

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-38588



Opera Limited

(Exact name of Registrant as specified in its charter)

Cayman Islands

(Jurisdiction of incorporation or organization)

Vitaminveien 4, 0485 Oslo, Norway

(Address of principal executive offices)

James Yahui Zhou, Chief Executive Officer

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares, each representing two ordinary shares, par value \$0.0001 per share	OPRA	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report.

175,036,568 ordinary shares, par value \$0.0001 per share, as of December 31, 2023.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the
International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

TABLE OF CONTENTS

	Page
CONVENTIONS THAT APPLY TO THIS ANNUAL REPORT ON FORM 20-F	1
FORWARD-LOOKING STATEMENTS	2
PART I	3
Item 1. Identity of Directors, Senior Management and Advisers	3
Item 2. Offer Statistics and Expected Timetable	3
Item 3. Key Information	3
Item 4. Information on the Company	23
Item 4A. Unresolved Staff Comments	33
Item 5. Operating and Financial Review and Prospects	33
Item 6. Directors, Senior Management and Employees	44
Item 7. Major Shareholders and Related Party Transactions	51
Item 8. Financial Information	52
Item 9. The Offer and Listing	53
Item 10. Additional Information	53
Item 11. Quantitative and Qualitative Disclosures About Market Risk	60
Item 12. Description of Securities Other Than Equity Securities	60
PART II	61
Item 13. Defaults, Dividend Arrearages and Delinquencies	61
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	61
Item 15. Controls and Procedures	61
Item 16A. Audit Committee Financial Expert	63
Item 16B. Code of Ethics	63
Item 16C. Principal Accountant Fees and Services	63
Item 16D. Exemptions from the Listing Standards for Audit Committees	64
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers	64
Item 16F. Change in Registrant's Certifying Accountant	64
Item 16G. Corporate Governance	64
Item 16H. Mine Safety Disclosure	64
Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections	64
Item 16J. Insider Trading Policies	64
Item 16K. Cybersecurity	65
PART III	66
Item 17. Financial Statements	66
Item 18. Financial Statements	66
Item 19. Exhibits	66
Signatures	67
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1

CONVENTIONS THAT APPLY TO THIS ANNUAL REPORT ON FORM 20-F

Unless otherwise indicated and except where the context otherwise requires:

- “active user” refers to a user, calculated based on device identification, that has accessed one of our mobile browsers, PC browsers or other applications at least once during a given period. A unique user that is active in more than one of the applications on our platform is counted as more than one active user;
- “ADS” refers to an American depositary share in Opera, trading on Nasdaq under the ticker symbol “OPRA”, each of which representing two ordinary shares in Opera Limited;
- “AI” refers to artificial intelligence and “AIGC” refers to artificial intelligence generated content;
- “ARPU” refers to average revenue per user;
- “China” or “PRC” refers to the People’s Republic of China, excluding, for the purpose of this annual report only, Taiwan and the special administrative regions of Hong Kong and Macau;
- “EEA” refers to the European Economic Area consisting of the 27 countries of the European Union plus Norway, Liechtenstein and Iceland;
- “IFRS® Accounting Standards” refers to International Financial Reporting Standards as issued by the International Accounting Standards Board;
- “Kunlun” refers to Kunlun Tech Co., Ltd., unless otherwise indicated;
- “LLMs” refers to large language models;
- “MAUs” or “monthly active users” refers to the average number of active users of any month (within a given period), calculated as of its final day using a 30-day lookback window;
- “Nasdaq” refers to the Nasdaq Stock Market LLC;
- “PC” means computers running versions of the operating systems Windows, Linux or macOS;
- “principal shareholders” refer to the principal shareholders named in this annual report;
- “shares” or “ordinary shares” refers to our ordinary shares, par value \$0.0001 per share;
- “SEC” refers to the United States Securities and Exchange Commission;
- “US\$,” “U.S. Dollars,” “\$” and “dollars” refer to the legal currency of the United States; and
- “we,” “us,” “our company,” “the Group,” “our group,” “our” or “Opera” refers to Opera Limited, an exempt company incorporated under the laws of the Cayman Islands with limited liability that is the holding company of our group.

All discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of current or historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provision under Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, including those listed under “Item 3. Key Information—D. Risk Factors,” that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

In some cases, you can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements about:

- our goals and strategies;
- our expected development and launch, and market acceptance, of our products and services;
- our future business development, financial condition and results of operations;
- the expected growth in, and market size of, the global internet industry;
- expected changes in our revenues, costs or expenditures;
- our 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, including MAUs;
- our ability to attract, retain and monetize users;
- our ability to continue to develop new technologies and/or upgrade our existing technologies;
- growth of, and trends of, competition in our industry;
- government policies and regulations relating to our industry and the geographic markets in which we have business operations; and
- general economic and business conditions in the markets where we have businesses.

You should read this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from, and worse than, what we expect. Other sections of this annual report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time, and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This annual report also contains statistical data and estimates that we obtained from industry publications and reports generated by government or third-party providers of market intelligence. Although we have not independently verified the data, we believe that the publications and reports are reliable. However, the statistical data and estimates in these publications and reports are based on a number of assumptions and if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. In addition, due to the rapidly evolving nature of the online content consumption and e-commerce industries, projections or estimates about our business and financial prospects involve significant risks and uncertainties.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

There is a high degree of risk associated with our company and business. You should carefully consider the risks described below, together with all of the other information in this annual report on Form 20-F. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. If any of the following risks occur, our business, operating results and financial condition could be materially adversely affected and the trading price of our ADSs could decline.

Summary of Risk Factors

Below is a summary of certain material risks we face, organized under relevant headings.

Risks Related to Our Business and Industry

- We may fail to maintain or grow the size of our user base or the level of engagement of our users.
- We face intense competition in a number of spaces and industries and if we do not continue to innovate and provide products and services that meet the needs of our users, we may not remain competitive.
- Potential issues raised by the use of AI technologies in our products and services may result in reputational harm or liability, adversely affecting our business, financial condition, and operating results.
- We may fail to keep up with rapid changes in technologies and mobile devices.
- We may not succeed in managing or expanding our business across the expansive and diverse markets that we operate in.
- The impact of worldwide economic conditions may adversely affect our business, operating results, and financial condition.
- We plan to continue expanding our operations globally to markets where we have limited operating experience, which may subject us to increased business, economic and regulatory risks.
- Direct and indirect impacts of the war in Ukraine are highly unpredictable, could be significant, and may have an adverse effect on our business, operations and our future financial performance.

- We may need additional capital to expand our businesses but may not be able to obtain it on favorable terms or at all.
- Our business depends on a strong brand and reputation, and we may not be able to maintain and enhance our brand or reputation or there may be negative publicity against us.
- We are subject to risks related to litigation, including intellectual property claims and regulatory disputes.
- Our investments in new businesses, new products, services and technologies and companies are inherently risky and could disrupt our ongoing businesses.

Risks Related to Our Technology and Intellectual Property.

- We may fail to maintain or improve our technology infrastructure.
- We may not be able to prevent others from unauthorized use of our intellectual property or brands.
- Some of our applications contain open source software, which may pose increased risk to our proprietary software.
- We have been and expect to continue to be subject to intellectual property infringement claims, which could be time consuming and costly to defend, and may require us to pay significant damages or cease offering any of our products or key features of our products.
- We do not have exclusive rights to certain technology, trademarks and designs that are crucial to our business.
- Privacy concerns relating to our services and the use of user information could negatively impact our user base or user engagement, or subject us to governmental regulation and other legal obligations.
- We are exposed to cyber-attacks, data breaches, internal employee and other insider misconduct, computer viruses, physical and electronic break-ins and similar disruptions that may adversely impact our ability to protect the confidential information of our users and borrowers.

Risks Related to Our Suppliers and Partners.

- A small number of business partners contribute a significant portion of our revenues.
- We rely on our users' web searches within Opera browsers for a substantial portion of our revenues.
- Our existing business and our expansion strategy depend on certain key collaborative arrangements, and we may be unable to maintain or develop these relationships.

Risks Related to Our Internal Controls and Reporting.

- Our user metrics and other operational metrics are subject to inherent challenges in measuring our operations.
- Events outside our control may prevent us from timely meeting our reporting obligations.
- If we fail to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

Risks related to our ADS.

- If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline.
- Your ability to achieve a return on your investment will depend on the combination of future dividend payments and the price appreciation of the ADSs.
- As a "controlled company" under the rules of the Nasdaq, we may be exempt from certain corporate governance requirements that could adversely affect our public shareholders.
- We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Risks Related to Our Business and Industry

We may fail to maintain or grow the size of our user base or the level of engagement of our users.

The size, geographical composition and engagement level of our user base are critical to our success. Our business and financial performance have been and will continue to be significantly affected by our success in adding, retaining and engaging active users. We continue to invest significant resources to grow our user base and increase user engagement, whether through innovations, providing new or improved products or services, marketing efforts or other means. We cannot assure you that our user base and engagement levels will grow at satisfactory rates, or at all. Our user numbers and engagement could be adversely affected if:

- we fail to maintain the popularity of our products and services among users;
- we are unable to continue to develop products that work with a variety of mobile operating systems, networks and smartphones;
- we are unable to maintain the quality of our existing products and services;
- we are unsuccessful in innovating or introducing new, best-in-class products and services;
- we fail to adapt to changes in user preferences, market trends or advancements in technology;
- we are unsuccessful with cross-selling new products and services to our existing user base;
- our partners who provide content for Opera News, GX Games or our other platforms do not create content that is engaging, useful, or relevant to users;
- our partners who provide content for our platforms decide not to renew agreements or not to devote their resources to creating engaging content;
- our global distribution partners decide not to distribute our software on their products or platforms or impose adverse new restrictions or requirements for distribution on their products or platforms;
- we fail to provide adequate service to users or partners;
- technical or other problems prevent us from delivering our products or services in a timely and reliable manner or otherwise affect the user experience;
- there are user concerns related to privacy, safety, security or other factors;
- there are adverse changes to our products that are mandated by, or that we elect to make to address, legislation, regulation or litigation, including settlements or consent decrees;
- we fail to maintain the brand image of our products, or our reputation is damaged; or
- there are unexpected changes to the demographic trends, political, regulatory or economic development in the markets that we compete in.

Our efforts to avoid or address any of these events could require us to incur substantial expenditures to modify or adapt our products, services or platforms. If we fail to retain or continue growing our user base, or if our users reduce their engagement with our platforms, our business, financial condition and results of operations could be materially and adversely affected.

We face intense competition in a number of spaces and industries and if we do not continue to innovate and provide products and services that meet the needs of our users, we may not remain competitive.

We face intense competition in all of the products and services we offer. In the browser space, we generally compete with other global browser developers, including companies such as Google (Chrome), Apple (Safari), Microsoft (Edge) and Samsung, which have distributional or other advantages on their respective hardware or software platforms. We also compete with other regional internet companies that have strong positions in particular countries. From time to time, we have to compete with smaller, independent browser companies such as Mozilla Firefox, Brave, Avast, Yandex, DuckDuckGo and UC Web as well for those users who want to choose an alternative browser for their devices in addition to their respective default browsers. In the advertising space, we compete with other global internet companies which operate advertising platforms and audience extension products, such as those offered by Meta, ByteDance and Alphabet for both inventory and advertisers. In the content space, we have faced significant competition from other internet companies promoting their own content products and services globally, including Alphabet, Apple and Meta, and traditional media such as local and global newspapers and magazines. Unlike some other large competitors in the content space, we have historically focused on emerging markets, and have integrated unique content to users via our evolving AI-powered content discovery and recommendation platform. However, as we increasingly focus on more developed markets, we also compete with digital media properties and other AI based news offerings platforms.

In addition, we compete with all major internet companies for user attention and advertising spend. Moreover, in emerging markets, where certain mobile devices lack large storage capabilities, we may compete with other applications for the limited space available on users' mobile devices. As we introduce new products, as our existing products evolve, or as other companies introduce new products and services, we may become subject to additional competition. For example, we launched an initial set of generative AI tools in our PC flagship browser in March 2023, gradually expanding to other mobile and PC browsers, and deploying additional tools, such as our Aria browser AI, during 2023. We also launched MiniPay, a new non-custodial stablecoin wallet built on the Celo blockchain, in September 2023. While we view our new products as extensions of Opera's existing product portfolio, adding new products and services subjects us to new competitors and enhanced competition from our current competitors.

Many of our current and potential competitors have significantly greater resources and broader global recognition, and occupy better competitive positions in certain markets or on certain platforms than we do. These factors may allow our competitors to respond to new or emerging technologies and changes in market requirements better than we can. Our competitors may also develop products, features or services that are similar to ours or that achieve greater market acceptance. These products, features and services may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. In addition, our partners may use information that we share with them to develop or work with competitors to develop products or features that compete with us. Certain competitors, including Apple, Meta, Microsoft, Samsung and Alphabet, could use strong or dominant positions on their respective platforms or in one or more markets to gain competitive advantages against us in areas where we operate, including by:

- integrating competing features into products they control such as web browsers or mobile device operating systems;
- making acquisitions for similar or complementary products or services; or
- impeding Opera's accessibility and usability by modifying or imposing use restrictions on existing hardware and software on which the Opera applications operate or upon which they depend.

As a result, our competitors may acquire and engage users at the expense of our user base or engagement, which may seriously harm our business.

We believe that our ability to compete effectively depends on a number of factors, many of which are beyond our control, including:

- the usefulness, novelty, performance and reliability of our products compared to our competitors;
- the number and demographics of our monthly active users, or MAUs;
- the timing and market acceptance of our products, including developments and enhancements of our competitors' products;
- our ability to monetize our products;
- the effectiveness of our marketing activities and our marketing and distribution teams;
- our ability to establish and maintain partners' interest in using Opera;
- the frequency, relative prominence and type of advertisements displayed on our applications or by our competitors;
- the effectiveness of our customer service and support efforts;
- our ability to innovate and remain at the forefront of emerging technologies and related market trends;
- changes as a result of legislation, regulatory authorities or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us;
- acquisitions or consolidation within the industries in which we operate;
- our ability to attract, retain and motivate talented employees, particularly engineers and sales personnel;
- our ability to cost-effectively manage and scale our rapidly growing operations; and
- our reputation and brand strength relative to our competitors.

If we cannot effectively compete, our user engagement may decrease, which could make us less attractive to users, advertisers and partners and seriously harm our business.

Potential issues raised by the use of AI technologies in our products and services may result in reputational harm or liability, adversely affecting our business, financial condition, and operating results.

In January 2017, we launched the Opera News service, which is our AI-powered personalized news discovery and aggregation service. In June 2023, we redesigned and reengineered our flagship PC browser into Opera One, a browser with a new modular design and AI at its core with the Aria browser AI, which is built on our own Composer AI engine that can tap into multiple LLMs, as well as providing live results from the web. In February 2024, we deployed a new AI cluster in Iceland, which features an NVIDIA DGX SuperPOD equipped with advanced GPUs and AI enterprise software platform and powered entirely by green energy, and will support the growth of our browsers and form the base of our future AI services. As with many developing technologies, AI technologies present risks and challenges that could affect its further development, adoption, and use, and therefore our business. Our products and services based on AI may not be adopted by our users or customers. In addition, AI algorithms may be flawed. Datasets may be insufficient or contain biased information, and our algorithms could produce discriminatory or unexpected results or behaviors. Inappropriate or controversial data could impair the acceptance of our AI solutions and harm our reputation, business, customers, or stakeholders. Moreover, AI generated content may result in copyright and other legal issues and our AI generated content may not be able to compete against that of our competitors. These deficiencies could undermine the decisions, predictions, or analysis that our AI technologies produce, subjecting us to legal liability, and brand or reputational harm. Some AI scenarios also present ethical issues. If we enable or offer AI solutions that are controversial because of their purported or actual impact on human rights, privacy, employment, or other social or political issues, we may experience brand or reputational harm, adversely affecting our business and operating results. Furthermore, evolving rules, regulations, and industry standards governing AI may require us to expend significant resources to modify, maintain, or align our business practices or products to comply with rules and regulations of different jurisdictions in which we operate, the nature of which cannot be determined at this time. Several jurisdictions around the globe, including the European Union and certain U.S. states, have already proposed or enacted laws governing AI. For example, U.S. federal agencies are likely to release AI regulations in the near future in light of the Biden administration's October 30, 2023 Executive Order on AI. The regulatory environment surrounding the impact of the implementation of AI on our products and services may adversely affect our ability to produce products and provide services and as a result may cause harm to our reputation and financial liability.

We may fail to keep up with rapid changes in technologies and mobile devices.

The PC and mobile internet industry is characterized by rapid technological changes. Our future success will depend on our ability to respond to rapidly changing technologies, adapt our services to evolving industry standards and improve the performance and reliability of our products and services. Our failure to adapt to such changes could harm our business. In addition, changes in mobile devices resulting from technological development may also adversely affect our business. If we are slow to develop new products and services for the latest mobile devices, or if the products and services we develop are not widely accepted and used by mobile device users, we may not be able to capture a significant share of this increasingly important market. In addition, the widespread adoption of new internet, mobile, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or adapt our products, services or infrastructure. If we fail to keep up with rapid technological changes to remain competitive, our future success may be adversely affected.

We may not succeed in managing or expanding our business across the expansive and diverse markets that we operate in.

Our business has become increasingly complex as we have expanded the markets in which we operate, the variety of products and services we offer and the overall scale of our operations. We have expanded and expect to continue to expand our headcount, office facilities and infrastructure. As our operations continue to expand, our technology infrastructure systems and corporate functions will need to be scaled to support our operations, and if they fail to do so, it could negatively affect our business, financial condition and results of operations, and our ability to provide accurate and timely information.

The markets where we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. Managing our growing businesses across these emerging markets requires considerable management attention and resources. Entering into new markets also involves various legal and regulatory risks and requires us to obtain various licenses and permits. We cannot assure you that we will be able to maintain, renew or obtain such licenses or permits on commercially reasonable terms or at all. We may incur additional compliance costs and may be subject to regulatory action or be ordered to cease our operations in certain markets if we fail to maintain, renew or obtain any material license or permit. Should we choose to expand into additional markets, these complexities and challenges could further increase. Because each market presents its own unique challenges, the scalability of our business is dependent on our ability to tailor our content and services to this diversity.

Our growing multi-market operations also require that we incur certain additional costs, including costs relating to staffing, logistics, intellectual property licensing or protection, tariffs and other trade barriers. Moreover, we may become subject to risks associated with:

- recruiting and retaining talented and capable management and employees in various markets;
- challenges caused by distance, language and cultural differences;
- providing content and services that appeal to the tastes and preferences of users in multiple markets;
- implementing our businesses in a manner that complies with local laws and practices, which may differ significantly from market to market;
- maintaining adequate internal and accounting control in subsidiaries across various markets;
- currency exchange rate fluctuations;
- protectionist laws and business practices;
- complex local tax regimes. Digital business models in general are under significant scrutiny from tax authorities around the world, given the considerable complexity that these can bring on a cross-border basis, particularly when there may be no physical presence involved;
- potential political, economic and social instability;

- potential local government initiatives to restrict access to our products and services; and

Any of the foregoing could negatively affect our business, financial condition and results of operations.

The impact of worldwide economic conditions may adversely affect our business, operating results, and financial condition.

Our financial performance is subject to worldwide economic conditions, including adverse economic conditions caused by inflation, changes in interest rates and tighter credit, geopolitical conflicts such as the war in Ukraine or Gaza, currency fluctuations and supply chain disruptions, and their impact on levels of advertising spending. Advertiser expenditures are negatively impacted by overall economic conditions, and reductions in advertising spending could have a material adverse impact on our business, operating results, and financial condition.

We are currently operating during a period of economic uncertainty and cannot predict the timing, strength, or duration of economic downturns. To the extent general macroeconomic conditions remain uncertain or worsen, our business may be harmed. Inflation has the potential to adversely affect our liquidity, business, operating results, and financial condition by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, increased costs of labor, fluctuations in foreign currency exchange rates, and other similar effects. As a result of inflation, we have experienced, and may continue to experience, cost increases, which could materially and adversely affect our business, operating results, and financial condition.

We plan to continue expanding our operations globally to markets where we have limited operating experience, which may subject us to increased business, economic and regulatory risks.

We plan to continue expanding our business operations globally, entering into new markets where we have limited or no experience in marketing, selling and deploying current and future products and services. If we fail to deploy or manage our operations in international markets successfully, our business may suffer. In the future, as our international operations increase, or more of our revenue and expenses are generated or denominated in currencies other than the U.S. dollar, our operating results may become more sensitive to fluctuations in the exchange rates of various currencies relative to the U.S. dollar. In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social and economic instability;
- risks related to the legal and regulatory environment in foreign jurisdictions, including with respect to privacy, localization and content laws as well as unexpected changes in laws, regulatory requirements and enforcement due to the wide discretion given local lawmakers and regulators regarding the enactment, interpretation and implementation of local regulations;
- potential damage to our brand and reputation due to compliance with local laws, including potential censorship and requirements to provide user information to local authorities;
- fluctuations in currency exchange rates;
- higher levels of credit risk and payment fraud;
- complying with multiple tax jurisdictions;
- enhanced difficulties of integrating any foreign acquisitions;
- complying with a variety of foreign laws, including certain employment laws requiring national collective bargaining agreements that set minimum salaries, benefits, working conditions and termination requirements;
- reduced protection for our intellectual property rights in some countries and/or heightened protection for intellectual property rights of content providers in other countries;
- difficulties in staffing and managing global operations and the travel, infrastructure and compliance costs associated with multiple international locations;
- regulations that might add difficulties in repatriating cash earned outside our core markets and otherwise preventing us from freely moving cash;
- import and export restrictions and changes in trade regulation;
- complying with statutory equity requirements;
- complying with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar laws in other jurisdictions, such as Norway; and
- complying with export controls and economic sanctions administered by the relevant local authorities, including in the United States and European Union, in our international business.

If we are unable to expand internationally and manage the complexity of our global operations successfully, our business could be seriously harmed.

Direct and indirect impacts of the war in Ukraine are highly unpredictable, could be significant, and may have an adverse effect on our business, operations and our future financial performance.

The Russian Federation initiated a full-scale military invasion of Ukraine on February 24, 2022, precipitating a humanitarian crisis. This ongoing military conflict has provoked strong reactions from the United States, the United Kingdom, the European Union and various other countries around the world, including the imposition of export control, control on distribution of online content and other broad financial and economic sanctions against Russia, which may have far-reaching effects on the global economy. While the precise effects of the ongoing military conflict and the retaliatory measures that

have been taken, or could be taken in the future, remain uncertain, they have already resulted in significant volatility in financial markets and rises in energy and commodity prices globally, and created worldwide security concerns that could have a lasting impact on regional and global economies.

The macroeconomic impacts on our business continue to evolve and be unpredictable and may continue to adversely affect our business, operations and financial performance. Examples of potential impacts of the war in Ukraine on our business include changes in our user base as a result of our inability to operate our products in affected countries, reduced demand affecting our advertising and search revenues, increased compliance costs and business limitations from export controls or economic sanctions, as well as broader fluctuations in exchange rates that may directly and indirectly affect our global revenue and costs as presented in U.S. Dollars. For example, on December 16, 2022, the European Union adopted new economic sanctions, or the December 2022 EU Sanctions, prohibiting the provision of “advertising services” to legal persons, entities or bodies established in Russia, and therefore we have subsequently terminated all advertising contracts with customers in Russia among other actions. For additional details, see “Item 4. Information on the Company — B. Business Overview – Regulations – European Economic Sanctions.”

Revenue generated from customers and monetization partners domiciled in Russia accounted for 6.1%, or \$20.3 million, of our revenue in 2022 and 5.2%, or \$20.7 million, of our revenue in 2023. A substantial portion of these amounts in both 2022 and 2023 were search revenues from our business partner, Yandex LLC, or Yandex. With respect to these search revenues, Yandex generates advertising revenues primarily in Russian Rubles, and pays us a revenue share converted at prevailing exchange rates to U.S. Dollars. Although our transactions with Yandex relating to search distribution are not at present subject to any export control or economic sanction against Russia, and we have terminated all advertising contracts with customers in Russia in response to the December 2022 EU Sanctions, there is no assurance that broader sanctions will not be in place in the future, which may adversely affect our relationship with our business partners as well as our revenue related to Russia. Moreover, on February 5, 2024, Yandex’s US listed parent company, namely Yandex N.V., announced that it had reached a binding agreement to sell certain of its core businesses, including its search business, to a consortium of buyers. Yandex N.V. reported that the sale will be in full compliance with international sanctions and that no member of the consortium of buyers is the target of blocking sanctions in the U.S., European Union, U.K. or Switzerland. However, we cannot assure you that our cooperation with Yandex will not ultimately be impacted by such a restructuring.

We estimate that approximately 9.9% of our revenue in 2022, and 5.7% of our revenue in 2023, was generated based on monetizing the portion of our user base in Russia. As a result of the scale of the ongoing crisis and the speed at which the global community has been impacted, our revenue growth rate and expense as a percentage of our revenues, and our operating results, may fall below expectations in future periods.

