL EQUITY AND LIABILITIES 622,851 636,300 651,491	Total liabilities	53,862	52,797	52,906
	TOTAL EQUITY AND LIABILITIES	622,851	636,300	651,491

OPERA LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Retained	Other	
2017	Contributed	earnings	components of	
[Numbers in US\$ thousands]	equity	(accumulated deficit)	equity	Total equity
Balance as of January 1, 2017	576,531	(7,704)	(630)	568,197

Net income (loss) for the period	-	(2,719)	-	(2,719)
Other comprehensive income	-	-	1,482	1,482
Total comprehensive income for the period	-	(2,719)	1,482	(1,236)
Share-based payment transactions	-	2,028	-	2,028
Balance as of June 30, 2017	576,531	(8,395)	852	568,989

			Other	
2018	Contributed	Retained	components of	
[Numbers in US\$ thousands]	equity	earnings	equity	Total equity
Balance as of December 31, 2017 - as previously reported	576,531	5,366	1,605	583,503
Change in accounting principles	-	(629)	-	(629)
Balance as of January 1, 2018	576,531	4,737	1,605	582,874
Net income for the period	-	14,030	-	14,030
Other comprehensive income	-	-	(1,234)	(1,234)
Total comprehensive income for the period	-	14,030	(1,234)	12,796
Share-based payment transactions	-	2,916	-	2,916
Balance as of June 30, 2018	576,531	21,683	372	598,585

General information

The financial information of Opera Limited ("the Company") and its subsidiaries (collectively, "the Group" or "Opera"), for the period ended June 30, 2018 was approved by the Company's Board of Directors on August 23, 2018.

Opera Limited, with its office in George Town, Cayman Islands, is a limited liability company duly incorporated and validly existing under the laws of the Cayman Islands.

Opera is one of the world's leading browser providers and an influential player in the field of integrated Al-driven digital content discovery and recommendation platforms.

Operating revenue by category

[Numbers in US\$ thousands]	Q2-2017	Q2-2018	YTD 2017	YTD 2018
Search	15,670	19,769	31,063	39,985
Advertising	8,410	13,718	15,618	26,634
Technology Licensing / Other	2,411	6,342 (1)	5,286	12,655
Total	26,491	39,828	51,966	79,274

⁽¹⁾ Includes US\$1.5 million revenue from a perpetual license agreement with 360 Mobile Security, a related party.

Personnel expenses by type

[Numbers in US\$ thousands]	Q2-2017	Q2-2018	YTD 2017	YTD 2018
Personnel expenses excluding share-based remuneration	8,338	9,138	17,064	17,799
Share-based remuneration, including related social security costs	2,807	218	2,807	2,667
Personnel expenses including share-based remuneration	11,145	9,356	19,871	20,466

Other operating expenses

[Numbers in US\$ thousands]	Q2-2017	Q2-2018	YTD 2017	YTD 2018
Marketing and distribution	6,553	7,838	10,244	15,176
Hosting	3,576	2,561	6,867	5,178
Audit, legal and other advisory services	767	2,631	1,465	4,879
Software license fees	276	399	740	891
Rent and other office expense	1,033	1,214	1,871	2,336
Travel	447	510	919	1,030
Other	1,142	72	1,998	227
Total	13,795	15,224	24,105	29,717

Non-IFRS financial measures				
	Q2-2017	Q2-2018	YTD-2017	YTD-2018
[Numbers in US\$ thousands]	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Reconciliation of net income (loss) to adjusted EBITDA				
Net income (loss)	(2,551)	7,411	(2,719)	14,030
Add: Income tax expense (benefit)	697	2,535	938	4,824
Add: Total net financial loss (income)	(895)	(91)	(531)	(233)
Add: Share of net loss (income) of associates and joint ventures	218	615	573	1,624
Add: Restructuring costs	370	-	2,111	-
Add: Depreciation and amortization	3,605	3,379	7,406	6,766
Add: Share-based remuneration	2,807	218	2,807	2,667
Add: Expensed IPO related costs	-	2,110	-	2,110
Less: Other income				
Adjusted EBITDA	4,250	16,175	10,586	31,788
Reconciliation of net income (loss) to adjusted net income				
Net income (loss)	(2,551)	7,411	(2,719)	14,030
Add: Share-based remuneration	2,807	218	2,807	2,667
Add: Amortization of acquired intangible assets	1,280	1,280	2,560	2,560
Add: Expensed IPO-related costs		2,110	-	2,110
Income tax adjustment ⁽¹⁾	(484)	(235)	(815)	(713)
Adjusted net income	1,052	10,783	1,833	20,653
Weighted average number of ordinary shares outstanding for non-IFRS measures				
Basic, millions	190.25	190.25	190.25	190.25
Diluted, millions	192.21	196.62	191.23	195.98
Adjusted net income per ordinary share				
Basic, US\$	0.006	0.057	0.010	0.109
Diluted, US\$	0.005	0.055	0.010	0.105
Adjusted net income per ADS				
Basic, US\$	0.011	0.113	0.019	0.217
Diluted, US\$	0.011	0.110	0.019	0.211

Reversal of income tax benefit related to the social security cost component of share-based remuneration, deferred taxes on the amortization of ⁽¹⁾ acquired intangible assets, and expensed IPO-related costs

Non-IFRS financial measures