We may need additional capital to expand our businesses but may not be able to obtain it on favorable terms or at all.

While we believe we have sufficient capital to fund our current growth plans, we may require additional capital in order to fund future plans for the additional growth and development of our businesses and any additional investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including inflation and changes in interest rates, geopolitical conflict, our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and governmental regulations in the markets that we operate in. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

Our business depends on a strong brand and reputation, and we may not be able to maintain and enhance our brand or reputation or there may be negative publicity against us.

We believe that our “Opera” brand and our reputation have contributed significantly to the success of our business. We also believe that maintaining and enhancing the “Opera” brand and our reputation are critical to our success in the future. As our markets become increasingly competitive, our success in maintaining and enhancing our brand and reputation will depend largely on our ability to remain a leading provider of browsers, AI-powered news feeds, gaming solutions and other products and services, which may become more expensive and challenging.

We consistently conduct marketing and brand promotion efforts and over the years have increased related spending. However, we cannot assure you that our marketing and brand promotion activities in the future will achieve the expected brand promotion effect to acquire users in a cost-effective way. If we fail to maintain and further promote the “Opera” brand or our reputation, or if we incur excessive expenses in this effort, our business and results of operations may be materially and adversely affected.

We are subject to risks related to litigation, including intellectual property claims and regulatory disputes.

We may be, and in some instances have been, subject to claims, lawsuits (including class actions and individual lawsuits), government investigations and other proceedings relating to intellectual property, consumer protection, privacy, labor and employment, import and export practices, competition, securities, tax, marketing and communications practices, commercial disputes and other matters. For example, we and certain of our directors and officers were named as defendants in a putative class action filed in the United States District Court for the Southern District of New York: *Brown v. Opera Limited et al.*, Case No. 20 cv 674 (S.D.N.Y.), which was dismissed with prejudice in April 2021. The number and significance of our legal disputes and inquiries have increased as our products and services have grown in complexity and as our business has expanded in scope and geographic reach. For instance, we are currently attempting to enforce an U.K. court judgment against a non-paying customer in Kenya. This customer has also filed a lawsuit against us in Kenya, which we believe lacks substantial merit. While we have obtained the judgment for the full amount in the U.K., we have been advised to record a bad debt provision, as there are uncertainties regarding our ability to successfully enforce the judgment and collect the full amount in Kenya.

As a public company, we have an elevated public profile, which may result in increased litigation and public awareness of such litigation. Further, there is substantial uncertainty regarding the scope and application of many of the laws and regulations to which we are subject, which increases the risk that we will be subject to claims alleging violations of those laws and regulations. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in investigations, claims, changes to our business practices, increased cost of operations and declines in our user base, retention or engagement, any of which could seriously harm our business. In the future, we may also be accused of having, or be found to have, infringed or violated third party intellectual property rights.

Regardless of the outcome, legal proceedings can have a material and adverse impact on us due to their costs, diversion of our resources and other factors. We may decide to settle legal disputes on terms that are unfavorable to us. Furthermore, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that we may not choose to appeal or that may not be reversed upon appeal. We may have to seek a license to continue practices found to be in violation of a third party’s rights. If we are required, or choose to enter into, royalty or licensing arrangements,

such arrangements may not be available on reasonable terms, or at all, and may significantly increase our operating costs and expenses. As a result, we may also be required to develop or procure alternative non-infringing technology or discontinue the use of technology, and doing so could require significant effort and expense, or may not be feasible. In addition, the terms of any settlement or judgment in connection with any legal claims, lawsuits or proceedings may require us to cease some or all of our operations, or pay substantial amounts to the other party and could materially and adversely affect our business, financial condition and results of operations.

Our investments in new businesses, new products, services and technologies and companies are inherently risky and could disrupt our ongoing businesses.

We have invested and expect to continue to invest in new businesses, products, services and technologies. For example, we launched the GX Games portal in November 2021, a premium Opera VPN Pro offering in April 2022, and our MiniPay stablecoin wallet in September 2023. Throughout 2023 we have launched a variety of generative AI tools and services including our Aria browser AI, and in February 2024, we announced our deployment of a new AI data cluster in Iceland featuring a NVIDIA DGX SuperPOD to serve as the basis for additional future AI services. We may pursue additional opportunities in or relating to gaming, AI, Web3 and blockchain technologies in the future. We have limited historical experience in most aspects of the operation of our new initiatives, which makes it difficult to evaluate our future prospects. We intend to promote our new product and service offerings to our existing user base, and the success of such cross promotional efforts is uncertain. Moreover, we may not be able to obtain the regulatory approvals, permits or licenses as may be required for all of our desired initiatives. Failure to manage or grow our initiatives may have material adverse effects on our overall financial position and results of operations.

We have also invested in promising companies. Since 2017, we have invested in OPay, a leading mobile wallet and payment services company that first launched in Nigeria. In 2018 and 2020, we acquired minority interests in Star Group Interactive Inc., or Star X (formerly known as StarMaker), and NanoCred Cayman Co. Limited, or Nanobank, respectively, and sold all of our equity interests in these two companies in 2022 to focus on our core businesses. Our investments and acquired assets or businesses may not generate the financial results we expect. They could result in occurrence of significant investments and goodwill impairment charges, amortization expenses for other intangible assets and credit losses on receivables. See "— We may be required to recognize impairment charges." Changes to the valuation of our remaining investee, OPay, may also impact our financial results, depending on the way in which we account for our investment. Should the estimated fair value decrease, our financial results will be adversely affected. Moreover, general operational risks, such as inadequate or failing internal control of an investee, may also expose our investments to risks beyond our control. See "Item 4. Information on the Company — B. Business Overview – Our Investments," "Item 5. Operating and Financial Review and Prospects —A. Operating Results—Major Factors Affecting Our Results of Operations— Our Ability to Conduct and Manage Strategic Investments and Acquisitions" and Note 12 to our consolidated financial statements included elsewhere in this annual report for additional information regarding our investments.

We may fail to attract, motivate and retain the key members of our management team or other experienced and capable employees.

Our future success is significantly dependent upon the continued service of our executives and other key employees. If we lose the services of a key member of management or any key personnel, we may not be able to locate a suitable or qualified replacement and we may incur additional expenses to recruit and train a replacement, which could severely disrupt our business and growth.

To maintain and grow our business, we will need to identify, hire, develop, motivate and retain highly skilled employees. Identifying, recruiting, training, integrating and retaining qualified individuals requires significant time, expense and attention. In addition, from time to time, there may be changes in our management team that may be disruptive to our business. We may also be subject to local hiring restrictions in certain markets, particularly in connection with the hiring of foreign employees, which may affect the flexibility of our management team. If our management team, including any new hires that we make, fail to work together effectively and execute our plans and strategies, or if we are not able to recruit and retain employees effectively, our ability to achieve our strategic objectives will be adversely affected and our business and growth prospects will be harmed.

Competition for highly skilled personnel is intense, including in the markets where our business operations are located. We may need to invest significant amounts of cash and equity to attract and retain new employees and we may not be able to realize returns on these investments.

We may be the subject of anti-competitive, harassing or other detrimental conduct that could harm our reputation and cause us to lose users and customers.

We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Allegations, directly or indirectly against us or any of our executive officers, may be posted in internet chatrooms or on blogs or websites by anyone, whether or not related to us, on an anonymous basis. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our business, prospects or financial performance. The harm may be immediate without affording us an opportunity for redress or correction. In addition, such conduct may include complaints, anonymous or otherwise, to regulatory agencies. We may be subject to regulatory investigations as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, our reputation could be harmed as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose users and customers and adversely affect the price of our ADSs.

If we fail to detect online advertising fraud, we could lose the confidence of our partners and our revenues could decline.

Like others in our industry, our business is exposed to the risk of various forms of online advertising fraud perpetrated by bad actors to generate traffic that does not represent genuine user interest or intent. We seek to detect and prevent such invalid traffic and expect our marketing and advertising partners to do the same. We and our partners, however, have been unable and may continue to be unable to detect and prevent all such abuses. If we and our partners fail to detect significant online advertising fraud associated with our marketing campaigns or advertising campaigns in our or third-party inventory on our platforms, which reduces the competitiveness of Opera Ads and advertisers' willingness to advertise on our platforms, our revenues may be negatively affected. For example, affected advertisers may experience a reduced return on their investment in advertising on our platforms and advertisers or publishers may lose confidence in the integrity of our systems. If this happens, our revenues from such monetization partners may decline.

We face risks related to natural disasters, health epidemics or terrorist attacks, which could significantly disrupt our operations.

Our business could be adversely affected by natural disasters, such as earthquakes, floods, landslides, tsunamis, volcanic eruptions, outbreaks of health epidemics, as well as terrorist attacks, other acts of violence or war or social instability. If any of these occurs, we may be required to temporarily or permanently close our facilities, and our business operations may be suspended or terminated. For example, in early 2020, COVID-19 impacted market and economic conditions globally, resulting in the implementation of significant governmental measures to control the spread of COVID-19 as well as changes in our user behavior and the businesses of our monetization partners. Thus, our future operating and financial results may fluctuate substantially or fall below the expectations of securities analysts and investors. In such events, the trading price of our ADSs may fluctuate significantly. If any such situation persists, the global economy may be severely harmed and disrupted, which could adversely affect our results of operation.

We have limited business insurance coverage.

Our business insurance is limited. Any uninsured damage to our platforms, technology infrastructures or disruption of our business operations could require us to incur substantial costs and divert our resources, which could have an adverse effect on our business, financial condition and results of operations.

Our results of operations are subject to seasonal fluctuations due to a number of factors.

We are subject to seasonality and other fluctuations in our business. For example, revenues from our e-commerce and travel partners are typically affected by seasonality due to various holidays that may result in higher than usual e-commerce transactions and travel-related activities, and similar seasonal trends may affect revenues from our search partners. We may not yet have sufficient historical information to accurately anticipate seasonal or other fluctuations in our newer business areas. Historical patterns of seasonality may in any case be less relevant under current macroeconomic conditions as the ongoing impacts of rising inflation and interest rate, supply chain disruptions, and geopolitical conflicts such as the wars in Ukraine or Gaza may alter seasonal trends.

Fluctuations in foreign currency exchange rates will affect our financial results, which we report in U.S. Dollars.

We operate in multiple jurisdictions, which exposes us to the effects of fluctuations in currency exchange rates. Most of our revenue is denominated in the U.S. Dollar and Euro, while operating expenses are incurred in a wider specter of currencies, including the Norwegian krone, Chinese renminbi, Polish zloty, Swedish krona, British pound, and the Euro. The functional currency of revenue-generating entities in the Group is primarily the U.S. dollar. We typically have currency exchange exposure also in cases of global partners, even as such partners typically make payments to us in a major international currency like the U.S. Dollar, as the underlying activity upon which our revenue is calculated, may be based on such local currencies as observed and collected by our partners prior to converting to the currency in which we are paid, and in many cases this currency exposure is less visible to us. Fluctuations in the exchange rates between the various currencies that we use or are exposed to could result in expenses being higher and revenue being lower than would be the case if exchange rates were stable. We cannot assure you that movements in foreign currency exchange rates will not have a material adverse effect on our results of operations in future periods. We do not generally enter into hedging contracts to limit our exposure to fluctuations in the value of the currencies that our businesses use.

We may not achieve the intended tax efficiencies of our corporate structure and intercompany arrangements, which could increase our worldwide effective tax rate.

Our corporate structure and intercompany arrangements, including the manner in which we conduct our intercompany and related party transactions, are intended to provide us with worldwide tax efficiencies. The application of tax laws of various jurisdictions to our business activities is subject to interpretation and also depends on our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The tax authorities of jurisdictions where we operate may challenge our methodologies for intercompany and related party arrangements, including transfer pricing, or determine that the manner in which we operate does not achieve the intended tax consequences, which could increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

A certain degree of judgment is required in evaluating our tax positions and determining our provision for income taxes. In the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rate, expressed as the percentage of income tax expenses to profit before income taxes, was 37.0% in 2022, as compared to 0.1% in 2021 and 4.2% in 2023, respectively. Our effective tax rate could be adversely affected by lower than anticipated earnings in markets where we have lower statutory rates and higher than anticipated earnings in markets where we have higher statutory rates, inability to fully utilize tax assets recognized on our balance sheet, by changes in foreign currency exchange rates or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. Any of these factors could materially and adversely affect our financial position and results of operations.

The value of our other intangible assets relates directly to the value of crypto assets we held, the value of which may be highly volatile and subject to fluctuations.

The value of our other intangible assets relates directly to the value of crypto assets we held and fluctuations in the price of crypto assets could adversely affect the value of our other intangible assets. As of December 31, 2023, our other intangible assets include holdings of mainly Celo units and other crypto assets with a total carrying amount of \$2.0 million. As we may pursue additional opportunities in or relating to Web3 and blockchain technologies in the future, our holding of crypto assets may increase from time to time. For example, as part of a strategic partnership agreement entered into in 2023 with AP Grant Foundation Company, an entity promoting the Celo platform, we have committed to purchasing Celo units for \$250 thousand per quarter until the first quarter of 2026 with a contractual lockup requiring us to hold the Celo for one year from the date of purchase.

Our other intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. See Note 10 to our consolidated financial statements included elsewhere in this annual report for more information. The market price of crypto assets may be highly volatile, and subject to a number of factors, leading to greater volatility that could adversely affect the value of our other intangible assets. In addition, there is no assurance that crypto assets will maintain their values in the long or intermediate term. We may from time to time convert the crypto assets into cash. In the event that the price of the crypto assets declines, we may have a loss during the conversion and may have relevant impairment loss proportionately when the crypto assets are tested for impairment. See “— We may be required to recognize impairment charges.” As a result, our quarterly results may suffer and our financial condition for any giving period may also be negatively affected.

We may be required to recognize impairment charges.

Our goodwill and other intangible assets totaled \$429.9 million and \$99.1 million, respectively, as of December 31, 2023, predominantly relating to our acquisition of Opera Norway AS and its subsidiaries in 2016. We also had property and equipment with a carrying amount of \$16.1 million as of December 31, 2023. Intangible assets, including goodwill, and property and equipment, are tested for impairment when there are indicators that the assets might be impaired. In assessing whether there are indicators of impairment, we consider both external and internal sources of information, including losses of key customers, unfavorable changes in technology or competition and unfavorable changes in user base or user testes. Irrespective of any indicators, intangible assets with indefinite useful lives and goodwill are tested annually for impairment. In 2023, we recognized an impairment loss of \$0.7 million related to certain non-core intangible assets, while in 2022, we recognized an impairment loss of \$3.2 million related to certain non-core intangible assets.

We also have investments in ordinary and preferred shares in OPay and ordinary shares in Fjord Bank. The shares are measured at fair value through profit or loss. While we recognized an unrealized gain in 2023 of \$89.8 million on our shares in OPay, we may recognize losses in future periods if the estimated fair value of the shares decreases. Moreover, since estimates of fair value are based on significant unobservable inputs, they are subject to estimation uncertainty. Furthermore, we have committed to the pro-rata return of Series C shares in OPay that we received in early 2023 in connection with OPay's acquisition of Nanobank's Asian business in the event the cumulative financial performance over 2023 and 2024 for the acquired business falls short of a certain target. As of December 31, 2023, the estimated fair value of the shares subject to these provisions was \$95.8 million. See Notes 1, 11 and 12 to our consolidated financial statements included elsewhere in this annual report for additional information.

Based upon future economic and financial market conditions, the operating performance of our reporting units and other factors, including those listed above, future impairment charges could be incurred. It is possible that such impairment, if required, could be material. Any future impairment charges that we are required to record could have a material adverse impact on our results of operations.

Risks Related to Our Technology and Intellectual Property***We may fail to maintain or improve our technology infrastructure.***

We are constantly upgrading our technology to provide improved performance, increased scale and better integration among our platforms. Adopting new technologies, upgrading our internet ecosystem infrastructure, as well as maintaining and improving our technology infrastructure require significant investments of time and resources, including adding new hardware, updating software and recruiting and training new engineering personnel. For example, in February 2024, we announced our deployment of a new AI data cluster in Iceland featuring our investment in a NVIDIA DGX SuperPOD. Adverse consequences from the failure to continue to make such investments may include unanticipated system disruptions, security breaches, computer virus attacks, slower response times, decreased user satisfaction and delays in reporting accurate operating and financial information. In addition, many of the software and interfaces we use are internally developed and proprietary technology. If we experience problems with the functionality and effectiveness of our software or platforms, or are unable to maintain and constantly improve our technology infrastructure to handle our business needs and ensure a consistent and acceptable level of service for our users, our business, financial condition, results of operation and prospects, as well as our reputation, could be materially and adversely affected.

We may not be able to prevent others from unauthorized use of our intellectual property or brands.

We regard our patents, copyrights, trademarks, trade secrets, and other intellectual property as critical to our business. Unauthorized use of our intellectual property by third parties may adversely affect our business and reputation. We rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary rights. It is often difficult to register, maintain and enforce intellectual property rights in the markets where we operate. For example, statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation in certain countries in which we operate. In addition, contractual agreements may be breached by counterparties and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights. Policing any unauthorized use of our intellectual property is difficult and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors.

Some of our applications contain open source software, which may pose increased risk to our proprietary software.

We use open source software in some of our applications, including our Opera browsers which incorporate Chromium browser technology, and we will use open source software in the future. We are supportive of the open source community, and we regularly engage with open source software communities and release internal software projects under open source licenses and anticipate continuing to do so in the future. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to sell or distribute our applications. Additionally, we may from time to time face threats or claims from third parties claiming ownership of, or demanding release of, the alleged open source software or derivative works we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These threats or claims could result in litigation and could require us to make our source code freely available, purchase a costly license or cease offering the implicated applications unless and until we can re-engineer them to avoid the alleged infringement. Such a re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. In addition to risks related to license requirements, our use of certain open source software may lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Additionally, because any software source code we contribute to open source projects is publicly available, our ability to protect our intellectual property rights with respect to such software source code may be limited or lost entirely, and we are unable to prevent our competitors or others from using such contributed software source code. Any of these risks could be difficult to eliminate or manage and, if not addressed, could adversely affect our business, financial condition and results of operations.

We have been and expect to continue to be subject to intellectual property infringement claims, which could be time consuming and costly to defend, and may require us to pay significant damages or cease offering any of our products or key features of our products.

We cannot be certain that the products, services and intellectual property used in the ordinary course of our business do not or will not infringe valid patents, copyrights or other intellectual property rights held by third parties. We operate platforms, in particular Opera News, which display third party content and through which third party content providers may distribute their content. We cannot assure you that we or such content providers have sufficient rights in all content distributed via our platforms. We have been and expect to continue to be subject to claims or legal proceedings relating to the intellectual property of others in the ordinary course of our business and may in the future be required to pay damages or license fees, or to agree to restrict our activities. In particular, if we are found to have violated the intellectual property rights of others, we may be enjoined from using such intellectual property, may be ordered to pay damages and may incur licensing fees or be forced to develop alternatives. We may incur substantial expense in defending against third party infringement claims, regardless of their merit. Successful infringement claims against us may result in substantial monetary liability or may materially disrupt the conduct of our business by restricting or prohibiting our use of the intellectual property in question.

We do not have exclusive rights to certain technology, trademarks and designs that are crucial to our business.

We have applied for various patents relating to our business, and evaluate new applications on an ongoing basis. Approvals of our patent applications are subject to determinations by the relevant local authorities that there are no prior rights in the applicable territory. In addition, we have also applied for registrations and/or changes in registrations relating to our Opera logos and other key trademarks to establish and protect our exclusive rights to these trademarks. While we have succeeded in registering the trademarks for most of these marks in our major markets under certain classes, the applications for initial registration, and/or changes in registrations relating to transfers, of some marks and/or of some of trademarks under other classes are still under examination by the relevant local authorities. Approvals of our trademark registration applications, and/or of changes in registrations, are subject to determinations by the relevant local authorities that there are no prior rights in the applicable territories. We cannot assure you that these patent and trademark applications will be approved. Any rejection of these applications could adversely affect our rights to the affected technology, marks and designs. In addition, even if these applications are approved, we cannot assure you that any issued patents or registered trademarks will be sufficient in scope to provide adequate protection of our rights.

Privacy concerns relating to our services and the use of user information could negatively impact our user base or user engagement, or subject us to governmental regulation and other legal obligations.

We collect certain data from our users (including data considered to be “personal data” under applicable law), which we use for various purposes important to our business. For example, we use such data to better understand and profile our users, to support advertising in Opera’s products, and to provide users with personalized news, videos, and other content recommendations. Additionally, we process more limited data to operate Aria, our AI chatbot powered in part by third parties like OpenAI and Google. Further, in the context of Opera Ads, we process and transfer large amounts of data collected through websites, apps, and other services operated by third parties with whom Opera has no direct relationship. Concerns about the collection, use, disclosure or security of personal information and data or other privacy-related matters, even if unfounded, could damage our reputation, cause us to lose users and subject us to regulatory investigations, all of which may adversely affect our business. While we strive to comply with applicable data protection laws and regulations, and to be as clear and transparent as possible in our privacy policies and public statements, any failure or perceived failure to comply with these laws, regulations or policies may result in inquiries and other proceedings or actions against us by government agencies or others, as well as negative publicity and damage to our reputation and brands, each of which could cause us to lose users and have an adverse effect on our business and operating results.

Because we store, process and use data, some of which contains personal information, we are subject to complex and evolving laws and regulations across multiple jurisdictions regarding privacy, data protection and other matters.

We are subject to a variety of laws and regulations that involve matters central to our business, including user privacy, rights of publicity, data protection, content, intellectual property, distribution, electronic contracts and other communications, competition, protection of minors, consumer protection, taxation and online-payment services. These laws can be particularly restrictive in certain countries, particularly in the European Economic Area, where courts and regulators applying the General Data Protection Regulation, or GDPR, have generally favored a strict application of the law, especially where international data transfers, AI, or internet advertising are at issue. For example, in recent years European regulators and courts issued several decisions that are broadly adverse to the internet advertising industry, and showed particular concern about the use of personal data in AI services, including OpenAI’s ChatGPT product. Further, such laws and regulations constantly evolve and many jurisdictions that are significant to our businesses, including Singapore, Nigeria, Kenya, and Brazil have enacted or updated privacy laws, while similar developments are under consideration in India and several states of the U.S. The application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in investigations, claims, changes to our business practices, increased cost of operations and declines in user growth, retention or engagement, any of which could seriously harm our business. See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Data Protection and Information Security and Regulations on Data Projection and Information Security” of this annual report.

We are exposed to cyber-attacks, data breaches, internal employee and other insider misconduct, computer viruses, physical and electronic break-ins and similar disruptions that may adversely impact our ability to protect the confidential information of our users and borrowers.

We collect, store and process certain personal and other sensitive data from our users during our daily business operations. The data that we have processed and stored makes us and our external service providers a target and potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. Unauthorized parties can and have attempted to gain access to our systems and facilities through various means, including, among others, hacking into the systems or facilities of us or our partners or customers, or attempting to fraudulently induce our employees, partners, customers or others into disclosing usernames, passwords, or other sensitive information, which may in turn be used to access our information technology systems, and we expect such efforts will continue in the future. While we have taken measures to protect the confidential information that we have access to, our security measures could and in some cases have been breached. Moreover, the techniques used to obtain unauthorized, improper or illegal access to our and our external service providers' systems, our data or customers' data, disable or degrade service, or sabotage systems are constantly evolving and becoming more sophisticated, may be difficult to detect quickly, and often are not recognized until after they have been launched against a target. We cannot guarantee that our security measures or the security measures of external service providers will prevent all security breaches, intrusions or attacks, as computer circumvention tools and techniques become more advanced. Certain such malicious efforts may be state-sponsored and supported by significant financial and technological resources, making them even more difficult to detect and prevent. Cybersecurity threats may also be amplified by improper use of AI in addition to other related technologies, which may further increase our exposure to security breaches, intrusions or attacks and other cybersecurity risks, as attackers harness its capabilities to launch more complex, automated, and targeted attacks and may require us to spend additional resources to further strengthen our defenses against such threats. In addition, cybersecurity organizations in many countries have published warnings of increased cybersecurity threats to businesses, and external events, like the conflict between Russia and Ukraine, may increase the likelihood of cybersecurity attacks. We and our customers, suppliers and partners may be subject to retaliatory cyberattacks perpetrated by Russia or others at their direction in response to economic sanctions and other actions taken against Russia as a result of its invasion of Ukraine. Any failure or security breach of information systems or data could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation or a loss of confidence in our security measures, which could also adversely affect our business.

Although to date we have not suffered any material costs or disruption to our business caused by any such incident, any future security breach could have a material adverse impact on our users' willingness to use our services, and our reputation and brands, business operations and financial performance. For more information, see "Item 16K. Cybersecurity – Material Incidents" of this annual report.

Malware, viruses, hacking and phishing attacks, spamming and improper or illegal use of our products or services could seriously harm our business and reputation.

Malware, viruses, hacking and phishing attacks have become more prevalent in our industry, have occurred on our systems in the past and may occur on our systems in the future. Because of our prominence, we believe that we are an attractive target for these sorts of attacks. In addition, we possess certain personal data from our users as described in our privacy statement. The data that we process and store, while generally limited in scope, may also make us an attractive target for cyber-attacks due to the size of our user base. In some of our businesses we rely on mobile money providers and payment processors to conclude transactions. Such suppliers may hold funds on our behalf and may themselves be attractive targets for these sorts of attacks. Although it is difficult to determine what, if any, harm may directly result from an interruption or attack, any failure to maintain performance, reliability, security and availability of our products and technical infrastructure to the satisfaction of our users may seriously harm our reputation and our ability to retain existing users and attract new users. If these activities increase on our platform, our reputation, user growth and engagement, and operational cost structure could be seriously harmed. Likewise, such failures with respect to our suppliers may harm our reputation or result in a financial loss. For more information, see "Item 16K. Cybersecurity" of this annual report.

Our business may be adversely affected by third party software applications or practices that interfere with our receipt of information from, or provision of information to, our users, which may impair the user experience on our platform.

Our business may be adversely affected by third party software applications, which may be unintentional or malicious, that make changes to our users' PCs or mobile devices and interfere with our products and services. These software applications may change the user experience on our platform by hijacking queries, altering or replacing the search results provided by our search engine partners to our users or otherwise interfering with our ability to connect with our users. Such interference can occur without disclosure to or consent from users, and users may associate any resulting negative experience with our products and services. Such software applications are often designed to be difficult to remove, block or disable. Further, software loaded on or added to mobile devices on which our software applications are pre-installed may be incompatible with or interfere with or prevent the operation of such applications, which might deter the owners of such devices from using our services. If we are unable to successfully prevent or limit any such applications or systems that interfere with our products and services, our ability to deliver a high-quality experience or recommend relevant content to our users may be adversely affected.

Interruption or failure of our information technology and communications systems may result in reduced user traffic and harm to our reputation and business.

Interruption or failure of any of our information technology and communications systems or those of the operators of third party internet properties that we collaborate with could impede or prevent our ability to provide our services. In addition, our operations could be interrupted by natural disasters and other events. Our disaster recovery plan for our servers cannot fully ensure safety in the event of damage from fire, floods, storms, earthquakes, volcanic eruptions, power loss, telecommunications failures, hacking and similar events. If any of the foregoing occurs, we may experience a partial or complete system shutdown. Furthermore, our servers, which are hosted at third party internet data centers, are also vulnerable to break-ins, sabotage and vandalism. Some of our systems are not fully redundant, and our disaster recovery planning does not account for all possible scenarios. The occurrence of a natural disaster or a closure of an internet data center by a third-party provider without adequate notice could result in lengthy service interruptions. Any system failure or inadequacy that causes interruptions in the availability of our services, or increases the response time of our services, could have an adverse impact on our user experience and satisfaction, our attractiveness to users and advertisers and future user traffic and advertising on our platform. To improve performance and to prevent disruption of our services, we may have to make substantial investments to deploy additional servers or one or more copies of our internet platforms to mirror our online resources.

Risks Related to Our Suppliers and Partners

A small number of business partners contribute a significant portion of our revenues.

A small number of business partners contribute a significant portion of our revenues. For example, our largest business partner, Google, contributed approximately 42.4% of our revenues in 2023, compared to 44.9% in 2022 and 51.3% in 2021. Although we continue efforts to diversify our partner base, we cannot assure you that a limited number of partners will not continue to contribute a significant portion of our revenues for the near future. Consequently, any of the following events may materially and adversely impact our business, results of operations and growth prospects:

- reduction, delay or cancellation of services by our large business partners;
- a significant decrease in the business results or prospects of one of our large business partners;
- failure by one or more of our large business partners to pay for our services; or
- loss of one or more of our significant customers and any failure to identify and acquire additional or replacement partners.

Revenue generated from customers and monetization partners domiciled in Ireland accounted for 50.5%, 44.1% and 41.1% in 2021, 2022 and 2023, respectively. In addition, revenue generated from customers and monetization partners domiciled in Singapore accounted for 9.7%, 15.6% and 15.4% in 2021, 2022 and 2023, respectively. Geographic concentration is not necessarily an indication of where user activity occurs as our end users are located across the world but is affected by the geographic concentration of domicile among certain of our primary monetization partners. We are especially exposed to risks related to the economic conditions, regional specific legislation and tax law of the identified countries.

We rely on our users' web searches within Opera browsers for a substantial portion of our revenues.

We share in the revenue generated by search partners when our users conduct searches initiated within the URL bar or search boxes embedded in our PC and mobile browsers. Revenue generated from users' search activity accounted for 48.6%, 42.3% and 40.9% of our total revenue in 2021, 2022 and 2023, respectively. Traditional search business models may, for example, evolve if AI chatbot powered search experiences become widely adopted. Moreover, our revenue sharing, fee arrangements with these search partners and relationship and cooperation with our search providers are subject to change. For instance, our relationship and cooperation with our search providers may be impacted by any material investigations and restructurings relating to these search providers. For example, in August 2019, Google began receiving civil investigative demands from the U.S. Department of Justice (DOJ) requesting information and documents relating to its prior antitrust investigations and certain aspects of its business. The DOJ and a number of state Attorneys General filed a lawsuit in the U.S. District Court for the District of Columbia on October 20, 2020 alleging that Google violated U.S. antitrust laws relating to search and search advertising. The trial ended on November 16, 2023 and the case judge has scheduled closing arguments in the case for May 1, 2024. We are not certain to what extent our cooperation with Google will be impacted by such investigations. In addition, on February 5, 2024, Yandex's US listed parent company (Yandex N.V.) announced that it had reached a binding agreement to sell certain of its core businesses, including its search business, to a consortium of buyers. Yandex N.V. reports that the sale is in full compliance with international sanctions and that no member of the consortium of buyers is the target of blocking sanctions in the U.S., European Union, U.K. or Switzerland. We cannot assure you that our cooperation with Yandex will not ultimately be impacted by such a restructuring.

If our search partners reduce or discontinue their spending with us or see reduced monetization, or if we fail to attract new search or advertising partners, or the fees we receive for the traffic we refer to our search partners significantly decrease, our business, financial condition and results of operations could be materially and adversely affected.

Our existing business and our expansion strategy depend on certain key collaborative arrangements, and we may be unable to maintain or develop these relationships.

Our existing business, and our strategy for developing our business, involve maintaining and developing various types of collaborations with third parties, which provide us with access to additional user traffic, advertising campaigns and inventory, search services, products and technology. For example, our collaboration with Google allows us to provide our global users with high quality search services. We also work with leading device manufacturers and software storefront providers, to ensure cost-efficient and reliable distribution of our products and services. For our Opera Ads in-house advertising platform, we work with a variety of mobile advertising platforms. We formed strong relationships with high profile media and independent content providers to obtain comprehensive news and other content that we can make available to users on our platforms. Moreover, as part of our focus on expanding our AI capabilities, we have key partnerships with leading providers of natural language processing services such as Google and OpenAI.

We consider these collaborations to be important to our ability to deliver attractive services, products and content offerings to our users, in order to maintain and expand our user and advertiser bases, and we believe that it will continue to be important for us to develop similar partnerships in the future. Our inability to maintain and grow such relationships could have an adverse impact on our existing business and our growth prospects. In addition, our competitors may establish the same relationships that we have, which would diminish any advantage we might otherwise gain from these relationships.

We may fail to maintain and expand our collaborations with third party operators of internet properties.

We place promotional links to some of our search engine providers and other partners on our browsers, thereby providing easy access to premier search and other online services for our users and increasing our associated revenues. Moreover, we rely on third party operators of internet properties for auxiliary services. For example, we use a third-party service to store and analyze most of our system data including number of active users, clicks-per-user, impressions, comments, likes, visits, etc. If these third parties decide to stop collaborating with us, our revenues and growth and operations may be adversely affected.

We operate platforms, products and services that include third parties over whose actions we have no control.

Our browsers integrate online search capabilities from leading international and regional search companies. We cannot be certain that our search partners will provide our users with the search results that they are looking for. Our browsers also contain shortcuts to third party coupons, e-commerce, travel and other businesses and Opera Cashback aggregates offers from third-party e-commerce players. We cannot be certain that the products and services that these third parties provide will be of a sufficiently high quality or that they will accurately represent the products and services in their postings.

We operate a number of online platforms and portals that collect the digital content of a wide variety of third parties over which we do not exercise control. For example, our GX Games portal provides users with games developed and offered by third-party game developers. Likewise, our Opera News content discovery platform includes third-party content and offers a platform for independent bloggers and journalists to publish their work. Moreover, we integrate third-party messaging and AI chatbot services into our PC browser sidebar and offer our own Aria browser AI which can tap into multiple LLMs supplied by third parties, as well as provide live results from the web. We cannot control the actions of these third parties. Our ability to identify and remove digital content that may be deemed inaccurate, misleading, offensive, socially unacceptable, or that may violate applicable laws in relevant jurisdictions, may be insufficient. If these third-parties were to supply inappropriate content, or not perform their functions to our satisfaction or the satisfaction of our users, even if we may not be legally responsible for their actions, it may damage the reputation of our platform.

Further, while we have agreements with each of these third parties, any legal protections we might have in our agreements could be insufficient to compensate us for our losses and may not be able to repair the damage to our reputation.

We rely upon third party channels and partners in distributing our products and services.

We rely upon a number of third parties for distribution of our products and services to end users. For example, we rely on mobile software application storefronts, including Google Play and Apple's App Store, as well as various mobile manufacturer app stores, to enable users to download our mobile software applications, and on key mobile device manufacturers to pre-install our mobile software applications on mobile phones prior to sale. The promotion, distribution and operation of our software applications are subject to the standard terms and conditions of these distribution channel providers, which may be broad, poorly tailored to local conditions, and subject to frequent unilateral changes and interpretation by the channel providers. If one or more channel providers halt the distribution of certain of our products and services on their platforms, as they have temporarily done in the past, our business may suffer. There is no guarantee that these distribution channel providers will distribute or continue to support or feature our product offerings. Furthermore, these channel providers may not enforce their standard terms and conditions for application developers consistently or uniformly across all applications and with all application developers, in part because such terms and conditions may not be practical or otherwise appropriate in certain markets. We will continue to be dependent on distribution channel providers, and any changes, bugs, technical or regulatory issues relating to such channel providers, our relationships with these channel providers, or the requirements or interpretation of their terms and conditions or pricing that is to our detriment could adversely impact our business. These may include any changes that degrade the functionality of our offerings, reduce or eliminate our ability to distribute our offerings, give preferential treatment to competitive products, limit our ability to deliver high quality offerings, or impose fees or other charges related to delivering our offerings. Further, if a channel provider believes that we have violated the terms and conditions of its platform, regardless of whether such terms and conditions have a legitimate basis or are practical in a given market, this could result in the channel provider restricting our ability to use their services and adversely affect our product usage and monetization. Furthermore, if any of these distribution channel providers delivers unsatisfactory services, engages in fraudulent action, or is unable or refuses to continue to provide its services to us and our users for any reason, it may materially and adversely affect our business, financial condition and results of operations.

We rely upon the internet infrastructure, data center providers and telecommunications networks in the markets where we operate.

Our business depends on the performance and reliability of the internet infrastructure and contracted data center providers in the markets where we operate. We may not have access to alternative networks or data servers in the event of disruptions or failures of, or other problems with, the relevant internet infrastructure. In addition, the internet infrastructure, especially in the emerging markets where we operate, may not support the demands associated with continued growth in internet usage.

We use third party data center providers for the storing of data related to our business. We do not control the operation of these facilities and rely on contracted agreements to employ their use. The owners of the data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our data center providers is acquired by another party, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible lengthy service interruptions in connection with doing so. Any changes in third party service levels at our data centers or any errors, defects, disruptions or other performance problems with our browsers or other services could adversely affect our reputation and adversely affect the online browsing experience. If navigation through our browsers is slower than our users expect, users may use our services less, if at all. Interruptions in our services might reduce our revenue, subject us to potential liability or adversely affect our ability to attract advertisers.

We also rely on major telecommunications operators in the markets where we operate to provide us with data communications capacity primarily through local telecommunications lines and data centers to host our servers. We and our users may not have access to alternative services in the event of disruptions or failures of, or other problems with, the fixed telecommunications networks of these telecommunications operators, or if such operators otherwise fail to provide such services. Any service interruption could disrupt our operations, subject us to potential liability, or damage our reputation and result in a decrease in our revenue. Furthermore, we have no control over the costs of the services provided by the telecommunications operators to us and our users. If the prices that we pay for telecommunications and internet services rise significantly, our margins could be reduced. In addition, if internet access fees or other charges to internet users increase, our user traffic may decrease, which in turn may cause our revenue to decline.

Our business depends on continued and unimpeded access to the internet by us and our users. Internet access providers may be able to restrict, block, degrade or charge for access to certain of our products and services, which could lead to additional expenses and the loss of users and advertisers.

Our products and services depend on the ability of our users to access the internet. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies and government-owned service providers. Some of these providers have taken, or have stated that they may take measures, including legal actions, that could degrade, disrupt or increase the cost of user access to certain of our products by restricting or prohibiting the use of their infrastructure to support or facilitate our offerings, or by charging increased fees to us or our users to provide our offerings.

In addition, in some markets, our products and services may be subject to government-initiated restrictions or blockages. Such interference could result in a loss of existing users and advertisers, and increased costs, and could impair our ability to attract new users and advertisers, thereby harming our revenues and growth.

Risks Related to Our Internal Controls & Reporting

Our user metrics and other operational metrics are subject to inherent challenges in measuring our operations.

We regularly review metrics, including our MAUs, to evaluate growth trends, measure our performance and make strategic decisions. These metrics are calculated using internal company data and have not been validated by an independent third party. While these numbers are based on what we believe to be reliable data, there are inherent challenges in measuring how our platforms are used across large populations throughout the regions that we operate in. For example, we typically are not able to distinguish individual users who use multiple applications. Our user metrics are also affected by technology on certain mobile devices that automatically runs in the background of our applications when another phone function is used, and this activity can cause our system to miscount the user metrics associated with such applications.

Errors or inaccuracies in our metrics or data could result in incorrect business decisions and inefficiencies. For instance, if a significant understatement or overstatement of active users were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to remedy an unfavorable trend. Moreover, during the process of upgrading our platform in the past, we have lost certain historical metrics, such as the number of search queries, that we rely on to manage our operations. If partners or investors do not perceive our user, geographic or other operating metrics as accurately representing our user base, or if we discover material inaccuracies in our user, geographic or other operating metrics, our reputation may be seriously harmed.

If we fail to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

As a public company in the United States, we are subject to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F. In connection with the preparation of this annual report, our management concluded that our internal control over financial reporting as of December 31, 2023, was not effective due to the presence of control deficiencies related to internal control over financial reporting. Specifically, we had insufficient competence and capacity to maintain effective internal control across all activities related to financial reporting. Our risk assessment procedures to identify risks of material misstatements, including risks of fraud, were not performed in a timely manner, resulting in the insufficient design, implementation and operation of business and IT general controls to effectively address such risks. Due to ineffective IT general controls, automated controls and controls dependent on these as well as completeness and accuracy of information derived from relevant IT systems were rendered ineffective. Each such area of deficiencies constituted a material weakness in our internal control over financial reporting. While there have been improvements throughout the year, there continued to be insufficient competence and capacity to perform all activities required in a timely manner. Although we are in the process of taking remedial measures to address the deficiencies described above, we cannot assure you that the material weakness will be cured in a timely manner. See “Item 15. Controls and Procedures —B. Management’s Annual Report on Internal Control over Financial Reporting.”

Moreover, we may identify additional control deficiencies and we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and may fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

We have incurred and anticipate that we will continue to incur considerable costs, management time and other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act. In particular, with effect from the fiscal year ended December 31, 2023, we are no longer an “emerging growth company” as such term is defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. A consequence of this is that our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting as of December 31, 2023. Therefore, we have incurred and anticipate that we will incur significant expenses and devote substantial management time and effort toward ensuring compliance with all requirements of Section 404 of the Sarbanes-Oxley Act and other applicable rules and regulations of the SEC.

The requirements of being both a public company and a Kunlun subsidiary may strain our resources and divert our management’s attention.

We have been a public company since 2018. In 2021, Kunlun, a Chinese public company and our largest investor, increased its ownership stake in us beyond 50%, and as a result we became a consolidated subsidiary of Kunlun. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act and the listing standards of Nasdaq as applicable to a foreign private issuer, which are different in some material respects from those applicable to U.S. domestic issuers. Similarly, as a subsidiary of Kunlun, we are additionally subject to certain of the listing rules of the Shenzhen Stock Exchange and Chinese corporate governance standards. We expect that the requirements of these rules and regulations will increase, both in isolation and in combination, elevating our legal, accounting and financial compliance costs, making some activities more difficult, time consuming and costly, and placing additional requirements on our personnel, systems and resources. As a result, or for other reasons, we may also experience threatened or actual litigation, including by customers, suppliers, competitors, shareholders or other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results.

Industry data, projections and estimates contained in this annual report are inherently uncertain and subject to interpretation. Accordingly, you should not place undue reliance on such information.

Certain facts, forecasts and other statistics relating to the industries in which we compete contained in this annual report have been derived from various public data sources and third party industry reports. In deriving the market size of the aforementioned industries and regions, these industry consultants may have adopted different assumptions and estimates, such as the number of internet users. While we generally believe such reports are reliable, we have not independently verified the accuracy or completeness of such information. Such reports may not be prepared on a comparable basis or may not be consistent with other sources.

Industry data, projections and estimates are subject to inherent uncertainty as they necessarily require certain assumptions and judgments. Our industry data and market share data should be interpreted in light of the defined geographic markets and defined industries we operate in. Any discrepancy in the interpretation thereof could lead to different industry data, measurements, projections and estimates and result in errors and inaccuracies.

Risks Related to Our ADSs

The trading price of ADSs has been and may continue to be volatile, which could result in substantial losses to investors.

The trading price of ADSs can be volatile and fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors such as but not limited to concerns over the health of the global economy and geopolitical concerns.

In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our announced dividends as well as quarterly or annual revenue, earnings and cash flow;
- announcements of new investments or divestments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new products, services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our platforms or our industries;
- additions or departures of key personnel;
- short seller reports that make allegations against us or our affiliates, even if unfounded;
- share repurchase activity or sales of additional equity securities;
- potential litigation or regulatory investigations; and
- other risk factors mentioned in this annual report.

Any of these factors may result in large and sudden changes in the volume and price at which the ADSs will trade.

In the past, class action lawyers have often sought to bring securities class action suits against those companies following periods of instability in the market price of their securities. Such class action suits may divert a significant amount of our management's attention and other resources from our business and operations and may require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline.

The trading market for the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade the ADSs, the market price for the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for the ADSs to decline.

Your ability to achieve a return on your investment will depend on the combination of future dividend payments and the price appreciation of the ADSs.

On June 13, 2023, our Board of Directors adopted a recurring semi-annual cash dividend program. Our first and second semi-annual dividends under the program, each being \$0.40 per ADS, for holders of Opera's ordinary shares as well as ADSs, each representing two ordinary shares, have been paid to shareholders of record as of June 30, 2023 and January 3, 2024, in July 2023 and January 2024, respectively. We intend to pay regular semi-annual dividends, with each payment subject to the approval of our Board of Directors and to certain requirements of Cayman Islands law. The form, frequency and amount of future dividends will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

Our Board of Directors has complete discretion as to whether to continue, increase, reduce or even cease distributing dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Any dividends paid to ADS holders will be paid net of fees and expenses as provided under the deposit agreement.

The return on your investment in the ADSs will also likely depend upon any future price appreciation of the ADSs. There is no assurance that the ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in the ADSs and you may even lose your entire investment in the ADSs.

Kunlun, our parent company, and James Yahui Zhou, our chairman of the board and chief executive officer, have control over our company and their interests may not be aligned with the interests of our other shareholders.

As of the date of this annual report, Kunlun, a Chinese public company listed on the Shenzhen Stock Exchange, indirectly owns 72.4% of our issued and outstanding ordinary shares. As such, we are a consolidated subsidiary of Kunlun. In addition, Mr. Zhou, our chairman of the board and chief executive officer, is also a controlling shareholder of Kunlun.

As a result of the foregoing, Kunlun and Mr. Zhou have the ability to control or exert significant influence over important corporate matters and investors may be prevented from affecting important corporate matters involving our company that require approval of shareholders, including:

- the composition of our board of directors and, through it, any determinations with respect to our operations, business direction and policies, including the appointment and removal of officers;
- any determinations with respect to mergers or other business combinations;
- our disposition of substantially all of our assets; and
- any change in control.

These actions may be taken even if they are opposed by our other shareholders, including the holders of the ADSs. Furthermore, this concentration of ownership may also discourage, delay or prevent a change in control of our company, which could have the dual effect of depriving our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and reducing the price of the ADSs. As a result of the foregoing, the value of your investment could be materially reduced.

In addition, the significant concentration of share ownership may adversely affect the trading price of the ADSs due to investors' perception that conflicts of interest may exist or arise. For more information regarding our principal shareholders and their affiliated entities, see "Item 6. Directors, Senior Management and Employees—E. Share Ownership." We have in the past, and likely will continue to enter into related party transactions involving entities directly or indirectly controlled by Kunlun or Mr. Zhou. See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions" for details. Such related party transactions, while reviewed and approved by our Board's Audit Committee consisting solely of independent directors, may indirectly benefit Kunlun or Mr. Zhou personally, by virtue of their interest in the related party.

As a "controlled company" under the rules of the Nasdaq, we may be exempt from certain corporate governance requirements that could adversely affect our public shareholders.

Due to the shareholding of our chairman and chief executive officer, James Yahui Zhou, and because Kunlun is the beneficial owner of a majority of the voting power of our issued and outstanding share capital, we are qualified as a "controlled company" under the rules of the Nasdaq. Under these rules a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirement that a majority of our directors be independent, as defined in the Nasdaq rules, and the requirement that our compensation and corporate governance and nominating committees consist entirely of independent directors. We rely on certain corporate governance exemptions as described in Item 16G (Corporate Governance) of this annual report. So long as we remain a controlled company relying on any of such exemptions and during any transition period following the time when we are no longer a controlled company, you would not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq corporate governance requirements.

If a United States person is treated as owning at least 10% of our ADSs or ordinary shares, such person may be subject to adverse United States federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our ADSs or ordinary shares, such person may be treated as a "United States shareholder" with respect to each "controlled foreign corporation," or CFC, in our group. Because our group includes one or more United States subsidiaries that are corporations for United States federal income tax purposes, in certain circumstances, we could be treated as a CFC and certain of our non-United States subsidiary corporations could be treated as CFCs (regardless of whether or not we are treated as a CFC).

A United States shareholder of a CFC may be required to annually report and include in its United States taxable income its pro rata share of "subpart F income," "global intangible low-taxed income" and investments in United States property by CFCs, whether or not we make any distributions. An individual who is a United States shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a corporation that is a United States shareholder. A failure to comply with these reporting obligations may subject a United States shareholder to significant monetary penalties and may prevent the starting of the statute of limitations with respect to such shareholder's United States federal income tax return for the year for which reporting was due. We do not intend to monitor whether we are or any of our non-United States subsidiaries is treated as a CFC or whether any investor is treated as a United States shareholder with respect to us or any of our CFC subsidiaries or to furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States investor should consult its tax advisor regarding the potential application of these rules to its particular circumstances.

We may be classified as a passive foreign investment company, which could result in adverse United States federal income tax consequences to United States Holders of our ADSs or ordinary shares.

We will be a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year if, applying applicable look-through rules, either (i) at least 75% of our gross income for such year is passive income or (ii) at least 50% of the value of our assets (generally determined based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether we are a PFIC for that year and involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income that we earn, and is subject to uncertainty in several respects. Based on the market price of our ADSs, the value of our assets and the nature and composition of our income and assets, we do not believe that we were a PFIC for United States federal income tax purposes for our taxable year ended December 31, 2023, and we do not expect to become a PFIC for our current taxable year, although there can be no assurances in this regard. Moreover, we cannot assure you that the United States Internal Revenue Service, or the IRS, will agree with any position that we take. Accordingly, there can be no assurance that we will not be treated as a PFIC for any taxable year or that the IRS will not take a position contrary to any position that we take.

Changes in the nature or composition of our income or assets, including as a result of our investment in new businesses, products, services and technologies, may cause us to be or become a PFIC. In addition, the determination of whether we will be a PFIC for any taxable year may also depend in part upon the value of our goodwill and other unrecorded intangibles not reflected on our balance sheet (which may depend upon the market price of our ADSs or ordinary shares from time to time, which may fluctuate significantly) and also may be affected by if, how, and how quickly, we spend our liquid assets and the cash we generate from our operations and raise in any offering. In estimating the value of our goodwill and other unrecorded intangibles, we have taken into account our market capitalization. Among other matters, if our market capitalization declines, we may be or become a PFIC for the current or future taxable years because our liquid assets and cash (which are for this purpose considered assets that produce passive income) may then represent a greater percentage of the value of our overall assets. Further, while we believe our classification methodology and valuation approach are reasonable, it is possible that the IRS may challenge our classification or valuation of our goodwill and other unrecorded intangibles, which may result in our being or becoming a PFIC for our taxable year ended December 31, 2023, the current taxable year or one or more future taxable years.

If we are a PFIC for any taxable year during which a United States Holder (as defined in “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations”) holds our ADSs or ordinary shares, certain adverse United States federal income tax consequences would generally apply to such United States Holder. See “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company.”

Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and the ADSs.

Our memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADSs or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the ADSs may fall and the voting and other rights of the holders of our ordinary shares and the ADSs may be materially and adversely affected.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties owed by our directors under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than such companies’ memorandum and articles of association, any special resolutions and the register of mortgages and charges) or to obtain copies of lists of shareholders of these companies. Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. Our directors have discretion under our memorandum and articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. We rely on certain corporate governance exemptions as described in Item 16G (Corporate Governance) of this annual report which permit us to follow our home country practices. Consequently, our shareholders may be afforded less or different protections than they otherwise would under the rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands, and the majority of our assets are located, and the majority of our operations are conducted outside of the United States. In addition, a majority of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of Norway may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

With effect from the fiscal year ended December 31, 2023, we are no longer an emerging growth company, and we are not entitled to the exemptions provided by the JOBS Act.

With effect from the fiscal year ended December 31, 2023, we are no longer an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we are not entitled to the exemptions provided by the JOBS Act. In particular, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting as of December 31, 2023. Therefore, we have incurred and anticipate we will incur significant expenses and devote substantial management time and effort toward ensuring compliance with all requirements of Section 404 of the Sarbanes-Oxley Act and other applicable rules and regulations of the SEC.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices for corporate governance matters that differ significantly from the Nasdaq corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance listing standards.

As a Cayman Islands exempted company listed on the Nasdaq Global Select Market, we are subject to Nasdaq corporate governance listing standards which permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards. For instance, we are not required to: (i) have a majority of the board be independent; or (ii) have a compensation committee consisting entirely of independent directors. We rely on certain corporate governance exemptions as described in Item 16G (Corporate Governance) of this annual report. To the extent we choose to follow home country practice in the future, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq corporate governance listing standards applicable to U.S. domestic issuers.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to continue to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC is less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote with respect to the ordinary shares.

As a holder of ADSs, you will only be able to exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under the deposit agreement, you must vote by giving voting instructions to the depository. Upon receipt of your voting instructions, the depository will try to vote the underlying ordinary shares in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying shares unless you withdraw the shares. Under our amended and restated memorandum and articles of association, the minimum notice period required for convening a general meeting is seven days. When a general meeting is convened, you may not receive sufficient advance notice to withdraw the shares underlying your ADSs to allow you to vote with respect to any specific matter. If we ask for your instructions, the depository will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depository to vote your shares. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to vote and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested.

ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial for any claim they may have against us or the depository arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depository were to oppose a jury trial based on this waiver, the court would have to determine whether the waiver was enforceable based on the facts and circumstances of the case in accordance with applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, or by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this would be the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depository. If a lawsuit is brought against us or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including outcomes that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or the ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

You may not receive dividends or other distributions on our ordinary shares, and you may not receive any value for them if it is illegal or impractical to make them available to you.

The depository has agreed to pay to you the cash dividends or other distributions it or the custodian receives on the ordinary shares or other deposited securities underlying your ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depository may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depository may determine not to distribute such property. We have no obligation under U.S. securities laws to register any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of the ADSs.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depository will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depository may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

Item 4. Information on the Company

A. History and Development of the Company

We trace our history back to 1996 and the launch of the first version of our “Opera” branded browser software. We have since been a pioneer in redefining the web browsing experience, providing personalized content discovery platforms and offering gaming services for hundreds of millions of global internet users.

Opera Limited is an exempted company with limited liability incorporated in March 2018 in the Cayman Islands. We conduct our business mainly through our operating companies, including in particular Opera Norway AS, a private limited liability company incorporated under the laws of Norway. We acquired Opera Norway AS and its subsidiaries on November 3, 2016, for a consideration of \$575.0 million, less working capital adjustments. This acquisition included the business of providing Opera’s mobile and PC web browsers, as well as certain related products and services.

We listed our ADSs on the Nasdaq Global Select Market under the symbol “OPRA” on July 27, 2018. One ADS corresponds to two underlying shares in Opera Limited. On August 9, 2018, we completed the initial public offering of 9,600,000 ADSs, and the underwriters later exercised their over-allotment option for the purchase of an additional 334,672 ADSs. We also sold 9,999,998 shares, equivalent to 4,999,999 ADSs, in a concurrent private placement and accordingly, our pre-IPO shareholders held 190,250,000 shares, equivalent to 95,125,000 ADSs. Combined, following the IPO, Opera Limited had 220,119,342 shares outstanding, corresponding to 110,059,671 ADSs. On September 24, 2019, we completed a follow-on public offering of an additional 7,500,000 ADSs, and the underwriters later exercised their over-allotment option for the purchase of an additional 1,125,000 ADSs, which was completed on October 16, 2019. On October 4, 2023, we completed a secondary public offering of 6,876,506 ADS, which were sold by a pre-IPO shareholder. As of the date of this annual report, a total of 176,907,896 shares are outstanding, equivalent to 88,453,948 ADSs.

Our company is a holding company that does not have substantive operations. We conduct our principal activities through our subsidiaries. Our principal executive offices are located at Vitaminveien 4, 0485 Oslo, Norway. Our telephone number at this address is +47 23 69 24 00. Our principal website is www.opera.com. The information contained on our website is not a part of this annual report.

B. Business Overview

Overview

Opera is a leading global internet brand with a large, engaged and growing base reaching over 313 million average MAUs in the fourth quarter of 2023. Building on over 28 years of innovation, starting with our browser products, we are leveraging our brand as well as our massive and engaged user base in order to expand our offerings and our business. Today, we offer users around the globe a range of products and services that include a variety of PC and mobile browsers, our Opera Gaming portals and development tools, our Opera News content recommendation products, our audience extension product (namely Opera Ads platform) and a number of Web3 and e-commerce products and services.

Opera launched one of the first PC browsers in 1996 and introduced the world’s first full web browser for mobile phones in 2002. Since then, Opera has remained an innovator in the browser space, launching features including tabbed browsing, data savings, PC-mobile sync, and numerous features focused on privacy and security, including ad blocking and a built-in VPN. Continuing to build on this tradition, in 2023 we redesigned and reengineered our flagship PC browser into Opera One and launched generative AI tools including Aria, our browser AI, in our browsers. Today, our browser products include Opera Mini, Opera Browser for Android and iOS, and Opera for Computers, as well as the Opera GX and Opera GX Mobile browsers tailored for gamers. Our browsers had approximately 281 million average MAUs in the fourth quarter of 2023.

The browser is an increasingly strategic application—often serving as the access point for content, e-commerce, AI, gaming and fintech activities on the internet, and Opera is utilizing this strategic position to launch and scale new offerings.

Opera Gaming, our emerging video game focused division, started with Opera GX, a browser tailored for gamers. We launched our GX browser for PCs in the second quarter of 2019 followed by a mobile version in May 2021. In early 2021, we purchased GameMaker Studio, which allows anyone to develop a video game in a low-code environment. Building on the strength of our GX browser user base and the community of developers using GameMaker Studio, in September 2021, we launched GX Games, a gaming portal which allows gamers to find and play games developed using GameMaker Studio. In the fourth quarter of 2023, Opera GX reached over 24 million MAUs and GX Mobile reached over 4 million MAUs.

Opera News, our AI-driven content platform enabled by big data technologies, was launched in 2017, initially as part of our browser and later as a stand-alone app, leveraging our large user base and well-known brand in order to deliver a personalized and relevant content experience at scale. To ensure access to compelling content, Opera News Hub was launched to enable local content creators to publish exclusive content on our platform, which has helped grow engagement on the service by increasing page views and time spent. Since the initial launch of Opera News, we have expanded the platform to offer customized experiences for certain particular verticals, such as football (soccer). Today, Opera News is offered in a number of customizations and under a variety of brands, including Apex. In the fourth quarter of 2023, Opera News had an average of 230 million MAUs, which included 31 million MAUs from standalone news apps.

Opera Ads platform, our audience extension product, was launched in 2021 as an online marketing platform that allows our advertising partners to reach an even larger audience than the one offered by Opera’s owned and operated apps and websites.

Since 2021, we have offered Web3 and e-commerce products including a premium VPN, and in 2023 we launched our MiniPay stablecoin wallet built on the Celo blockchain.

We intend to continue to leverage our brand as well as our large and engaged user base to launch additional consumer facing products in the future.

Our Products and Users

Our products include: (i) Opera Browsers – the web browsers Opera Mini, Opera Browser for Android and iOS, Opera for Computers, and Opera GX for PCs and mobile; (ii) Opera Gaming – which builds on the success of Opera GX with the GX Games gaming portal and the GameMaker Studio 2 video game development engine; (iii) Opera News – the content aggregation and personalized recommendation platform; (iv) Opera Ads – the intelligent online marketing platform; and (v) our Web3 and e-commerce offerings.

Our cloud-based technologies enable hundreds of millions of users to discover and interact with the content and services that matter most to them. The application of leading AI-powered technologies and advanced data analytics and the recommendation engine built into our browsers and news apps, and other products and services, give our users a better, faster and more personalized online experience and enable advertisers to target relevant users in a more precise way.

Opera Browsers

Our PC browsers: Opera for Computers and Opera GX

We believe Opera for Computers is one of the most innovative and differentiated PC browsers on the market, catering to the high-end user segment that requires performance and features beyond those offered by the default system browsers on Windows, macOS and variants of Linux. Opera for Computers uses an Opera-tuned version of the Chromium browsing engine carefully optimized for performance metrics such as speed and laptop battery consumption. In addition, we provide users with unique features that are not found in other major web browsers, including a free, built-in VPN service that enhances user privacy and security, especially for laptops on public networks, subject to compliance with relevant local regulatory requirements. The browser also includes a native ad block feature. Our PC browser makes it easier to shop online with built-in currency and foreign unit conversion and makes communication easier by embedding social network services such as Facebook Messenger, WhatsApp, Instagram, TikTok and X in the browser's sidebar. In 2023, we continued to add features and functionality to our Opera for Computers offering. In June 2023, we redesigned and reengineered our flagship PC browser into Opera One, a browser with a new modular design, as well as a new, more streamlined architecture based on a multithreaded compositor and the new tab island feature for easier organization of the browser tabs. Most importantly, the Opera One version of our PC browser became our first browser to have AI at its core with the Aria browser AI, which is built on our own Composer AI engine that can tap into multiple LLMs, as well as provide live results from the web.

Opera GX, which launched in the second quarter of 2019, is a web browser tailored for gamers. Integrating seamlessly into gamers' broader gaming setups, Opera GX allows PC gamers to customize and tune their browsers to improve their gaming experience. In September 2019, Opera GX won the Red Dot Award in the Interface and User Experience Design category. Features, such as GX Control and embedding Twitch in the browser differentiates Opera GX from Opera for Computers. Opera GX now includes new features such as Aria, Opera's browser AI, as well as Mods. Mods are modifications of the browser that can change visual themes and provide dynamic music and keyboard sounds, as well as shaders for websites, or animated, live wallpapers that can be created with GameMaker. Since the launch of Mods at the end of March 2023, users have downloaded over 100 million mods from the GX Games portal.

We have a large and active global PC browser user base with 79 million average MAUs in the fourth quarter of 2023. Our PC browser user base has historically been prominent in regions that value our innovations in browser technology and more recently in regions where gaming is particularly popular, such as Europe and the Americas.

Our Mobile Browsers: Opera Browser for Android, Opera Browser for iOS, Opera GX Mobile and Opera Mini

Our mobile browser products currently include Opera Browser for Android and iOS, Opera GX Mobile and Opera Mini. Our mobile browser products are fast and optimized for mobile browsing. All mobile browsers tailored for high-ARPU markets come with our Aria browser AI, integrated VPN and native ad blockers, which provide users with the option to further increase privacy and browser speed by blocking ads that are often slow and intrusive.

Launched in 2013, the Opera Browser for Android is our flagship Android smartphone browser. It comes with a full browser engine, based on the Chromium project, and a user-friendly interface designed to give users a fast browsing experience on high-end smartphones. Opera for Android is a powerful and feature-rich browser, optimized for mobile phones with larger screens and tablets. In December 2018, Opera for Android became the first browser to feature an integrated Crypto Wallet, making it easy to use Ethereum-based cryptocurrencies and blockchain powered web applications. The browser also enables users to block annoying cookie dialogs, and in March 2019, the browser became the first major mobile browser to ship with an integrated VPN solution that was later expanded into a paid device-wide VPN. In July 2023, we brought our Aria browser AI to Opera Browser for Android.

We launched the iOS version of the Opera Browser in the fourth quarter of 2018, at the time branded as Opera Touch. Opera Browser for iOS is designed for mobile phone users to engage with the browser with one hand while they are on the move. The browser has won both the Red Dot Award in Communication Design 2018 and the iF DESIGN AWARD 2019 for its unique design and usability. Opera for iOS offers a rich feature set including a native ad-blocker, a Crypto Wallet and the Flow syncing feature that enables users to continue browsing across their devices. In March 2021, we rebranded our award-winning iOS browser to Opera. This rebranding marks a new milestone for us; unifying our brand and products across all platforms to offer users a seamless browsing experience on all their devices. In August 2023, we brought our Aria browser AI to Opera for iOS.

In May 2021, we announced the launch of Opera GX Mobile – the world's first mobile browser designed specifically for gamers. Opera GX Mobile users enjoy custom navigation with the Fast Action Button, or FAB, using vibration and haptic feedback. This browser won two Red Dot Awards in the Apps and Mobile UIs category in 2021. Users are also getting the ability to sync mobile and PC experiences through the Flow feature, which enables gamers to share walkthroughs, tutorials and character builds between devices, and getting instant access to GX corner – a unique space on GX Mobile's home screen featuring the latest gaming news, deals and a game release calendar. Opera GX Mobile also distinguishes itself with a unique gaming-inspired design supporting different color themes.

First launched in 2006, Opera Mini is a mobile browser that provides a faster browser experience on practically any Android smartphone or feature phone. Through the application of advanced data compression and efficiency technologies, Opera Mini has enabled hundreds of millions of users around the world to access the internet through their mobile devices, providing a reliable browsing experience regardless of their network conditions and compatible with limited hardware specifications. Opera Mini is a cloud-based browser that is fast to install and takes up very little space on users' mobile phones. When browsing with Opera Mini, the data traffic can go through Opera servers, which compress web pages, including text and images, towards only 10% of their original size, reducing the amount of data that needs to be sent over mobile networks that are often congested. Moreover, the reduced data traffic consumption can provide users with a significantly lower data cost compared to the default browsers found on their phones. In September 2023, we launched MiniPay, a new stablecoin wallet built on the Celo blockchain, integrated into Opera Mini in certain emerging markets. Opera Mini averaged 134 million users worldwide during the fourth quarter of 2023, with over 86 million MAU in its Android version alone. In addition, Opera is one of the most widely used mobile browsers in emerging markets in 2023 according to Statcounter.

Our mobile browser user base reached 202 million average MAUs in the fourth quarter of 2023, of which 154 million were smartphone users and 48 million were feature phone users. In 2023, we continued to reduce acquisition spend in low ARPU regions, while reallocating our resources to growing mobile and PC users in high ARPU markets such as North America and Western Europe. This has resulted in a net loss of users in low ARPU markets, while gaining users in high ARPU markets. Our mobile browser user base reached 19 million average MAUs in North America and Europe in the fourth quarter of 2023.

Our browser AI Initiative: Aria

In 2023, we launched our own native browser AI, Aria – a bold new step in our adoption of AI services. Based on our own “Composer” infrastructure, Aria connects to, for example, OpenAI’s GPT technology and is enhanced by additional capabilities, such as live results from the web. Aria brings users access to a leading generative AI service free of charge. A web and browser expert, Aria lets users collaborate with AI while looking for information on the web, generating text or code, or getting product queries answered.

Opera Gaming

Building on the success of Opera GX, Opera has developed a community of gamers and game creators. This included creating the Opera Gaming division that provides GameMaker, a 2D gaming development platform. The focus of Opera Gaming is to continue to grow the user base of Opera GX and build increased functionality within and outside the Opera GX browser, using GameMaker.

GameMaker provides game creators with a complete set of tools to create games for any platform. In the third quarter of 2021, Opera made it free for creators to develop games with GameMaker and publish those games to GX Games. Numerous product updates brought to GameMaker shaders, graphics filters, audio filters, commitments around long-term version support and initial multiplayer support. In November 2021, we launched GX Games, a portal connecting our Opera GX browser users with the games created by developers using our GameMaker development platform. Developers can publish their games to GX Games directly from GameMaker with a single click. GX Games gives users instant access to over 7,000 games directly from Opera GX. Over 5 million users have created accounts with GX Games. By bringing Opera GX and GameMaker together, the GX Games portal seeks to make creating, sharing and playing games as quick and easy as posting on social media.

Opera News

Leveraging our massive user base and innovation capability, we launched the Opera News service in January 2017. Opera News is our AI-powered personalized news discovery and aggregation service. The service is featured prominently as part of our browsers, and also made available as a standalone app and website. These apps operate under both the Opera News and Apex brands. By providing AI-powered news and content recommendations, we have increased both user activity and the amount of time users spend in our ecosystem.

We use our proprietary AI technologies to curate and intelligently recommend news, articles, videos and other online content that may be of interest to each individual user. Users can conveniently access this content through real-time intelligent ranking, top news and push notification features. Moreover, Opera News utilizes natural language processing and other technologies to quickly process linguistic differences and nuances to assess and recommend online content across different languages and cultures. When using an Opera product powered by our AI recommendation engine, people can efficiently discover, engage with and share online content that appeals to them.

We continue to improve Opera News, adding new features and functions for our users as well as improving the attractiveness of the platform for content creators and publishers. In September 2019, we launched Opera News Hub in Nigeria and then expanded to additional markets. The Opera News Hub platform enables content creators to self-publish and monetize their content through our Opera News channels, which has enabled us to increasingly attract local content.

Building upon the success of Opera News, we rolled out Apex Football (formerly known as Opera Football) in 2021. This website and related app use the AI technology developed for Opera News, with a filter in place to highlight only the news about a specific vertical, in this case football (soccer). In addition to the filter, Apex Football integrated football news with historical matches/teams/players statistics and a live score stream to serve football fans with not only all-in-one football info portal but also real time match and score notifications. Plus, Apex Football is given a design aesthetic that gives the apps and website a unique look. In 2022, we introduced additional sports verticals including Cricket, Basketball and general sporting news. Furthermore, in 2022 and 2023, Opera embedded a live score feature into our Android browsers and Opera News app allowing users to subscribe and follow their favorite matches and teams from the browser or Opera News app start page.

Our Opera News user base reached 230 million average MAUs in the fourth quarter of 2023 across those users that accessed Opera News from Opera browsers and those that accessed it from dedicated Opera News apps or websites. The Opera News apps reached an average of 31 million in MAUs in the fourth quarter of 2023. In light of the strong adoption of Opera News in emerging markets, in 2021, we entered into additional markets in North America and Europe, and we have seen increased revenue contribution from these markets since then. Generally speaking, users in these markets monetize at a significantly higher rate than those in the initial Opera News markets in emerging markets.

Opera Ads

Opera Ads is our in-house advertising platform optimized for serving our owned and operated inventory targeting digital agencies, advertisers and brands to connect and engage directly with Opera users through both programmatic and fully managed advertising campaigns. The Opera Ads offering is an important part of our monetization strategy and it builds on top of our existing search monetization partnerships with third-party companies, such as Google, and partnerships with other monetization partners, such as Amazon. The Opera Ads platform was extended in 2021 with our audience extension service, which connects with partner inventories via real-time bidding, offering our advertising partners an audience extension and incremental reach for their campaigns. As a browser company, we can leverage the closed loop environment of the browser to capture interest and context. While remaining mindful of user privacy, we are able to create value and utility for the user throughout their online journey, unlike many advertising platforms which rely on third party signals and cookies. With the growth of high value users, we are becoming an increasingly relevant partner to even more potential advertisers.

Our Web3 and E-Commerce Initiatives

Our Web3 Initiatives

In 2018, Opera became the first browser to introduce a non-custodial Crypto Wallet inside our browsers, enabling access to a new generation of blockchain-based Web3 applications. This allows users to interact with these applications, send or receive various kinds of cryptocurrencies to sites and users, as well as identify themselves to sites and hold unique digital items from blockchain-based games. As of December 31, 2023, Opera supports the most relevant blockchains including Bitcoin, Ethereum, Polygon and Solana. In addition, we re-built our non-custodial Web3 wallet into a standalone SDK, which is embedded into Opera browser applications. In September 2023, we launched MiniPay, a new stablecoin wallet built on the Celo blockchain and integrated into Opera Mini in certain emerging markets which currently has more than two million activations.

Our E-Commerce Initiatives

We launched a browser-based cashback offering that provides financial rewards to Opera users for certain online transactions. The Opera cashback rewards program aims to provide Opera's users with an integrated, seamless, non-intrusive cashback experience inside their browser. The cashback service was initially offered in Spain and then rolled out to Polish users in October 2021. In 2022 and 2023, we continued rolling out Opera cashback services in additional markets including Germany, the United Kingdom, the United States, Mexico and Brazil. Opera cashback features hundreds of shops including brands such as AliExpress, Temu, and Shein. In late 2023, however, we started to scale back certain of our owned and operated cashback initiatives and began to promote third-party tools as a more efficient solution. The use of such third-party tools began in the United States in late 2023 and is expected to expand to additional markets in 2024.

Our Partners

We partner with companies that benefit from our ability to drive traffic to their services, including search engines, e-commerce and travel providers and digital advertising platforms. Through placement of shortcuts, or "Speed Dials", and advertisements in our browsers and apps, we have the ability to promote both global and local partners that provide services to our users. These companies pay us either for referring traffic to them or for displaying their advertisements.

Search Providers

We partner with internet search providers such as Google and Yandex and have worked closely with them for over 20 and 15 years, respectively. These partnerships ensure a native integration of search technology for our users and enhance the visibility of our brand. We share the revenue generated by our search partners when our users conduct searches initiated within the URL bar, default search page or search boxes embedded in our PC and mobile browsers. In 2023, we also started to introduce search entry points into our Aria browser AI experience.

We have had a search distribution agreement with Google since 2001. We entered into our current search distribution agreement with Google in 2012 and have extended the term of that agreement multiple times, most recently until December 31, 2024. Our search distribution agreement with Google gives it an option to extend the term by an additional 12-month period. In April 2024, Google exercised that option so the term of that agreement has been extended further to December 31, 2025. We have had a search partner agreement with Yandex since 2007. We entered into our current partner agreement with Yandex in 2012. The initial term of this agreement has been extended several times and now extends until December 2024. Following the initial term, the partner agreement automatically renews for additional two-year periods unless written notice is given by either party at least 30 days prior to the automatic renewal. Our agreements with Google and Yandex are subject to customary events of default, including failure to make payments, material breach, liquidation, as well as other termination trigger events as provided therein.

Our relationship and cooperation with our search providers may be impacted by any material investigations and restructurings relating to these search providers. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Internal Controls and Reporting—We rely on our users' web searches within Opera browsers for a substantial portion of our revenues" of this annual report.

E-commerce and Online Travel Agencies

We work closely with large, global e-commerce and online travel agencies, such as Amazon, eBay, Aliexpress, and Booking.com, as well as strong local brands like Otto, Shopee, Lazada and others. The value of these partnerships continues to rise through increased user engagement with these popular services within our browsers, as well as our audience extension offering.

We earn revenue from transactions initiated by our directed users via links provided on our Speed Dial homepage and other advertisements, typically in the form of a defined share of the revenue generated by these service providers.

Digital Advertising Platforms

We have established relationships with leading digital advertising platforms such as Google AdSense, AdMob by Google, Pangle by ByteDance, Meta Audience Network, and others. We allow these digital advertising platforms to display their advertising demand in our browsers, content apps and websites where we recognize revenue based on the amounts we are entitled to receive from such advertising partners. We also sell selected premium advertising placements, such as roadblock banners, interstitials, videos, sponsored articles and notifications to global and local advertisers.

Our Opera Ads platform has a large and continuous focus on audience extension and is able to seamlessly integrate with both Opera's owned and operated inventory and selected premium partner inventories supplied by companies such as Google, AppLovin, Vungle and others. The Opera advertising platform caters to the world's largest advertisers, brands, platforms, agencies, and e-commerce partners across the Americas, Asia, Europe, Africa, and the Middle East. A majority of our customers are operating within gaming, sports, and e-commerce verticals.

Content Providers

In addition to monetization partners, we have formed strong relationships with high profile media companies, while also focusing on regional and local content providers in key markets in Africa, Europe and the United States. These relationships enable us to obtain comprehensive news and other content that we can make available to users on our platform, provide more publicity for our content provider partners and generate revenues through the placement of advertising within our news service. Further, we are increasingly focused on the creation of exclusive local content through Opera News Hub. We also analyze users' behavior to improve the relevance of the news stories and advertisements that we show to each user based on their preferences.

Marketing & Distribution

We partner with ad agencies, influencers, game affiliation networks, device manufacturers, mobile network operators and others to promote and distribute our products. We have long-term relationships with device manufacturers to ensure cost-efficient and reliable distribution benefitting both these distribution partners and us. We partner with mobile network operators in Africa for joint marketing campaigns. These campaigns promote the data saving features of our mobile browsers on our operator partner's network, while providing free or reduced cost browsing to the consumer for a limited time. In addition, we partner with game affiliation networks to promote Opera GX.

Foundational Models

Aria, Opera's browser integrated AI chatbot, is built on top of Opera's own AI engine which relies on LLMs supplied by third parties such as OpenAI and Google. It is built in a LLM agnostic way that allows any models to be added and used separately or in addition to existing models, including open source models.

Technology

Technology is key to our success as it enables us to innovate, improve our users' experience and operate our business more efficiently. Our technology team is composed of highly skilled engineers, computer scientists and technicians whose expertise spans a wide range of areas. As of December 31, 2023, we employed a team of approximately 430 engineering and data analytics personnel, mainly located in Poland, China, Sweden and the United Kingdom, engaging in building our technology platform and developing new Opera products and services in our core businesses as well as newer initiatives such as AI, gaming and Web3.

Content Recommendation

Through AI and AIGC technologies, we have transformed our browsers and other products and services into an AI-powered content discovery and recommendation platform that provides our users with personalized news, audio, videos and other online content. We leverage data from our existing user base and cutting-edge technologies, such as LLMs and AIGC, in natural language processing and computer visioning and deep learning, to develop our AI-powered content discovery and multi-scenario/multi-modal/multi-objective recommendation platform that we integrate into a variety of our products and services. Our AI platform evaluates billions of potentially correlated data points between each item of online content and each individual user to provide personalized content recommendations of high interest to our users in real time.

Our key AI technologies for content implement the following powerful features:

- **Natural Language Processing.** Classical models in natural language processing, or NLP, and deep learning models are used to analyze, sort, extract, classify, process and better understand news content in a variety of languages. Our deep learning models help us to extract key entities, topics and other semantics tags. We can also find connections between top news, celebrities and other news elements, extract timeline and history of important events automatically. With the advance of generative AI, LLMs are also extensively used in our system, from content understanding, topic summarization to content moderation and filtering and result in improved processing capacity and lowered cost.
- **Computer Vision for Images and Videos.** We analyze the images and videos that are associated with online text to better understand the content and optimize our recommendation engines. Apart from classical Computer Vision models, multi-modal LLMs are also introduced into our AI system: Vision Transformer (ViT) models and Language-Image Pre-Training (CLIP) are used in image understanding and in image-text matching, bringing in improved accuracy.
- **Multi-objective/Multi-scenario/Multi-modal/ Personalized Recommendation System.** On the basis of the personalized click prediction model (a large-scale deep neural network), we have developed a personalized multi-objective prediction model, which not only predict the click probability of a user to a certain news article, but also predict the reading time and whether the user will like/share the news or subscribe to the author, thereby better reflecting the user's satisfaction with the recommended content. This is a multi-objective neural network model with tens of billions of features, trained in real time based on user interactions. Multi-scenario modeling is used to provide personalized contextual recommendation under different use cases by associating user behavior with contextual information. Multi-modal modeling leverages content in different forms, such as texts, images, videos, etc., to build the correlations and complementarities between different modality data, to enrich reading experience with contents in multimedia.
- **Deep Reinforcement Learning Recommendation.** By applying the improved version of Deep Deterministic Policy Gradient (DDPG), the machine learning algorithm not only optimizes the reward of the current recommended content, but also optimizes the total reward of a series of user interactions in a session. Such objective function leads to deeper reading interactions and also represents an increase in reading satisfaction.
- **Big Data Capabilities.** We are able to quickly develop and scale our presence across different geographies, languages and cultures, utilizing our big data capabilities. We have multiple data centers distributed across four continents that support massive petabyte-level distributed data storage and allow us to process in real-time hundreds of terabytes of data related to our users every day. We use data mining and analytics technologies to find patterns in the large amounts of data we collect, which helps us to understand our users and provide them with better content recommendations

Cloud Compression Technologies

Our compression technologies, Turbo and Opera Binary Markup Language (OBML), are advanced compression technologies that are built into our apps to optimize data traffic and connection times for our users. These technologies allow our browsers to load web pages faster by downloading less data. Today, Turbo is our standard compression mode for high-end smartphones and computers, while OBML, adapted exclusively for Opera Mini, provides an extreme compression mode, which compresses web content by up to 90%, providing a good web browsing experience even on the most limited mobile data networks.

Network Infrastructure

We have built a reliable and secure network infrastructure that fully supports our operations. Our physical network infrastructure utilizes our data centers that are linked with high-speed networking. We have developed our architecture to work effectively in a dynamic cloud environment that has a high degree of elasticity. Our automatic provisioning tools have enabled us to scale up our storage and computing capacity in a short period of time in response to increasing demand for our services. Our proprietary network application protocols ensure fast and reliable mobile communications under different network conditions in the various markets where we operate. We aim to provide a consistent user experience across different devices, operating systems, carriers and network environments.

As of December 31, 2023, we owned approximately 6,136 servers in seven internet data centers located in the Netherlands (two locations), the United States, Singapore, Canada, South Africa and Nigeria. As of December 31, 2023, our data centers had a total connectivity bandwidth of 1.16 Tbps max throughput, 240 Gbps daily peak.

In addition, in February 2024, we announced our deployment of a new AI data cluster in Iceland featuring a NVIDIA DGX SuperPOD to serve as the basis for additional future AI services. The cluster contains H100 AI computation cards and is capable of delivering xFLOPs of computing power.

Our Investments

Our business includes non-controlling investments in other companies.

OPay Limited, or OPay, an investee in which we currently hold a 9.4% ownership interest, is a mobile payment fintech company that focuses on emerging markets, with Nigeria and Egypt as initial key markets. OPay provides online and offline payments, and digital wallet services leveraging AI, big data and other fintech innovations, thus helping countries in emerging regions transform into cashless societies.

nHorizon Innovation (Beijing) Software Ltd., or nHorizon Innovation, is an associate in which we have a 29.1% ownership interest. nHorizon Innovation generates income from the licensing of intellectual property, predominantly from nHorizon Infinite (Beijing) Software Limited, or nHorizon Infinite, which was our joint venture until mid-2023. nHorizon Infinite is focused on supporting Chinese app developers monetize their apps internationally through advertising.

AB “Fjord Bank”, or Fjord Bank, an investee in which we have a 4.9% ownership interest, operates as a licensed specialized bank and has launched operations with an online offering which includes fixed deposits and consumer lending business in the Lithuanian market.

User Privacy and Safety

The vitality and integrity of our user base is the cornerstone of our business. We dedicate significant resources to the goal of strengthening our user base through developing and implementing programs designed to protect user privacy, promote a safe environment, and ensure the security of user data. We also implement unique features in our products and services to protect users’ online digital presence, such as a free, no-log VPN service, a premium, paid VPN service for enhanced protection, native ad blocking and anti-tracking options.

Our privacy statements seek to describe our data use practices and how privacy works on our platforms in a user-friendly manner. We provide users with adequate notice as to what data is being collected and undertake to manage and use the data collected in accordance with applicable laws. We consider the protection of the personal privacy of each of our users to be of paramount importance.

We continuously strive to prevent unauthorized use, loss or leak of user data. In addition, we use a variety of technical and organizational measures to protect the data with which we are entrusted, including encryption of personal data at rest and in transit, and, for our external interfaces, we also utilize demilitarized zones and firewalls to protect against potential attacks or unauthorized access. We have privacy and security teams dedicated to the ongoing review and monitoring of data protection practices, including penetration testing, auditing, and carrying out data privacy impact assessments.

Product Marketing and Distribution

For the majority of our products and services, the main source of new users is brand awareness of our products and the “word-of-mouth” from our large user base. The trust and reliance that our users place in us is a key growth driver of our business, since prospective users that hear positive feedback from their friends and colleagues about our products and services are more likely to try them. We have run influencer marketing campaigns to raise awareness and gain trust and mind-share among key target demographics. We also run promotional campaigns around global events, such as the World Cup tournament, to further engage users and drive adoption.

In 2023, organic installs were our most important channel for new user acquisition, representing approximately 74% of our new smartphone users. In parallel, we cooperate with industry partners to promote our products. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions.” In 2023, approximately 12% of new smartphone users originated from our paid online promotions.

Our products are available through our official website, www.opera.com, as well as Google Play, Apple’s App Store, and other online app marketplaces.

Competition

We face intense competition in all of the products and services we offer. In the browser space, we generally compete with other global browser developers, including companies such as Google (Chrome), Apple (Safari), Microsoft (Edge) and Samsung, which have distributional or other advantages on their respective hardware or software platforms. We also compete with other regional internet companies that have strong positions in particular countries. From time to time, we have to compete with smaller, independent browser companies such as Mozilla Firefox, Brave, Avast, Yandex, DuckDuckGo and UC Web as well for those users who want to choose an alternative browser for their devices in addition to their respective default browsers. In the advertising space, we compete with other global internet companies which operate advertising platforms and audience extension products, such as those offered by Meta, ByteDance and Alphabet for both inventory and advertisers. In the content space, we have faced significant competition from other internet companies promoting their own content products and services globally, including Alphabet, Apple and Meta, and traditional media such as local and global newspapers and magazines. Unlike some other large competitors in the content space, we have historically focused on emerging markets, and have integrated unique content to users via our evolving AI-powered content discovery and recommendation platform. However, as we increasingly focus on more developed markets, we also compete with digital media properties and other AI based news offerings platforms.

In addition, we compete with all major internet companies for user attention and advertising spend. Moreover, in emerging markets, where certain mobile devices lack large storage capabilities, we may compete with other applications for the limited space available on users' mobile devices. As we introduce new products, as our existing products evolve, or as other companies introduce new products and services, we may become subject to additional competition. For example, we launched an initial set of generative AI tools in our PC flagship browser in March 2023, gradually expanding to other mobile and PC browsers, and deploying additional tools, such as our Aria browser AI, during 2023. We also launched MiniPay, a new stablecoin wallet built on the Celo blockchain, in September 2023. While we view our new products as extensions of Opera's existing product portfolio, adding new products and services subjects us to new competitors and enhanced competition from our current competitors.

See "Item 3. Key Information —D. Risk Factors—Risks Related to Our Business and Industry—We face intense competition in a number of spaces and industries and if we do not continue to innovate and provide products and services that meet the needs of our users, we may not remain competitive."

Seasonality

See "Item 3. Key Information —D. Risk Factors— Risks Related to Our Business and Industry—Our results of operations are subject to seasonal fluctuations due to a number of factors."

Intellectual Property

We regard our patents, copyrights, service marks, trademarks, trade secrets and other intellectual properties as critical to our success. We rely on patents, trademarks, copyrights and trade secret protection, as well as non-competition, confidentiality, and license agreements with our employees, customers, partners and others to protect our intellectual property rights. Despite our precautions, it may be possible for third parties to obtain and use our intellectual properties without authorization. Furthermore, the validity, enforceability and scope of protection of intellectual property rights in internet-related industries are uncertain and still evolving.

As of December 31, 2023, we had over 390 active registrations or pending applications for the OPERA, Opera with Red O (both old and new versions) and OPERA SOFTWARE trademarks in over 90 countries, and for our red "O" logo in over 80 countries. We are also seeking trademark protections for certain of our other brands, including Opera GX. Opera has a patent portfolio that includes more than 20 patents issued in the United States as well as certain international patent registrations. In addition, as of December 31, 2023, we had hundreds of registered domain names related to our businesses.

Regulations

Norwegian Regulations on Intellectual Property Rights

Norway adheres to key international agreements for the protection of intellectual property rights, hereunder the Paris Convention for the Protection of Industrial Property, Berne Convention, Universal Copyright Convention of 1952, the Rome Convention and the TRIPS agreement.

The main acts governing intellectual property rights in Norway are the Patents Act of December 15, 1967, Designs Act of March 14, 2003, Trademarks Act of March 26, 2010, Copyrights Act of June 15, 2018, and Marketing Act of January 9, 2009. The Trade Secrets Act of March 27, 2020, protects trade secrets.

Trademarks, designs and patents shall be registered upon application to the Norwegian Industrial Property Office, or the NIPO, in order to be valid in Norway. Patent applications which have been granted at the European Patent Office can be validated in Norway upon application to the NIPO.

Regulations on Data Protection and Information Security

The principal data protection legislation in Norway is the Personal Data Act of June 15, 2018, no. 38. The Personal Data Act implements 2016/679/EU - General Data Protection Regulation, or GDPR, in its entirety. The purpose of the act is to protect natural persons from violation of their right to privacy through the processing of personal data. Broadly speaking, the GDPR applies to the processing of personal data conducted by companies established in the European Economic Area, or EEA, and to the processing of personal data of data subjects in the EEA, where the processing is linked to offering services to such data subjects or monitoring their behavior.

A significant number of the users of our products are in the EEA and we also serve our browser users and others from our business establishment in Norway, and consequently our processing of the personal data of such users is subject to the GDPR. Since the Court of Justice of the European Union, or CJEU, handed down its judgment in Schrems II in 2020, data protection authorities in Norway, Ireland, France, Germany, and elsewhere have levied significant fines against various technology companies for GDPR violations. Decisions by such authorities, as well as guidance from the European Data Protection Board have repeatedly emphasized that international transfers of personal data should be subject to heightened scrutiny. Furthermore, regulatory decisions and related litigation (such as the so-called IAB Decision, recently decided by the CJEU) underscore that the internet advertising industry is an area of particular attention for privacy authorities.

In recent years many additional jurisdictions, including Brazil, Kenya, Nigeria, India, and China, have enacted or updated data privacy or data localization laws. Similarly, several states of the U.S. have passed or are debating their own privacy laws. The precise requirements of each law vary widely, though we see some general trends towards more regulatory oversight, especially of data-driven businesses like ours, and increased focus on service and data localization. We anticipate continued developments in data protection, privacy and data localization rules in various countries, which will continue to affect our business and impact our products and services. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Technology and Intellectual Property—Because we store, process and use data, some of which contains personal information, we are subject to complex and evolving laws and regulations across multiple jurisdictions regarding privacy, data protection and other matters” of this annual report.

Regulations on Artificial Intelligence & Digital Services

New laws, regulations, policies, and international accords relating to artificial intelligence and digital service, are being developed and formalized in Europe and the U.S., which could result in monetary penalties or other regulatory actions. For example, the EU’s recently adopted EU Artificial Intelligence Act includes specific transparency and other requirements for general purpose AI systems and the models on which those systems are based. In addition, the White House’s Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence devises a framework for the U.S. government, among other things, to regulate private sector use and development of certain foundation models.

The EU’s Digital Markets Act (DMA), which entered into force on November 1, 2022, is intended to ensure a higher degree of competition in European digital markets. The DMA prohibits companies designated as “gatekeepers” and providing core platform services from engaging in certain kinds of self-preferencing behaviors. While Opera has not been designated as a gatekeeper under the DMA, certain platform companies with which Opera competes have or may be, resulting in increased implementation of browser choice screens and other similar effects. On January 26, 2024, for example, Opera announced its intention to increase its iOS development efforts following Apple’s decision to implement a choice screen and allow alternative browsers providers to offer iOS users in the EU full featured browsers based on alternative browser engines.

Regulations Relating to Content Recommendation

Our Opera News content discovery and recommendation platform is available in a wide variety of markets worldwide. In recent years, there has been an increased emphasis on the veracity of online news reports, with the increasing social expectation that content platforms and aggregators will take steps to prevent the dissemination of “fake news.” Moreover, a number of countries have adopted regulatory regimes for news aggregation services requiring local registration or licensing, in some cases enabling more effective governmental restrictions on their citizens’ access to certain categories of information. Other countries have adopted legislation expanding publishers’ copyright entitlements on digital platforms including search engines, social media and content recommendation platforms. Australia and France, for example, have adopted laws which afford publishers of digital media the right to receive payment for use of their content in search results or content recommendations. The European Union has adopted Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market, which gives press publications more direct control over the re-use of their content and also tasks online content sharing platforms, which host user-generated content, with certain duties related to preventing their users from violating copyright of others. In short, content aggregation is becoming increasingly regulated, and we anticipate that we will be subject to an increasingly diverse and fragmented regulatory environment over time.

European Economic Sanctions

The European Union adopted certain economic sanctions following the 2014 invasion and purported annexation of Crimea in Council Regulation (EU) 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine, or the EU Regulation. Norway, as a member of the EEA, has incorporated the EU Regulation’s economic sanctions into its domestic law in the Norwegian Sanctions Act. Since 2014 and in light of Russia’s continuing aggression in Ukraine, the European Union has amended the EU Regulation with various additional packages of economic sanctions and accordingly additional sanctions have in due course likewise been incorporated into Norwegian domestic law. Consequently, the EU’s economic sanctions, either directly or as incorporated into Norwegian law, apply to the Opera Group’s companies, personnel and operations in Europe. For example, on December 16, 2022, the European Union adopted the December 2022 EU Sanctions, prohibiting the provision of “advertising services” to legal persons, entities or bodies established in Russia, and therefore we have subsequently terminated all advertising contracts with customers in Russia among other actions. The European Union, as well as other jurisdictions including the United States, have continued to periodically adopt more and additional sanctions throughout 2023 and early 2024.

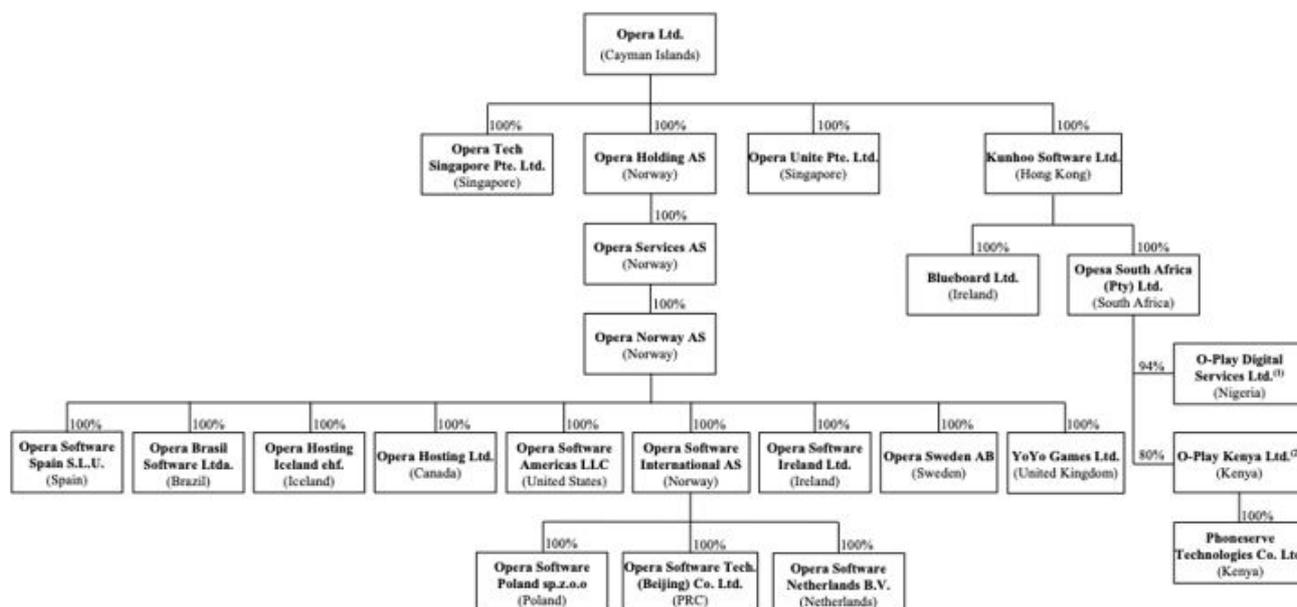
Regulations on Environment, Social & Governance

In July 2022, the Norwegian Åpenhetsloven (Transparency Act) came into force. To promote respect for basic human rights and decent working conditions, the Transparency Act imposes a duty on Norwegian companies to inform and publish how they work to ensure basic human rights and decent working conditions, both in their own businesses as well as in their supply chains. In accordance with the Transparency Act, Opera carries out due diligence assessments of the risks associated with Opera’s business of potential violation of basic human rights or decent working conditions by Opera, its suppliers, or its business partners. The results of these due diligence assessments are reported and made public annually on Opera’s website (<https://legal.opera.com/transparency/>).

The European Union adopted the Corporate Sustainability Reporting Directive (“CSRD”), Directive EU 2022/2464, effective January 5, 2023. Norway, as a member of the EEA, is expected to incorporate CSRD into its domestic law soon. CSRD which will require our European subsidiaries to conduct an assessment of Opera’s impact on environmental and social conditions, as well as the risks and opportunities such conditions present for Opera, and to disclose such assessment in their financial statements. We will also need to disclose certain categories of greenhouse gas (GHG) emissions resulting from our operations. Similarly, on March 6, 2024, the SEC adopted final rules which will, subject to legal challenges, require disclosure of material climate-related risks, GHG emissions and climate-related financial metrics not previously required by the SEC.

C. Organizational Structure

The chart below summarizes our corporate structure and identifies all our principal subsidiaries and their places of incorporation as of the date of this annual report:



Notes:

- (1) 6% held by additional Opera group entities.
- (2) 20% held by nominee shareholders.

D. Property, Plants and Equipment

Our corporate headquarters is located in Oslo, Norway. Our principal technical development facilities are located in Wrocław, Poland, Dundee, Scotland, Beijing, China and both Linköping and Gothenburg, Sweden. We also have offices in Nigeria, Ireland, France, Germany, Spain, South Africa and Kenya among other countries.

Our servers are hosted in leased data centers, primarily in the Netherlands, the United States, Canada, Nigeria, South Africa, Iceland and Singapore. The data centers in our network are owned and maintained for us by major domestic and international data center providers. We generally enter into leasing and hosting service agreements with renewal terms that range from one to three years.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” and elsewhere in this annual report.

For discussion related to our financial condition, changes in financial condition, and results of operations for 2022 compared to 2021, see “Item 5.A. - Operating and Financial Review and Prospects” in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, which was filed with the SEC on April 20, 2023.

A. Operating Results

Executive Overview of Full Year 2023 results

- Total revenue was \$396.8 million, an increase of 20% compared to 2022.
- Advertising revenue was \$231.0 million, an increase of 23% compared to 2022.
- Search revenue was \$162.2 million, an increase of 16% compared to 2022.
- Net income was \$153.3 million, up from \$15.0 million in 2022.
- Adjusted EBITDA was \$93.7 million, an increase of 38% compared to 2022.
- Net cash flow from operating activities was \$82.8 million, an increase of 46% compared to 2022.
- Free cash flow from operations was \$72.5 million, an increase of 69% compared to 2022.

The 20% increase in revenue from 2022 to 2023, corresponding to an increase of \$65.8 million in absolute amount, was driven by increased monetization on a per-user basis, a result of both underlying advertising demand and pricing factors as well as the growth of our browser and news user bases in higher revenue-per-user Western markets. In addition, advertising revenue, which in 2021 surpassed search revenue for the first time, continued to grow at a higher rate than search revenue, in large part driven by our Opera Ads audience extension platform.

Expenses and other items that are included in the calculation of adjusted EBITDA increased by \$44.4 million, or 18%, primarily a result of the \$39.2 million, or 84%, increase in cost of inventory sold, which includes the cost of advertising inventory sold on our Opera Ads platform. Marketing and distribution expenses remained the most significant cost item at \$109.9 million, a reduction of \$5.0 million, or 4% since 2022, while we continued to invest heavily in the user growth of our products in Western markets to accelerate our revenue growth. Personnel expenses excluding share-based remuneration increased by 1% from 2022 to \$65.8 million. As a result, our adjusted EBITDA was \$93.7 million or a 24% margin in 2023, marking an increase of 38% compared to \$68.1 million and a 21% margin in 2022.

Net income was \$153.3 million in 2023, up from \$15.0 million in 2022. This is inclusive of an increase of \$89.8 million in the estimated fair value of our investment in OPay. Net finance income of \$7.3 million in 2023 was the results of a net gain of \$3.2 million on our discontinued investment program, a gain of \$1.1 million from the settlement of the receivable from the sale of our former investment in Nanobank, and higher interest income on bank deposits. Depreciation and amortization decreased by \$0.8 million, or 6% since 2022, to \$13.2 million. Share-based remuneration increased by 82% to \$17.0 million in 2023 primarily due to grants made by Kunlun to certain employees of Opera for which we recognized a share-based remuneration expense of \$6.5 million in 2023, up from \$1.9 million in 2022. Opera does not have any obligation to settle the awards granted by Kunlun and such grants do not lead to dilution for Opera’s shareholders because such employees receive shares in Kunlun when the awards are exercised. Tax and all other items not included in adjusted EBITDA had a combined negative contribution of \$7.4 million to our 2023 net income.

Cash and cash equivalents totaled \$93.9 million as of December 31, 2023, an increase of \$41.5 million from \$52.4 million as of December 31, 2022. The \$41.5 million increase was caused by net cash inflows from operating and investing activities of \$82.8 million and \$20.0 million, respectively, partly offset by a net cash outflow in financing activities of \$59.8 million, including a total of \$55.8 million used to pay cash dividends and repurchase shares, and a negative effect of \$1.5 million from exchange rate changes on our cash and cash equivalents. The majority of our cash from investing activities came from the sale of our marketable securities, which totaled \$23.4 million. Investments in equipment and development of new products totaled \$6.4 million. 2023 was the first year in which we paid dividends, starting with a special dividend of \$0.80 per ADS in January, followed by the payment of a dividend of \$0.40 per ADS in July made under a recurring semi-annual cash dividend program that we adopted in June. Dividends payable on Kunlun’s ordinary shares in Opera were offset against Opera’s receivable from the sale of an investment, which receivable was due from Kunlun following the sale of Opera’s former stake in Star X. In total, we paid \$23.1 million in cash dividends in 2023. In November 2023, we completed the third repurchase program of our ADSs. We spent a total of \$32.7 million on share repurchases in 2023.

Our free cash flow from operations increased by 69% since 2022, to \$72.5 million. We continue to consider our liquidity to be healthy.

Key Metrics

We use certain key non-financial metrics to monitor and manage our business, most importantly our product adoption as measured by MAUs and the ARPU. We use these indicators to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. We believe these indicators provide useful information to investors in understanding and evaluating our operating results.

The following table presents certain of our user metrics for the periods indicated:

	Three months ended (1)							
	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sept 30, 2023	Dec 31, 2023
	(in millions, except for ARPU)							
Smartphone total average MAUs	203.4	198.4	198.0	196.6	189.7	190.5	185.8	185.8
PC browser average MAUs	77.7	73.4	72.8	75.5	76.4	76.2	76.8	79.5
Feature phone average MAUs	55.1	55.7	52.0	51.6	53.0	48.9	48.6	47.4
Other	0.8	0.8	1.0	0.7	0.2	0.2	0.1	0.2
Total MAUs	337.0	328.3	323.8	324.4	319.4	315.9	311.3	312.9
Annualized ARPU (\$) (2)	0.82	0.94	1.04	1.18	1.08	1.17	1.31	1.44

(1) Average across the three months included in each period, with each month calculated as of its final day using a 30-day lookback window.

(2) Advertising and search revenue in the quarter, divided by the quarter's average MAUs and multiplied by four to annualize.

Our total smartphone average MAUs in the three months ended December 31, 2023, was 185.8 million. This figure comprises approximately 154.4 million smartphone browser users, and approximately 31.5 million users of the dedicated Opera News apps.

Our strategy has been to focus on and expand our marketing and distribution activities in Western markets while reducing our spending in certain emerging markets. From the fourth quarter of 2022 to the same quarter of 2023, this strategy led to a 17% increase in our total overall user base in Western markets and a 6% decrease in emerging markets, for an approximate 4% reduction in our overall global user base. As can be shown in our annualized ARPU metric, the monetization increases on a per-user basis resulting from this shift to Western markets reached 22% over the fourth quarter of 2022, fueling our strong growth in advertising and search revenues for the same quarter in 2023.

Macroeconomic Conditions

The prevailing global economic climate, the indirect effects of the conflicts in Ukraine and Gaza, and other macroeconomic conditions, including but not limited to slower growth or economic recession, high inflation, changes to fiscal and monetary policy and exchange rate fluctuations have adversely affected and may continue to adversely impact our business. The increase in interest rates by the Federal Reserve and overall market conditions have led to significant strengthening of the U.S. dollar against other global currencies in 2023. We continuously monitor the direct and indirect impacts of these circumstances on our business and financial results. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—The impact of worldwide economic conditions may adversely affect our business, operating results, and financial condition."

Major Factors Affecting Our Results of Operations

Our Ability to Maintain and Expand Our User Base, and Maintain and Enhance User Engagement

Our user base is important for our revenue generation, both in terms of its attractiveness to our advertising and search partners and in terms of its direct impact on our user-generated revenues. We have elected to prioritize our user growth efforts on geographies and segments that are most monetizable. This has led to a directional shift in our user base and revenue mix towards more developed markets, with a decline in total MAUs that has been well offset by the increase in ARPU.

Our ability to continue to effectively maintain and grow our user base in regions and segments with attractive monetization potential will affect the growth of our business and our revenues going forward. We generate revenues from our business partners, including search providers and advertisers, who are drawn to our platform in part because of the size of our user base, our attractive demographics, and our level of user engagement. Our ability to maintain and enhance user engagement depends on, among other things, the effectiveness of our marketing and distribution spend, our ability to continuously offer comprehensive and effective products and services, recommend personalized content through technological innovation and provide a superior content discovery experience.

Our Ability to Monetize

We have long and deep relationships with many of our major monetization partners. Changes in the revenue sharing or fee arrangements with our key monetization partners may materially affect our revenues, although we have not seen such material impacts to our revenues over the 2021 to 2023 period. However, for example, a change in the revenue sharing percentage paid by certain of our major partners such as Google, or a change in their payment policies or other contractual arrangements, could impact our revenues, either positively or negatively. Likewise, with respect to certain major advertising partners, changes in the fee rate we receive per click or per sale may affect our revenues. The growth, seasonality and strength of our major advertising partners' businesses may also materially affect our revenues, positively or negatively.

Further, our revenue generation is affected by our ability to promote and improve our users' experience with our partners' services, and our ability to open additional third party advertising inventories. In 2023, we had more than 500 monetization partners. We intend to maintain and deepen our relationships with current partners and attract more partners to increase and diversify our revenue sources. Our ability to further increase the number of partners primarily depends on whether we can provide integrated marketing services and help them more precisely reach their targeted users through our AI-powered content discovery platform and Opera Ads platform.

Our Brand Recognition and Market Leadership

We believe that the strong brand recognition of “Opera” is a key element of our success. Our ability to maintain our massive user base and brand recognition as a leading independent browser and content discovery platform is key to our ability to maintain and enhance relationships with our users, monetization partners, content partners and distribution partners. In addition, the reputation and attractiveness of our platform among internet users also serves as a highly efficient marketing channel for our new products and services.

Our Ability to Conduct and Manage Strategic Investments and Acquisitions

We have invested and expect to continue to invest in new businesses, products, services and technologies, and we have also invested in promising companies. Our financial results could be adversely affected by our investments or acquisitions. The investments and acquired assets or businesses may not generate the financial results we expect. They could result in occurrence of significant investments and goodwill impairment charges, amortization expenses for other intangible assets and credit losses on trade and other receivables. We may continue to incur impairment charges in connection with our investments or acquisitions, which could depress our profitability and have a material adverse impact on our financial results. See "Item 3. Key Information – D. Risk Factors – Risks Related to Our Business and Industry – Our investments in new businesses, new products, services and technologies and companies are inherently risky and could disrupt our ongoing businesses."

Results of Operations

Adjustments Made After Presentation of Unaudited 2023 Financial Results

Subsequent to announcing our unaudited fourth quarter and fiscal year 2023 results on February 29, 2024, we have adjusted our estimate for fair value of our shares in OPay as a result of certain changes to the inputs used in the valuation method. The annual consolidated financial statements included elsewhere in this annual report present our stake in OPay at a value of \$253.3 million. This is \$16.1 million less than the \$269.4 million reported in the earnings release for the fourth quarter and fiscal year 2023. As the shares are measured at fair value through profit or loss, our net income for 2023 includes a gain of \$89.8 million in connection with the fair value increase of OPay in 2023 compared to a gain of \$105.9 million prior. Our resulting net income for 2023 is \$153.3 million. See Note 11 to our consolidated financial statements included elsewhere in this annual report for more information on the valuation of our shares in OPay. Changes in the fair value of our shares in OPay do not affect our revenue, operating profit, adjusted EBITDA, or cash flows.

The following table set forth our consolidated statement of operations data for each of the periods presented, in absolute terms and as percentage of revenue (in thousands, except for percentages):

	Year ended December 31,					
	2021		2022		2023	
Revenue	\$ 250,991	100%	\$ 331,037	100%	\$ 396,827	100%
Other operating income	466	0%	469	0%	666	0%
Operating expenses:						
Technology and platform fees	(4,472)	(2)%	(4,104)	(1)%	(3,145)	(1)%
Content cost	(3,712)	(1)%	(3,834)	(1)%	(4,297)	(1)%
Cost of inventory sold	(5,507)	(2)%	(46,650)	(14)%	(85,808)	(22)%
Personnel expenses including share-based remuneration	(74,450)	(30)%	(74,588)	(23)%	(82,750)	(21)%
Marketing and distribution expenses	(120,944)	(48)%	(114,988)	(35)%	(109,947)	(28)%
Credit loss expense	(557)	(0)%	(1,387)	(0)%	(3,967)	(1)%
Depreciation and amortization	(19,600)	(8)%	(13,939)	(4)%	(13,165)	(3)%
Impairment of non-financial assets	(5,624)	(2)%	(3,194)	(1)%	(681)	(0)%
Other expenses	(22,802)	(9)%	(27,015)	(8)%	(30,842)	(8)%
Total operating expenses	(257,668)	(103)%	(289,699)	(88)%	(334,603)	(84)%
Operating profit (loss)	(6,211)	(2)%	41,808	13%	62,890	16%
Share of net income (loss) of equity-accounted investees	(29,376)	(12)%	(6)	(0)%	-	-
Impairment of equity-accounted investee	(115,477)	(46)%	-	-	-	-
Fair value gain on investments	116,561	46%	1,500	0%	89,838	23%
Net finance income (expense):						
Finance income	123	0%	21,454	6%	8,876	2%
Finance expense	(6,912)	(3)%	(39,729)	(12)%	(644)	(0)%
Foreign exchange gain (loss)	(1,814)	(1)%	(1,157)	(0)%	(963)	(0)%
Net finance income (expense)	(8,603)	(3)%	(19,432)	(6)%	7,269	2%
Profit (loss) before income taxes	(43,106)	(17)%	23,870	7%	159,997	40%
Income tax expense	(43)	(0)%	(8,835)	(3)%	(6,697)	(2)%
Profit (loss) from continuing operations	(43,149)	(17)%	15,035	5%	153,301	39%
Profit (loss) from discontinued operations	(816)	(0)%	-	-	-	-
Net income (loss) attributable to owners of the parent	\$ (43,964)	(18)%	\$ 15,035	5%	\$ 153,301	39%

Revenue

We generate revenue from advertising, search, technology licensing and other services. Advertising revenue is generated by delivering advertising on our PC and mobile browsers, such as predefined bookmarks (Speed Dials), on Opera News, and on Opera network partners' properties. Advertising revenue also includes income from all other user-generated activities other than search revenue, such as subscriptions to services that are provided by Opera or its partners. Search revenue is generated when a user of our PC and mobile browsers conducts a qualified search using a search partner, such as Google or Yandex, through the browsers' built-in combined address and search bar, or when otherwise redirected to the search partner via browser functionality. Technology licensing and other revenue include income from the sale of software and licenses to our game development platform GameMaker Studio, licensing of our proprietary technology to third parties, and provisions of related maintenance, support and hosting services, provision of professional services, and provision of customized browser configurations to mobile operators. The table below specifies the amount of revenue from each category (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Advertising	\$ 123,910	\$ 187,434	\$ 230,908	51.3%	23.2%
Search	121,961	140,162	162,168	14.9%	15.7%
Technology licensing and other revenue	5,119	3,441	3,679	(32.8)%	6.9%
Total revenue	\$ 250,991	\$ 331,037	\$ 396,827	31.9%	19.9%

Our advertising revenue increased to \$230.9 million in 2023 from \$187.4 million in 2022, representing an increase of 23%. Underlying advertising demand led to better monetization on a per-user basis, which together with improved pricing factors and the growth of our user bases in Western markets, resulted in the continuing growth of our Opera Ads platform where we also leveraged third party inventories to meet the demand we sourced from advertisers, as evidenced by the growth of our cost of inventory sold.

Our search revenue increased to \$162.2 million in 2023 from \$140.2 million in 2022, representing an increase of 16%. The increase represents both underlying monetization improvements by our search partners and the growth of our browser user base in Western markets where advertisers typically pay more to be promoted. As our search revenue is based on revenue share arrangements with our search partners, these factors together have a direct positive impact on our search revenue.

Our technology licensing and other revenue was \$3.7 million in 2023, up by 7% from \$3.4 million in 2022. We expect our technology licensing and other revenue to remain at this relative level going forward. See Note 3 to our consolidated financial statements included elsewhere in this annual report for more information about our revenues.

Other Operating Income

Other operating income includes items of income that are not generated from our ordinary activities. For example, other operating income includes gains on disposals of property, equipment, intangible assets and subsidiaries. Other operating income also includes government grants related to income. The table below specifies the amount of other operating income (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Other operating income	\$ 466	\$ 469	\$ 666	0.6%	41.9%
<i>As a percentage of revenue</i>	<i>0.2%</i>	<i>0.1%</i>	<i>0.2%</i>		

Our other operating income remained stable at \$0.7 million from 2022 to 2023. Similar to 2022, other operating income in 2023 primarily included various individually immaterial items of incidental income that were not generated from our ordinary activities.

Technology and Platform Fees

Technology and platform fees primarily comprise of (i) costs of any platform or collection service used to facilitate subscription services where we are the principal in the transaction, and (ii) transaction and communication platform expenses. We expect such individual components within this cost category to stay relatively stable as a percentage of the related revenue streams. The table below specifies the amount of technology and platform fees (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Technology and platform fees	\$ 4,472	\$ 4,104	\$ 3,145	(8.2)%	(23.4)%
<i>As a percentage of revenue</i>	<i>1.8%</i>	<i>1.2%</i>	<i>0.8%</i>		

Our technology and platform fees declined from 2022 to 2023, decreasing by \$1.0 million to \$3.1 million.

Content Cost

Content cost mainly consists of revenue shares to content creators on our platforms such as Opera News Hub, and payments to publishers and monetization partners related to our Browser and News segment. We continue our efforts to increase the amount of content available on our applications by onboarding more European and American publishers. Another significant part of content cost is cashback cost where we share part of the cashback with our customers. We expect this cost category to stay relatively stable as a percentage of the related revenue streams, although given its limited relative size we may see continued fluctuations as observed in prior periods. The table below specifies the amount of content cost (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Content cost	\$ 3,712	\$ 3,834	\$ 4,297	3.3%	12.1%
<i>As a percentage of revenue</i>	1.5%	1.2%	1.1%		

Our content cost was relatively stable from 2022 to 2023, increasing by \$0.5 million to \$4.3 million.

Cost of Inventory Sold

Cost of inventory sold consists primarily of the cost for third party advertising inventory that is sold to our customers along with Opera owned inventory to better serve our advertisers' demand. We expect this cost category to grow as a percentage of the advertising revenue stream as we see it driving incremental profitability of our advertising efforts. The table below specifies the amount of cost of inventory sold (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Cost of inventory sold	\$ 5,507	\$ 46,650	\$ 85,808	747.2%	83.9%
<i>As a percentage of revenue</i>	2.2%	14.1%	21.6%		

In 2023, the cost of inventory sold increased by 83.9% to \$85.8 million, or 37% of advertising revenue. This increase was driven mainly by the rapid development of Opera Ads platform, our audience extension product.

Personnel Expenses Including Share-based Remuneration

Our personnel expenses including share-based remuneration primarily consist of salaries and bonuses with applicable social security costs, external temporary hire costs and other personnel-related expenses, as well as share-based remuneration, including related social security costs. Personnel expenses are net of capitalized development expenses. We expect our personnel expenses to increase in absolute amounts in the foreseeable future due to the anticipated growth of business and expansion of our global operations, as well as periodic salary adjustments.

In 2022, Kunlun, our parent company, enrolled certain of our employees in its share incentive plan under which these employees have received options issued by Kunlun as a compensation for services provided to us. We do not have any obligation to settle the awards granted by Kunlun but grants from Kunlun to our employees are accounted for as equity-settled share-based payments in our consolidated financial statements, similar to those grants awarded under our own share incentive plan. The table below specifies the amount of personnel expenses, including share-based remuneration (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Personnel expenses excluding share-based remuneration	\$ 63,984	\$ 65,284	\$ 65,801	2.0%	0.8%
Share-based remuneration, including related social security tax	10,466	9,304	16,950	(11.1)%	82.2%
Total personnel expenses, including share-based remuneration	\$ 74,450	\$ 74,588	\$ 82,750	0.2%	10.9%
<i>As a percentage of revenue</i>	29.7%	22.5%	20.9%		

Our personnel expenses including share-based remuneration increased from 2022 to 2023 by 10.9% to \$82.8 million. Cash-based compensation expenses increased by 0.8%, from \$65.3 million in 2022 to \$65.8 million in 2023. This was caused by salary adjustments, partially offset by a reduction of staff and contractors relating to certain R&D projects. Share-based remuneration expenses increased by 82.2%, from \$9.3 million in 2022 to \$17.0 million in 2023. The increase was primarily caused by grants made by Kunlun to certain employees of Opera, from which we recognized \$6.5 million in share-based remuneration expenses, as compared to \$1.9 million recognized in 2022. For additional details of our personnel expenses in 2023, including share-based remuneration, see Note 4 to our consolidated financial statements included elsewhere in this annual report.

Marketing and Distribution Expenses

Marketing and distribution expenses primarily consist of performance-based campaigns associated with our browser and news businesses. We expect our marketing and distribution expenses to remain consistent or possibly increase slightly relative to 2023 as measured in absolute terms, while decreasing as a percent of total revenue following increased scale and completion of the initial launch of our initiatives to grow our user base in Western markets. The table below specifies the amount of marketing and distribution expenses (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Marketing and distribution expenses	\$ 120,944	\$ 114,988	\$ 109,947	(4.9)%	(4.4)%
<i>As a percentage of revenue</i>	48.8%	34.7%	27.7%		

Our marketing and distribution expenses decreased to \$109.9 million in 2023 from \$115.0 million in 2022, representing a decrease of 4.4%. Marketing and distribution expenses related to Opera News declined from \$26.0 million in 2022 to \$20.7 million in 2023, while the expenses for our browsers and other products remained relatively stable at \$88.5 million in 2022 and \$88.6 million in 2023.

Credit Loss Expense

Our credit loss expense is mainly related to provisions for expected credit losses on trade receivables and consists of specific provisions where risk of credit loss has been determined by management as well as general provisions determined based on the aging of the trade receivables. Changes in credit loss expense is affected by our ability to collect our trade receivables, the credit risk of the markets in which we operate as well as general market conditions affecting our trade partners. The table below specifies the amount of credit loss expense (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Credit loss expense	\$ 557	\$ 1,387	\$ 3,967	149.2%	186.0%
<i>As a percentage of revenue</i>	0.2%	0.4%	1.0%		

Our credit loss expense was \$4.0 million in 2023, as compared to \$1.4 million in 2022. The increase is largely a result of increase in provisions in line with our revenue growth and higher provisions in emerging markets compared to 2022. See Note 12 to our consolidated financial statements included elsewhere in this annual report for more information.

Depreciation and Amortization

Depreciation cost primarily relates to purchased equipment and servers as well as leasehold improvements. Amortization cost primarily relates to intangible assets such as technology and customer relationships as well as capitalized development. Depreciation and amortization are driven by the amounts of assets we acquire and intangible assets we develop, and the expected useful lives of these assets. We expect our depreciation expense to increase slightly relative to 2023, primarily as a result of our acquisition in 2024 of a NVIDIA DGX SuperPOD, which will be depreciated by \$3.1 million per year. The table below specifies the amount of depreciation and amortization (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Depreciation and amortization	\$ 19,600	\$ 13,939	\$ 13,165	(28.9)%	(5.6)%
<i>As a percentage of revenue</i>	7.8%	4.2%	3.3%		

We had depreciation and amortization of \$13.2 million in 2023 compared to \$13.9 million in 2022, representing a decrease of 5.6%. See Notes 9 and 10 to our consolidated financial statements included elsewhere in this annual report for more information.

Impairment of Non-financial Assets

Impairment of non-financial assets include impairment losses on our fixed and intangible assets. Impairment losses arise when the recoverable amount of the individual asset or the cash-generating unit to which it belongs is less than the carrying amount of the asset or group of assets. The table below specifies the amount of impairment of non-financial assets (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Impairment of non-financial assets	\$ 5,624	\$ 3,194	\$ 681	(43.2)%	(78.7)%
<i>As a percentage of revenue</i>	2.2%	1.0%	0.2%		

The impairment of non-financial assets in 2023 was \$0.7 million as we impaired certain non-core intangible assets. See Note 10 to our consolidated financial statements included elsewhere in this annual report for more information.

Other Operating Expenses

Our other operating expenses primarily consist of hosting expenses, audit and advisory fees, software license fees, rent and other office expenses, and travel expenses. We expect our other operating expenses to increase in absolute amounts in the foreseeable future due to the anticipated growth of our business as well as public company costs. The table below specifies the amount of other operating expenses (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Other operating expenses	\$ 22,802	\$ 27,015	\$ 30,842	18.5%	14.2%
<i>As a percentage of revenue</i>	9.1%	8.2%	7.8%		

Our other operating expenses increased by 14.2% in 2023 compared to 2022, from \$27.0 million to \$30.8 million. All categories of other operating expenses except for rent and other office expenses increased in 2023 compared to 2022. See Note 5 to our consolidated financial statements included elsewhere in this annual report for more information.

Share of Net Income (Loss) of Equity-accounted Investees

Our share of net income (loss) of equity-accounted investees includes the income or loss recognized from our associates and joint venture. In early 2022, we sold all our shares in Nanobank, which was classified as an associate. Currently our only remaining equity-accounted investee is nHorizon Innovation, an associate. In 2022, our share of losses of nHorizon exceeded our interest in the company, which resulted in us discontinuing to recognize our share of further losses. If nHorizon Innovation subsequently reports profits, we will resume to recognize our share of those profits only after our share of the profits equals the share of losses not recognized. We do not expect to recognize a material amount of net profits from our investment in nHorizon Innovation. The table below specifies the share of net income (loss) of equity-accounted investees (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Share of net income (loss) of equity-accounted investees	\$ (29,376)	\$ (6)	-	(100.0)%	N/A
<i>As a percentage of revenue</i>	(11.7)%	(0.0)%	N/A		

nHorizon Innovation generated a net loss in 2023 and in accordance with our accounting policy stated above, we did not recognize our share of that net loss. See Note 11 to our consolidated financial statements included elsewhere in this annual report for more information.

Impairment of Equity-accounted Investee

When an equity-accounted investee is classified as held for sale, we recognize impairment losses if its fair value less costs to sell is less than its carrying amount. We also recognize impairment loss for an equity-accounted investee when the recoverable amount of our investment is less than the carrying amount. Following the sale of our shares in Nanobank in March 2022, we do not hold material investments in equity-accounted investees. The table below specifies the amount of impairment of equity-accounted investee (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Impairment of equity-accounted investee	\$ (115,477)	-	-	N/A	N/A
<i>As a percentage of revenue</i>	(46.0)%	N/A	N/A		

We did not recognize any impairment of equity-accounted investees in 2023 or 2022.

Fair Value Gain on Investments

We hold investments in ordinary and preferred shares in OPay, ordinary shares in Fjord Bank and we held preferred shares in Star X until mid-2022, all of which were accounted for at fair value through profit or loss. Changes in the fair value of these shares are recognized as fair value gains (or losses) on investments. While Star X was classified as an associate of Opera, our investment in preferred shares in this company was accounted for at fair value because they gave access to returns that are not only associated with the underlying ownership interest. The table below specifies the amount of fair value gain on investments (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Fair value gain on investments	\$ 116,561	\$ 1,500	\$ 89,838	(98.7)%	5,889.2%
<i>As a percentage of revenue</i>	46.4%	0.5%	22.6%		

In 2023, we recognized an unrealized fair value gain of \$89.8 million on our shares in OPay due to changes to the inputs used in the valuation method to reflect the operational and financial development of OPay, including its prospects. For example, OPay quadrupled its user base through 2023. We took into account an updated estimate for the overall equity value of OPay, as well as the valuation implied in a smaller financing transaction that took place in late 2023. In 2022, we recognized an unrealized gain of \$1.5 million on our investment in OPay. See Note 11 to our consolidated financial statements included elsewhere in this annual report for more details on the value of the preferred and ordinary shares.

Net Finance Income (Expense)

Our finance income primarily includes interest income on deposits of cash with financial institutions and the net gain on investments in marketable securities, which we disposed of in the beginning of 2023.

In February 2023, we terminated our investment program under which up to \$70 million of our capital was used for investments in listed equity securities. See Note 16 to our consolidated financial statements included elsewhere in this annual report for more information on our capital management.

The net finance income (expense) also includes our net foreign exchange gain or loss, which is the net gain or loss arising from settlement or translation of monetary items denominated in currencies other than the functional currency is recognized as foreign exchange gain (loss) in our statement of operations. While we do not use derivatives for hedging purposes, we seek to minimize the exposure to foreign currency risk by holding our cash in U.S. Dollar to the greatest extent practically possible, however our cash inflows and outflows as measured in the U.S. Dollar are exposed to the strengthening and weakening of the U.S. Dollar versus other currencies in which our revenue is ultimately generated or cost ultimately incurred.

Our finance expense primarily includes interest expense on our leases of office properties and equipment. In 2022, our finance expense included a loss on our receivable from the sale of Nanobank. The receivable was settled in 2023.

The table below specifies the amounts of finance income, finance expense and foreign exchange gain (loss) (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Finance income	\$ 123	\$ 21,454	\$ 8,876	17,351.0%	(58.6)%
As a percentage of revenue	0.0%	6.5%	2.2%		
Finance expense	6,912	39,729	644	474.8%	(98.4)%
As a percentage of revenue	2.8%	12.0%	0.2%		
Foreign exchange gain (loss)	(1,814)	(1,157)	(963)	(36.2)%	(16.8)%
As a percentage of revenue	(0.7)%	(0.3)%	(0.2)%		
Net finance income (expense)	\$ 8,603	\$ (19,432)	\$ 7,269	125.9%	(137.4)%

We recorded a net finance income of \$7.3 million in 2023, compared to a net finance expense of \$19.4 million in 2022. The net finance income in 2023 included a gain of \$3.2 million on marketable securities held under the investment program that was terminated in February 2023. In 2022, the investment program generated a gain of \$15.9 million. Net finance income in 2023 also included a gain of \$1.1 million from the settlement of the receivable from the sale of Nanobank. In 2022, we recognized a loss of \$35.4 million on the same receivable, which was recognized as a finance expense.

Income Tax Expense

Our income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The vast majority of our revenue and operating profit is generated in countries with stable and transparent tax regimes, such as Norway, Ireland and Singapore, where the applicable tax rates were 22.0%, 12.5% and 17%, respectively. We do not expect significant exposure to other tax regimes over the foreseeable future.

Gains on our investment in OPay is not taxable income for Opera, which represents a significant factor in our low effective tax rate. There is no corporate tax in the Cayman Islands (see "Item 10. Additional Information—E. Taxation—Cayman Islands Tax Considerations"). If this investment provides additional realized or unrealized gains to us in the future, we expect a continuation of this factor to our effective tax rate as well in future periods.

We receive tax deductions from the exercise of equity awards granted to employees based on the fair value of the shares. For equity awards scheduled to vest in future periods, the amount of estimated future tax deduction, for which we recognize a deferred tax asset, is based on Opera's share price at the end of the reporting period. Where the amount of tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the current or deferred tax associated with the excess is recognized directly in equity. The table below specifies the amount of income tax expense (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Income tax expense	\$ 43	\$ 8,835	\$ 6,697	20,599.9%	(24.2)%
As a percentage of revenue	0.8%	2.7%	1.7%		

We recorded an income tax expense of \$6.7 million in 2023, as compared to an income tax expense of \$8.8 million in 2022. The effective tax rate, expressed as the percentage of income tax expenses to profit before income taxes, was 4.2% in 2023, as compared to an effective tax rate of 37.0% in 2022. Adjusted for the fair value gain on our investment in OPay, the effective tax rate in 2023 was 10.6%. The remaining variance versus statutory tax rates is mainly driven by other non-taxable finance income and changes in deferred tax assets and liabilities. In particular, as a result of the recognition in 2023 of a deferred tax asset of \$3.2 million related to tax deductions from RSUs exercised in prior periods, the income tax expense for the year was reduced by the same amount. See Note 8 to our consolidated financial statements included elsewhere in this annual report for more detail.

Profit (Loss) From Discontinued Operations

A discontinued operation is a component of Opera that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The net results of discontinued operations are presented separately in the statement of operations. The table below specifies the amount of profit (loss) from discontinued operations (in thousands, except for percentages):

	Year ended December 31,			Change	
	2021	2022	2023	2022 vs. 2021	2023 vs. 2022
Profit (loss) from discontinued operations	\$ (816)	-	-	N/A	N/A
As a percentage of revenue	(0.3)%	N/A	N/A		

In 2022 and 2023, we did not recognize any profit or loss from discontinued operations.

Non-IFRS Financial Measures: Adjusted EBITDA and Free Cash Flow from Operations

We collect and analyze operating and financial data to evaluate the health of our business and assess our performance. In addition to revenue, net income (loss), net cash flow from operating activities and other financial measures under IFRS Accounting Standards, we use adjusted EBITDA and, starting from 2023, free cash flow from operations to evaluate our business. We use these non-IFRS financial measures for financial and operational decision-making and as means to evaluate period-to-period comparisons. We believe Adjusted EBITDA provides meaningful supplemental information regarding our financial performance by excluding certain items that may not be indicative of recurring core business operating results, and that free cash flow from operations provides useful information regarding our liquidity, including ability to generate cash from business operations that is available for acquisitions and other investments, and for distributions to our shareholders.

We define Adjusted EBITDA as net income (loss) excluding (i) profit (loss) from discontinued operations, (ii) income tax (expense) benefit, (iii) net finance income (expense), (iv) share of net income (loss) of equity-accounted investees, (v) impairment of equity-accounted investees, (vi) fair value gain (loss) on investments, (vii) depreciation and amortization, (viii) impairment of non-financial assets, (ix) share-based remuneration, (x) non-recurring expenses, and (xi) other operating income.

We define free cash flow from operations as net cash flows from (used in) operating activities less (i) purchases of fixed and intangible assets, (ii) development expenditure and (iii) payment of lease liabilities.

We believe adjusted EBITDA and free cash flow from operations are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. However, these non-IFRS financial measures should not be considered substitutes for, or superior to, the financial information prepared and presented in accordance with IFRS Accounting Standards. Our calculations of adjusted EBITDA and free cash flow from operations may differ from similarly-titled non-IFRS measures, if any, reported by our peers. In addition, the non-IFRS financial measures may be limited in their usefulness because they do not present the full economic effects of certain items of income, expenses and cash flows. We compensate for these limitations by providing reconciliations of our non-IFRS financial measures to the most closely related financial measures in IFRS Accounting Standards. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view adjusted EBITDA and free cash flow from operations in conjunction with net income (loss) and net cash flow from operating activities.

The table below reconciles net income (loss) to adjusted EBITDA (in thousands):

	Year ended December 31,		
	2021	2022	2023
Net income (loss)	\$ (43,964)	\$ 15,035	\$ 153,301
Add (deduct):			
(Profit) loss from discontinued operations	816	-	-
Income tax expense (benefit)	43	8,835	6,697
Net finance expense (income)	8,603	18,224	(7,269)
Share of net loss (income) of equity-accounted investees	29,376	6	-
Impairment of equity-accounted investee	115,477	-	-
Fair value loss (gain) on investments	(116,561)	(1,500)	(89,838)
Depreciation and amortization	19,600	13,939	13,165
Impairment of non-financial assets	5,624	3,194	681
Share-based remuneration	10,466	9,304	16,950
Non-recurring expenses (1)	-	1,517	698
Other operating income	(466)	(469)	(666)
Adjusted EBITDA	\$ 29,013	\$ 68,084	\$ 93,719

- (1) The amount of non-recurring expenses in 2023 included certain audit, legal, and other advisory services acquired in connection with the secondary public offering completed in 2023 by a pre-IPO shareholder. These expenses were classified as other operating expenses in the consolidated financial statements included elsewhere in this annual report. In 2022, non-recurring expenses included \$1.2 million related to the disposal of Nanobank, which were classified as finance expenses, and \$0.3 million classified as other operating expenses.

The table below reconciles net cash flow from operating activities to free cash flow from operations (in thousands):

	Year ended December 31,		
	2021	2022	2023
Net cash flow from operating activities	\$ 26,564	\$ 56,662	\$ 82,761
Deduct:			
Purchase of equipment	(1,060)	(3,187)	(1,873)
Purchase of intangible assets	-	-	(250)

Development expenditure	(4,836)	(6,789)	(4,281)
Payment of lease liabilities	(5,119)	(3,837)	(3,907)
Free cash flow from operations	<u>\$ 15,549</u>	<u>\$ 42,849</u>	<u>\$ 72,451</u>

B. Liquidity and Capital Resources***Cash Flows and Working Capital***

Our principal source of liquidity is cash generated from our operating activities. As of December 31, 2022 and 2023, we had \$52.4 million and \$93.9 million, respectively, in cash and cash equivalents. Cash and cash equivalents consist of cash on hand, checking and demand deposits and restricted cash.

In early 2023, we issued a dividend of \$0.80 per ADS to all our shareholders, representing an aggregate dividend of \$71.3 million. \$59.0 million of the aggregate dividend payable was offset against receivables of the same amount due from two of our shareholders. On June 13, 2023, we adopted a recurring semi-annual cash dividend program. Our first semi-annual dividend of \$0.40 per ADS, or \$36.0 million in the aggregate, was declared on the same date and paid on July 12, 2023. The second semi-annual dividend of \$0.40 per ADS, or \$35.0 million in the aggregate, was declared on December 12, 2023 and paid on January 9, 2024. Opera's cash distributions to ADS-holders were limited to \$10.8 million and \$9.9 million for the first and second semi-annual dividends, respectively. The remaining \$25.1 million of each distribution that relates to ordinary shares and would otherwise be payable to Opera's majority shareholder, Kunlun, were offset against Opera's receivable from sale of investment, due from Kunlun following the sale of Opera's former stake in Star X. Future dividend payments on Kunlun's ordinary shares in Opera will also be offset until the Star X receivable with interest is fully satisfied.

Our cash and cash equivalents are primarily denominated in U.S. dollars, with limited amounts held in Euro, Norwegian Krone and other local currencies of the markets where we operate. We intend to finance our future working capital requirements and capital expenditures primarily from cash generated from operating activities as well as existing cash and cash equivalents. We believe that our current available cash and cash equivalents will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business for the next 12 months.

The following table sets forth a summary of our cash flows for the periods indicated (in thousands):

	For the year ended December 31,		
	2021	2022	2023
Net cash provided by (used in) operating activities	\$ 26,564	\$ 56,662	\$ 82,761
Net cash provided by (used in) investing activities	(49,703)	44,450	19,999
Net cash provided by (used in) financing activities	(6,683)	(150,578)	(59,843)
Net increase (decrease) in cash and cash equivalents	(29,822)	(49,465)	42,918
Cash and cash equivalents at beginning of the period	134,168	102,876	52,414
Effects of exchange rate change on cash and cash equivalents	(1,472)	(996)	(1,469)
Cash and cash equivalents at end of the period	\$ 102,876	\$ 52,414	\$ 93,863

Operating Activities

Net cash provided by operating activities was \$82.8 million in 2023. Operating profit in 2023 of \$62.9 million, adjusted for non-cash items such as depreciation, amortization, impairment and share-based payment of \$28.5 million, contributed a total of \$91.4 million, partially offset by changes in items of working capital such as trade receivables and payables by \$2.7 million. Income taxes paid in 2023 amounted to \$5.9 million.

In 2022, net cash provided by operating activities was \$56.7 million. Operating profit in 2022 of \$41.8 million, adjusted for non-cash items such as depreciation, amortization and share-based payment of \$25.8 million, contributed a total of \$67.6 million, partially offset by unfavorable changes in items of working capital such as trade receivables and payables by \$7.8 million. Income taxes paid in 2022 amounted to \$3.1 million.

Investing Activities

Net cash from investing activities was \$20.0 million in 2023, which was primarily attributable to \$23.4 million in proceeds from the sale of marketable securities. Interest income was \$3.0 million, while investments in the development of new products, equipment and intangible assets totaled \$6.4 million.

In 2022, net cash from investing activities was \$44.5 million, which was primarily attributable to \$36.9 million in proceeds from the sale of shares in Star X and Nanobank, and \$16.2 million in net proceeds from sale of marketable securities held as part of our former investment program. Cash used in investing activities included \$6.8 million of development expenditure and \$3.2 million used to purchase equipment.

Financing Activities

Net cash used in financing activities was \$59.8 million in 2023, which was primarily attributable to our share repurchase program under which we repurchased shares for \$32.7 million, and cash dividends paid totaling \$23.1 million. Payment of lease liabilities amounted to \$3.9 million.

In 2022, net cash used in financing activities was \$150.6 million, which was primarily attributable to our share repurchase program under which we repurchased shares for \$146.1 million. Payment of lease liabilities amounted to \$3.8 million.

Capital Expenditures

We made capital expenditures of \$10.0 million and \$6.4 million in 2022 and 2023, respectively. In these periods, our capital expenditures were used for purchase of equipment, intangible assets and development of new products.

Off-balance Sheet Arrangements

As of December 31, 2023, we did not have any off-balance sheet arrangements that had or were reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2023 (in thousands):

	Payment Due by Period			
	Total	Less than 1 Year	1-3 Years	More than 3 Years
Lease liabilities (1)	\$ 11,133	\$ 4,024	\$ 4,734	\$ 2,374
Trade and other payables	52,247	52,247	-	-
Income tax payable	1,838	1,838	-	-
Other liabilities	13,285	13,285	-	-
Purchase obligations (2)	20,850	19,600	1,250	-
Total contractual commitments	\$ 99,353	\$ 90,995	\$ 5,984	\$ 2,374

(1) Represents mainly leases of office properties and server equipment for hosting purposes.

(2) In November 2023, we entered into an agreement with a Norwegian reseller to purchase new AI equipment and related software together with installation on site in our colocation center in Iceland at a cost of \$18.6 million. The purchase was completed in March 2024. Moreover, as part of a strategic partnership agreement entered into in 2023 with AP Grant Foundation Company, an entity promoting the Celo platform, we have committed to purchasing CELO units for \$250 thousand per quarter until the first quarter of 2026.

A guarantee has been made by us in favor of Dell Bank International d.a.c., or Dell, as a security for all our present and future lease liabilities (as the lessee) to Dell. This guarantee is limited to a principal amount of 100 million Norwegian kroner (\$9.8 million), with the addition of any interests, costs and/or expenses accruing on the liabilities and/or as a result of non-fulfilment of the liabilities. The guarantee is valid until January 17, 2027.

C. Research and Development, Patents and Licenses, etc.

See “Item 4. Information on the Company—B. Business Overview—Technology.” and “Item 4. Information on the Company—B. Business Overview— Intellectual Property.”

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any other trends, uncertainties, demands, commitments or events for the period from January 1, 2023, to December 31, 2023, that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with IFRS Accounting Standards. Note 1 to our consolidated financial statements included elsewhere in this annual report specifies our critical accounting estimates.

Item 6. Directors, Senior Management and Employees**A. Directors and Senior Management**

The following table provides information regarding our directors and executive officers as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
James Yahui Zhou	47	Chairman of the Board and Chief Executive Officer
Lin Song	43	Director and Co-Chief Executive Officer
Xiaoling Qian	35	Director
Tian Jin	44	Director
Lori Wheeler Næss	53	Independent Director
Trond Riiber Knudsen	60	Independent Director
James Liu	51	Independent Director
Frode Jacobsen	41	Chief Financial Officer

James Yahui Zhou has served as our chairman and chief executive officer since July 2016. Mr. Zhou is the controlling shareholder of Kunlun Tech Co., Ltd. (300418:CH), a global internet company listed on the Shenzhen Stock Exchange, and had served as a director from April 2020 to May 2021, the chairman of the board from March 2011 to April 2020, and an executive director and general manager from March 2008 to March 2011 in Kunlun. Prior to that, he served as general manager of Beijing JiNaiTe Internet Technology Co., Ltd. from March 2007 to March 2008. From November 2005 to March 2007, Mr. Zhou was an executive officer in charge of new business development at RenRen Inc., a NYSE-listed company. From September 2000 to January 2004, Mr. Zhou was general manager of Beijing Huoshen Technology Co., Ltd. Mr. Zhou received his bachelor's degree in mechanical engineering and his master's degree in optical engineering from Tsinghua University in 1999 and 2006, respectively.

Lin Song has served as our co-chief executive officer since August 2020 and as a member of our board of directors since October 2022. He has worked for our group beginning in 2002 in Oslo, Norway and served as our chief operating officer from March 2017 to August 2020. Mr. Song has an engineering background and has served in various roles inside our group, including project manager of one of our group's earliest initiatives to enable full web browsing on mobile devices and as director of engineering delivery. Later on, he served as general manager of Opera's subsidiary in China and assisted in the establishment of Opera's R&D center in Beijing. Mr. Song has also served as a director of Otello Corporation ASA (OSE: OTEC), a Norwegian internet company, since June 2020. Mr. Song obtained a bachelor's degree in information systems from the University of International Business and Economics in 2004.

Xiaoling Qian has been a member of our board of directors since June 2021. Ms. Qian is an executive of Kunlun Tech. Co., Ltd. (300418:CH), a global internet company listed on the Shenzhen Stock Exchange. Ms. Qian has taken a leading role in managing Kunlun's investment in Opera and has worked with our other board members and the Opera management team since 2016. Ms. Qian obtained a bachelor's degree in Japanese from Zhejiang University in 2010.

Tian Jin was a member of our board of directors from December 2019 until June 2021, rejoining our board of directors in October 2022. Mr. Jin held positions of the vice general manager and secretary of the board of Kunlun Tech Co., Ltd. (300418:SZ), a global internet company listed on the Shenzhen Stock Exchange, from 2015 to 2018, the general manager since July 2020 to May 2021, and has been serving as a director since November 2018 and chairman of the board since July 2020. Prior to that, Mr. Jin had six years of experience in the banking industry. He held the positions of vice president of the customer development department of Nanjing Bank Beijing branch from 2010 to 2011 and vice president of the bank's Beichuan sub-branch from 2011 to 2015, and he also served as a key account manager of Agricultural Bank of China Beijing branch from 2009 to 2010. Before that, Mr. Jin worked at Heyi Ceramics (Shanghai) Co., Ltd., a high-end ceramics manufacturing company, where he served as the managing director and supervisor from 2000 to 2009. Mr. Jin received his bachelor's degree in marketing management from Upper Iowa University in 2006.

Lori Wheeler Næss has served as our independent director since July 2018. She has served as a director of the technical department of PricewaterhouseCoopers, a global auditing service provider, leading IFRS reviews for companies listed in Oslo from September 2012 to June 2015. Prior to that, Ms. Næss served as a senior advisor of the Section for Prospectuses and Financial Reporting of The Financial Supervisory Authority of Norway, a Norwegian government agency responsible for the supervision of financial companies from January 2011 to September 2012. She served as an audit director and manager for U.S. GAAP and SEC Reporting at PricewaterhouseCoopers and its predecessor Coopers & Lybrand at various offices in the United States, Norway and Germany from September 1994 to January 2011. Ms. Næss has also served as a board member and the audit committee chair of Golar LNG Limited, a Nasdaq-listed liquefied natural gas shipping company since March 2016 and served on its Nasdaq-listed limited partner, Golar LNG Partners Limited, from March 2016 until April 2021. Ms. Næss also served as a board member at Klaveness Combination Carriers ASA from January 2019 to April 2021, a shipping company listed on the Oslo Stock Exchange in Norway. Ms. Næss is a U.S. Certified Public Accountant (inactive). She received her bachelor's degree in business administration in 1994 and her master's degree in accounting in 1994 from the University of Michigan.

Trond Riiber Knudsen has served as our independent director since July 2018. Mr. Knudsen has served as the founder and CEO of TRK Group AS, an Oslo-based investment and advisory firm since June 2015. He worked at McKinsey & Company, a management consulting firm and served as a senior partner with responsibility for the company's marketing and sales practice from August 1992 to June 2015. Mr. Knudsen received his sivilingeniør (equivalent of a Master of Science degree) in structural engineering from the Norwegian University of Science and Technology in 1987 and a master's degree in business administration from Harvard University in 1992.

James Liu has served as our independent director since July 2019. Mr. Liu had over 20 years of experience with China’s high growth internet and technologies companies. From January 2008 to now, Mr. Liu served as an executive director and chief operating officer of RenRen Inc., a NYSE-listed company. Prior to that, in September 2003, he founded UUME.com (which was later acquired by RenRen in May 2005), one of the earliest social networking service websites in China. Previously, from February 2002 to August 2003, Mr. Liu served as the founding product management director at Fortinet (NASDAQ: FTNT), a Nasdaq-listed network security solution provider. From July 2000 to January 2002, he served as a product manager at Siebel Systems Inc., a U.S. software company. Mr. Liu started his career as a management consultant at Boston Consulting Group in China from September 1995 to August 1998. Mr. Liu earned his bachelor’s degree in computer science from Shanghai Jiao Tong University in 1995 and later received his MBA degree from Stanford University in 2000.

Frode Jacobsen has served as the chief financial officer of our group since April 2016. Prior to becoming our chief financial officer, he has worked as the senior vice president responsible for strategic initiatives beginning in February 2015 and as the senior director for corporate development beginning in January 2013. Prior to joining our group, Mr. Jacobsen worked for McKinsey & Company, a management consulting firm which conducts qualitative and quantitative analyses to inform management decisions across the public and private sectors, beginning in August 2008 and served as engagement manager before he left the position in January 2013. Mr. Jacobsen had served as a director of Otello Corporation ASA (OSE: OTEC), a Norwegian internet company, from December 2016 to June 2020. He graduated with a master’s degree in management from HEC Paris in 2008 and obtained his bachelor’s degree in economics and business administration from Norwegian School of Economics in 2006.

Board Diversity Matrix

The table below illustrates our board diversity matrix as of the date of this annual report. To see our Board Diversity Matrix as of April 20, 2023, please see our previous annual report on Form 20-F filed with the SEC on April 20, 2023.

Board Diversity Matrix				
Country of Principal Executive Offices:	Norway			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Directors	7			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	2	2	-	3
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	1			
LGBTQ+	-			
Did Not Disclose Demographic Background	5			

B. Compensation

Compensation of Directors and Executive Officers

In 2021, 2022 and 2023, we paid an aggregate of \$2.1 million, \$2.4 million and \$2.0 million, respectively, in cash and benefits to our directors and executive officers. Such amounts do not include the share-based compensation we paid to our directors and executive officers. For additional details, including share-based remuneration, see Note 4 to our consolidated financial statements included elsewhere in this annual report. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. We have no service contracts with any of our directors providing for benefits upon termination of employment.

Share Incentive Plan

We maintain a share incentive plan in order to attract, motivate, retain and reward talent, provide additional incentives to our officers, employees, directors and other eligible persons, and promote the success of our business and the interests of our shareholders.

We adopted the 2017 Restricted Share Unit Plan on April 7, 2017 and later adopted an Amended and Restated Share Incentive Plan on January 10, 2019, or the Plan, to promote the success of our business and the interests of our employees and shareholders by providing long term incentives in the form of Restricted Share Units, or RSUs, or Options, together with the RSUs, collectively the Awards, to attract, motivate, retain and reward our officers, employees, directors and other eligible persons and to link their interests with those of our shareholders.

Under this Plan, up to a maximum of 20,000,000 ordinary shares are available for Awards, corresponding to 10,000,000 ADSs. Each vested RSU (as reported) entitles the participant of the Plan to receive one ADS, subject to adjustments for dividend payments. Each vested option entitles the participant of the Plan to purchase one ADS at a defined price. As of December 31, 2023, 7,663,382 RSUs and Options to purchase 100,000 ADSs have been granted, net of forfeitures.

In February 2023, we completed the payment of a special dividend of \$0.80 per ADS to all of our shareholders, and as a consequence of this special dividend, non-exercised RSU grants in Opera were adjusted with the dividend yield, resulting in an increase of 218,020 RSUs. On June 13, 2023, we adopted a recurring semi-annual cash dividend program. Our first and second semi-annual dividends under the program, each being \$0.40 per ADS, have been paid in July 2023 and January 2024, respectively. As a result of these dividends, non-exercised RSU grants in Opera were adjusted with the dividend yield, resulting in an increase of 99,359 RSUs.

The following paragraphs summarize the terms of the Plan:

Plan administration. Our compensation committee or executive officers delegated by our compensation committee acts as the plan administrator.

Type of Awards. The Plan permits the award of Options or grant of RSUs singly, in combination or in tandem.

Award Agreement. Each Award is evidenced by an Award agreement between the Award recipient and our company.

Eligibility. All of our staff members are eligible for the grant of Awards under the Plan at the discretion of the compensation committee. A grant of Awards to any member of the compensation committee requires Board approval.

Vesting Schedule and Other Restrictions. The plan administrator has discretion in making adjustments in the individual vesting schedules and other restrictions applicable to the Awards granted under the Plan. The default vesting period is four years. So long as James Yahui Zhou is a member of the Board, he has authority to cancel equity instruments for any participant of this Plan that are scheduled to vest in the current vesting period, based solely on his assessment that such participant's professional performance has not been in line with the Company's expectations. The vesting period is set forth in each Award agreement.

Exercise price. The plan administrator has discretion in determining the price of the Awards, subject to a number of limitations. The plan administrator has absolute discretion in making adjustments to the exercise price of Options.

Payment. The plan administrator determines the methods by which payments by any recipient of any Awards under the Plan are made.

Transfer Restrictions. Except as permitted by the plan administrator, and subject to all the transfer restrictions under the applicable laws and regulations and restrictions set forth in the applicable award agreement, all Awards are not transferable or assignable.

Term of the Options. The term of any Option granted under the Plan cannot exceed ten years from its effective date.

The table below sets forth certain information as of the date of this annual report, concerning the outstanding Awards we have granted to our directors and executive officers individually.

Name	Type of Awards Granted	Ordinary Shares Underlying Outstanding Awards Granted	Price (\$/Share)	Date of Grant**	Date of Expiration
James Yahui Zhou	-	-	-	-	-
				04/2017, 12/2019,	11/2021, 01/2026,
Lin Song	*	*	*	02/2023	01/2027
Xiaoling Qian	-	-	-	-	-
Tian Jin	-	-	-	-	-
Lori Wheeler Næss	-	-	-	-	-
Trond Rieber Knudsen	-	-	-	-	-
James Liu	-	-	-	-	-
				04/2017, 02 and 05/2021,	11/2021, 01/2027
Frode Jacobsen	*	*	*	02/2023	01/2027

* The outstanding awards held by each of these directors and executive officers represent less than 1% of our total outstanding shares.

** Excluding dividend adjustment grant dates (issued at every dividend date to ensure that original grants maintain their value)

Kunlun's Share Incentive Plan

Starting in 2022, Kunlun, our parent company, has enrolled certain of our employees in its share incentive plan under which these employees have received options issued by Kunlun as a compensation for services provided to us. We do not have any obligation to settle the awards granted by Kunlun but grants from Kunlun to our employees are accounted for as equity-settled share-based payments in our consolidated financial statements, similar to those grants awarded under our own share incentive plan. None of our directors or executive officers are awarded with any options under Kunlun's share incentive plan. For details of Kunlun's share incentive plan, see Note 4 to our consolidated financial statements included elsewhere in this annual report.

Clawback Policy

In November 2023, the Board adopted a policy, effective from October 2, 2023, for the recovery of erroneously awarded incentive-based compensation (the “**Clawback Policy**”) providing for the recovery of certain incentive-based compensation from current and former executive officers of the Company in the event the Company is required to restate an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error was not corrected in the current period or left uncorrected in the current period. The adoption of the Clawback Policy was in accordance with Rule 5608 of the Nasdaq listing rules and Section 10D and Rule 10D-1 of the Securities Exchange Act Rule of 1934. A copy of the Clawback Policy has been filed herewith as Exhibit 97.1.

C. Board Practices

Our board of directors consists of seven directors. A director is not required to hold any shares in our company to qualify to serve as a director. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his interest at a meeting of our directors. A general notice given to the directors by any director to the effect that he is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm is deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he has an interest, and after such general notice it is not necessary to give special notice relating to any particular transaction. Subject to any separate requirement for audit committee approval under applicable law or the Nasdaq Stock Market Rules and disqualification by the chairman of the relevant board meeting, a director may vote in respect of any contract, proposed contract, arrangement or transaction notwithstanding that he may be interested therein and if he does so his vote is counted and he is counted in the quorum at any meeting of the directors at which any such contract, proposed contract, arrangement or transaction is considered, provided that the nature of the interest of any directors in such contract or transaction is disclosed by him at or prior to its consideration and any vote in that matter. Our board of directors may exercise all of the powers of our company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We have an audit committee, a compensation committee and a corporate governance and nominating committee under the board of directors. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Lori Wheeler Næss, Trond Riiber Knudsen and James Liu, and is chaired by Lori Wheeler Næss. Each of them satisfies the “independence” requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules and meet the independence standards under Rule 10A-3 under the Exchange Act. Our board of directors has also determined that Lori Wheeler Næss qualifies as an “audit committee financial expert” within the meaning of the SEC rules and possesses financial sophistication within the meaning of the Nasdaq Stock Market Rules. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- reviewing and approving all transactions with the Company's related parties;
- selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm;
- reviewing with our independent registered public accounting firm any audit problems or difficulties and management's response and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- periodically reviewing and reassessing the adequacy of our audit committee charter;
- meeting periodically with the management and our internal auditor and our independent registered public accounting firm;
- reporting regularly to the full board of directors;
- reviewing the adequacy and effectiveness of our financial reporting processes and internal control over financial reporting, as well as reviewing our policies, procedures and any steps taken to monitor and control major financial risk exposure; and
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time.

Compensation Committee. Our compensation committee consists of Trond Riiber Knudsen, James Liu and Xiaoling Qian, and is chaired by Trond Riiber Knudsen. Trond Riiber Knudsen and James Liu both satisfy the “independence” requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules. As a controlled company and foreign private issuer, we have elected to not have our compensation committee consist of entirely independent directors. Our compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee is responsible for, among other things:

- reviewing and approving to the board with respect to the total compensation package for our chief executive officer (if any);
- reviewing the total compensation package for our employees and recommending any proposed changes to our management;
- reviewing and recommending to the board with respect to the compensation of our directors;
- reviewing annually and administering all long-term incentive compensation or equity plans;
- selecting and receiving advice from compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person’s independence from management; and
- programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee consists of Lori Wheeler Næss, Trond Riiber Knudsen and James Liu, and is chaired by James Liu. Each of them satisfies the “independence” requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules. The corporate governance and nominating committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board of directors and its committees. The corporate governance and nominating committee is responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors or for appointment to fill any vacancy;
- reviewing annually with our board of directors its current composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- advising the board periodically with respect to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to our board of directors on all matters of corporate governance and on any corrective action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- convening shareholders’ annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares of our company, including the registering of such shares in our share register.

Terms of Directors and Executive Officers

Each of our directors holds office until his or her successor has been elected and qualified, until his or her resignation or until his or her office is otherwise vacated in accordance with our memorandum and articles of association. All of our executive officers are appointed by and serve at the discretion of our board of directors. Our directors may be appointed or removed from office by an ordinary resolution of shareholders. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns by notice in writing to our company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director; or (vi) is removed pursuant to our memorandum and articles of association then in effect. The compensation of our directors is determined by the board of directors. There is no mandatory retirement age for directors.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with our executive officers. Each of our executive officers is employed for a continuous term, or a specified time period which will be automatically extended, unless either we or the executive officer gives prior notice to terminate such employment. Subject to local labor regulations, we may terminate the employment for cause, at any time and without remuneration, for certain acts of the executive officer, including but not limited to the commitments of any serious or persistent breach or non-observance of the terms and conditions of the employment, conviction of a criminal offense other than one which in the opinion of the board does not affect the executive's position, willful, disobedience of a lawful and reasonable order, misconduct being inconsistent with the due and faithful discharge of the executive officer's material duties, fraud or dishonesty, or habitual neglect of his or her duties. An executive officer may terminate his or her employment at any time with a three- to six-month prior written notice.

Each executive officer has agreed to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use or disclose to any person, corporation or other entity without written consent, any confidential information or trade secrets. In addition, all executive officers have agreed to be bound by non-competition and non-solicitation restrictions set forth in their agreements. Subject to local labor regulations, each executive officer has agreed not to, for a certain period following termination of his or her employment or expiration of the employment agreement: (i) carry on or be engaged, concerned or interested directly or indirectly whether as shareholder, director, employee, partner, agent or otherwise carry on any business in direct competition with us, or (ii) employ, solicit or entice away or attempt to employ, solicit or entice away any of our officers, managers, consultants or employees.

We have entered into indemnification agreements with our directors and executive officers, pursuant to which we will agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or executive officer.

D. Employees

We had 606 and 592 full-time employees as of December 31, 2022 and 2023, respectively, mainly located in Norway, Poland, China, Sweden and the United Kingdom. As of December 31, 2023, 72% of our full-time employees served research and development roles. The following table sets forth the number of employees in each functional area as of the date indicated.

Area	As of December 31, 2023		
	R&D	Other	Total
Browser and News	285	44	329
Gaming	73	7	80
AdTech	33	9	42
Sales & Commercial	12	20	32
Hosting & Infrastructure	12	-	12
Group functions	14	83	97
Total	429	163	592

Additionally, as of December 31, 2023, we had engaged 60 contractors, and we had engaged 65 temporary employees to fill open positions for general and administrative, R&D, marketing and sales areas.

We believe we offer our employees competitive compensation packages and a discrimination-free, collegial and creative working environment. As a result, we have generally been able to attract and retain qualified employees and have had limited attrition at senior leadership levels.

We generally enter into standard confidentiality and employment agreements with our management and other employees. These contracts include a non-solicitation covenant, as well as a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for one year after the termination of his or her employment.

E. Share Ownership

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of the date of this annual report for:

- each of our directors and executive officers; and
- each person known to us to beneficially own more than 5% of our ordinary shares.

The calculations in the table below are based on 176,907,896 ordinary shares issued and outstanding as of the date of this annual report, equivalent to 88,453,948 ADSs in Opera Limited.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of the date of this annual report, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

Directors and Executive Officers: (1)	Ordinary Shares Beneficially Owned	Percentage of Total Voting Power held (%†)
James Yahui Zhou (2)	128,020,286	72.4%
Lin Song	*	*
Xiaoling Qian	-	-
Tian Jin	-	-
Lori Wheeler Næss	*	*
Trond Riiber Knudsen	*	*
James Liu	-	-
Frode Jacobsen	*	*
Principal Shareholders:		
Kunlun Tech Limited (3)	128,020,286	72.4%

* Less than 1% of our total outstanding shares.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days after the date of this annual report, by the sum of (i) 176,907,896, which is the total number of ordinary shares outstanding as of the date of this annual report, and (ii) the number of ordinary shares that such person or group has the right to acquire beneficial ownership within 60 days after the date of this annual report. The ordinary shares outstanding as of the date of this annual report excludes shares on deposit with our depository bank but for which the corresponding ADSs are held by Opera as a result of, for example, Opera's share repurchase programs. See "Item 16E Purchases of Equity Securities by the Issuer and Affiliated Purchasers" for further information.

(1) Unless otherwise indicated, the business address of our directors and executive officers is Vitaminveien 4, 0485 Oslo, Norway.

(2) Represents 125,666,666 ordinary shares and 1,176,810 ADSs held by Kunlun Tech Limited, a limited liability company incorporated in Hong Kong, of which 68.03% of the equity interest is owned by Kunlun Group Limited, a company incorporated in Hong Kong and wholly owned by Kunlun, and 31.97% of the equity interest is owned directly by Kunlun, a company incorporated in the People's Republic of China, in which Mr. Zhou is the controlling shareholder.

(3) Represents 125,666,666 ordinary shares and 1,176,810 ADSs held by Kunlun Tech Limited, a limited liability company incorporated in Hong Kong. As of the date of this annual report, Mr. Zhou directly holds 11.92% of the equity interest and indirectly holds 15.62% of the equity interest of Kunlun through Xinyu Yingrui Century Software R&D Center L.P., a limited partnership established in the People's Republic of China, or Xinyu Yingrui, which is co-owned by Mr. Zhou and his ex-wife. Mr. Zhou, holds 54.8% of the equity interest of Xinyu Yingrui and, as the general partner, has sole decision making authority in terms of how the partnership exercises its ownership rights in Kunlun Tech Co., Ltd. The registered address of Kunlun Tech Limited is FLAT/RM 3561, 35/F, Central Plaza, 18 Harbour Road, Wanchai, HK. The business address of Kunlun Group Limited is RM 3508, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The business address of Kunlun is 46 Xizongbu Hutong, Mingyang International Center, Block B, Dongcheng District, Beijing 100005, People's Republic of China.

As of the date of this annual report, we had no ordinary shares outstanding that were held by a record holder in the United States. None of our shareholders has informed us that it is affiliated with a registered broker-dealer or is in the business of underwriting securities. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

See “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

On January 12, 2023, we entered into a share transfer agreement with Kunlun Tech Limited, a subsidiary of Kunlun, and Keeneyes Future Holding Inc., each a shareholder in our company, for the sale of marketable securities, which we held as part of our investment program, as discussed in Note 16 to the consolidated financial statements included elsewhere in this annual report. The investment program was subsequently terminated. The share transfer agreement granted us the right and obligation to sell a variable number of marketable securities on January 31, 2023, to be determined by us but subject to an upper limit, for a fixed price per security sold determined as the daily average closing price over the 15 trading days preceding the agreement. As such, Kunlun Tech Limited and Keeneyes Future Holding Inc. were exposed to both upside and downside market price risk as of the date of the agreement. The transaction closed with a sufficient number of securities sold to offset the dividends payable to Kunlun Tech Limited and Keeneyes Future Holding Inc., equal to a total consideration of \$59.0 million determined based on the agreed price per security. At the date of closing, the market value of the shares based on their then-quoted price per share was \$74.0 million. Consequently, during the month of January 2023, we recognized \$15.5 million of fair value gain and a partially offsetting loss on disposal of \$15.0 million. The net gain of \$0.5 million on the shares sold was recognized as part of the net gain (loss) on the investment portfolio.

On April 21, 2022, we sold our 19.4% ownership interest in Star X to Kunlun for a fixed consideration of \$83.5 million in cash. Kunlun is a shareholder in our company, while Star X is a fellow subsidiary of Kunlun. An initial \$28.4 million installment was received in 2022. In mid-2023, as we declared the first semi-annual dividend of \$0.40 per ADS under the recurring cash dividend program adopted at the same time, the dividend payable on the ordinary shares held by Kunlun, totaling \$25.1 million, was offset against our Star X receivable. Future dividend payments on Kunlun’s ordinary shares in our company will also be offset until the Star X receivable is fully settled. See Notes 12 and 16 to our consolidated financial statements included elsewhere in this annual report for additional information about the receivable and dividend program, respectively.

In 2022 and 2023, Kunlun granted equity awards involving equity instruments of Kunlun to certain of our employees as compensation for services these employees provide to us. We do not have any obligation to settle the share-based payment transactions.

We acquired services from Kunlun, including a lease of office property in Beijing, China, and engineering services. Certain costs that we incur due to being a subsidiary of Kunlun are reimbursed by Kunlun. Similarly, we incurred certain costs related to personnel who were engaged by Star X, which were reimbursed by Star X to us.

We entered into a strategic cooperation agreement with nHorizon Infinite, under which nHorizon Infinite sources advertising inventory from supply-side platforms and publishers for us to sell to our customers. nHorizon Infinite is entitled to 30% of the net revenue we generate from the sale of the inventory. At the time the agreement was entered into, nHorizon Infinite was our joint venture, but subsequently the arrangement establishing joint control was terminated.

Additional details of our transactions with related parties are provided in Note 17 to our consolidated financial statements included elsewhere in this annual report.

Share Incentive Plan

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan.”

Employment Agreements and Indemnification Agreements

See “Item 6. Directors, Senior Management and Employees—C. Board Practice—Employment Agreements and Indemnification Agreements.”

C. Interest of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statement and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal and Administrative Proceedings

From time to time, we are subject to various legal proceedings, investigations and claims incidental to the conduct of our business. Such proceedings can be costly and time consuming, and are inherently unpredictable. Therefore, no assurance can be given of the final outcome of any proceeding or that such proceeding will not materially impact our financial condition or results of operation. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We are subject to risks related to litigation, including intellectual property claims and regulatory disputes.”

As of the date of this annual report, we are not a party to, nor are we aware of, any other legal proceeding, investigation or claim which, in the opinion of our management, is likely to have an adverse material effect on our business, financial condition or results of operations. We may periodically be subject to legal proceedings, investigations and claims relating to our business. We may also initiate legal proceedings to protect our rights and interests.

Dividend Policy

On June 13, 2023, our Board of Directors adopted a recurring semi-annual cash dividend program. Our first and second semi-annual dividends under the program, each being \$0.40 per ADS, for holders of Opera’s ordinary shares as well as ADSs, each representing two ordinary shares, have been paid to shareholders of record as of June 30, 2023 and January 3, 2024, in July 2023 and January 2024, respectively. We intend to pay regular semi-annual dividends, with each payment subject to the approval of our Board of Directors and to certain requirements of Cayman Islands law. The form, frequency and amount of future dividends will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

Our Board of Directors has discretion as to whether to continue, reduce or even cease distributing dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. When we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying the ADSs to the depository, as the registered holder of such ordinary shares, and the depository then will pay such amounts to the ADS holders who will receive payment to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. Dollars.

We are a holding company incorporated in the Cayman Islands. For our cash requirements, including any payment of dividends to our shareholders, we rely upon payments from our operating entities such as Opera Norway AS. Regulations in Norway where we utilize dividend payments may restrict the ability of our subsidiaries to pay dividends to us.

See “Risk Factors—Risks Related to Our ADSs—Your ability to achieve a return on your investment will depend on the combination of future dividend payments and the price appreciation of the ADSs.”

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our ADSs have been listed on the Nasdaq Global Select Market since July 27, 2018, and traded under the symbol “OPRA.” Each ADS represents two ordinary shares.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed on the Nasdaq Global Select Market since July 27, 2018, under the symbol “OPRA.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We incorporate by reference into this annual report our Second Amended and Restated Memorandum and Articles of Association, as currently in effect, filed as Exhibit 3.2 to our registration statement on Amendment No.1 to Form F-1 (File No. 333-226017), filed with the SEC on July 13, 2018.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 7. Major Shareholders and Related Party Transactions,” or elsewhere in this annual report.

D. Exchange Controls

The Cayman Islands currently has no exchange control regulations or currency restrictions.

E. Taxation

The following summary of Cayman Islands, Norway and U.S. federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws, or tax laws of jurisdictions other than the Cayman Islands, Norway, and the United States.

Cayman Islands Tax Considerations

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in or, after execution brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares or the ADSs will not be subject to taxation in the Cayman Islands and no withholding tax will be required on the payment of a dividend or capital to any holder of our ordinary shares or the ADSs, as the case may be, nor will gains derived from the disposal of our ordinary shares or the ADSs be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

Norway Tax Considerations

Below is a summary of the primary tax issue in Norway for Norwegian corporate holders of the ADSs.

The ADS is a financial instrument with shares in Opera Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, as the underlying object. For Norwegian tax purposes, the ADSs will not be covered by the participation exemption since the underlying object is an entity in a low tax jurisdiction outside the EEA. For limited liability companies (and certain similar entities) resident in Norway for tax purposes, dividends from the ADSs will be considered as taxable income. Gains on realization (including sales) of the ADSs will also be considered as taxable income for limited liability companies (and certain similar entities) resident in Norway for tax purposes. The tax rate for 2022 for limited liability companies (and certain similar entities) is 22% and will be 22% for 2023.

United States Federal Income Tax Considerations

The following discussion describes the material United States federal income tax consequences to a United States Holder (as defined below), under current law, of an investment in our ADSs or ordinary shares. This discussion is based on the federal income tax laws of the United States as of the date of this annual report, including the United States Internal Revenue Code of 1986, as amended, or the Code, existing and proposed Treasury regulations promulgated thereunder, judicial authority, published administrative positions of the IRS, and other applicable authorities, all as of the date of this annual report. All of the foregoing authorities are subject to change, which change could apply retroactively and could significantly affect the tax consequences described below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following discussion and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This discussion applies only to a United States Holder (as defined below) that holds our ADSs or ordinary shares as capital assets for United States federal income tax purposes (generally, property held for investment). The discussion neither addresses the tax consequences to any particular investor nor describes all of the tax consequences applicable to persons in special tax situations, such as:

- banks and certain other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- brokers or dealers in stocks and securities, or currencies;
- persons that use or are required to use a mark-to-market method of accounting;

- certain former citizens or residents of the United States subject to Section 877 of the Code;
- entities subject to the United States anti-inversion rules;
- tax-exempt organizations and entities;
- persons subject to the alternative minimum tax provisions of the Code;
- persons whose functional currency is other than the United States dollar;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own ADSs or ordinary shares representing 10% or more of our total voting power or value;
- persons who acquired ADSs or ordinary shares pursuant to the exercise of an employee equity grant or otherwise as compensation;
- partnerships or other pass-through entities, or persons holding ADSs or ordinary shares through such entities;
- persons required to accelerate the recognition of any item of gross income with respect to our ADSs or ordinary shares as a result of such income being recognized on an applicable financial statement; or
- persons that held, directly, indirectly or by attribution, ADSs or ordinary shares or other ownership interests in us prior to our initial public offering.

This discussion, moreover, does not address the United States federal estate, gift, Medicare, or alternative minimum tax considerations, or any state, local or non-United States tax considerations, relating to the ownership and disposition of our ADSs or ordinary shares.

Except as specifically described below, this discussion does not address any tax consequences or reporting obligations that may be applicable to persons holding our ADSs or ordinary shares through a bank, financial institution or other entity, or a branch thereof, located, organized or resident outside the United States, and does not describe any tax consequences arising in respect of the Foreign Account Tax Compliance Act, or FATCA regime.

If a partnership (including an entity or arrangement treated as a partnership for United States federal income tax purposes) holds our ADSs or ordinary shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership or partner in a partnership holding our ADSs or ordinary shares should consult its tax advisors regarding the tax consequences of investing in and holding our ADSs or ordinary shares.

THE FOLLOWING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE UNITED STATES FEDERAL ESTATE OR GIFT TAX LAWS OR THE LAWS OF ANY STATE, LOCAL OR NON-UNITED STATES TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of the discussion below, a “United States Holder” is a beneficial owner of our ADSs or ordinary shares that is, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable Treasury regulations to treat such trust as a domestic trust.

The discussion below assumes that the representations contained in the deposit agreement and any related agreement are true and that the obligations in such agreements will be complied with in accordance with their terms.

ADSs

If you own our ADSs, then you should be treated as the owner of the underlying ordinary shares represented by those ADSs for United States federal income tax purposes. Accordingly, deposits or withdrawals of ordinary shares for ADSs should not be subject to United States federal income tax.

Dividends and Other Distributions on our ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, the gross amount of any distribution that we make to you with respect to our ADSs or ordinary shares (including any amounts withheld to reflect withholding taxes) will be taxable as a dividend, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) will be includable in your gross income on the day actually or constructively received by you, if you own our ordinary shares, or by the depository, if you own our ADSs. If a distribution exceeds the amount of our current and accumulated earnings and profits, as so determined under United States federal income tax principles, the excess will be treated first as a non-taxable return of capital to the extent of the United States Holder's tax basis in the ordinary shares or ADSs, and thereafter as capital gain, which will be either long-term or short-term capital gain depending on whether the United States Holder held the ordinary shares or ADSs for more than one year.

Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid generally will be reported as a "dividend" for United States federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to qualifying corporations under the Code.

Dividends received by a non-corporate United States Holder may qualify for the lower rates of tax applicable to "qualified dividend income," if the dividends are paid by a "qualified foreign corporation" and other conditions discussed below are met. A non-United States corporation is treated as a qualified foreign corporation (i) with respect to dividends paid by that corporation on shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States or (ii) if such non-United States corporation is eligible for the benefits of a qualifying income tax treaty with the United States that includes an exchange of information program. We do not expect to be eligible for the benefits of such an income tax treaty. In addition, a non-United States corporation will not be treated as a qualified foreign corporation if it is a PFIC in the taxable year in which the dividend is paid or the preceding taxable year.

Under a published IRS Notice, common or ordinary shares, or ADSs representing such shares (such as our ADSs), are considered to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq Global Select Market, as our ADSs are (but not our ordinary shares). Based on existing guidance, it is unclear whether the ordinary shares will be considered to be readily tradable on an established securities market in the United States, because only our ADSs, and not the underlying ordinary shares, are listed on a securities market in the United States. We believe, but we cannot assure you, that dividends we pay on the ordinary shares that are represented by our ADSs, but not on the ordinary shares that are not so represented, will, subject to applicable limitations, be eligible for the reduced rates of taxation applicable to "qualified dividend income."

Even if dividends would be treated as paid by a qualified foreign corporation, a non-corporate United States Holder will not be eligible for reduced rates of taxation if it does not hold our ADSs or ordinary shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date (disregarding certain periods of ownership while the United States Holder's risk of loss is diminished) or if such United States Holder elects to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code. In addition, the rate reduction will not apply to dividends of a qualified foreign corporation if the non-corporate United States Holder receiving the dividend is obligated to make related payments with respect to positions in substantially similar or related property.

You should consult your tax advisors regarding the availability of the lower tax rates applicable to qualified dividend income for any dividends that we pay with respect to our ADSs or ordinary shares, as well as the effect of any change in applicable law after the date of this annual report.

Any non-United States withholding taxes imposed on dividends paid to you with respect to our ADSs or ordinary shares may be treated as foreign taxes eligible for deduction or credit against your United States federal income tax liability, subject to the various limitations and disallowance rules that apply to foreign tax credits generally (including that the election to deduct or credit foreign taxes applies to all of your other applicable foreign taxes for a particular tax year). For purposes of calculating the foreign tax credit limitation, dividends paid to you with respect to our ADSs or ordinary shares will be treated as income from sources outside the United States and generally will constitute passive category income, or in certain cases, general category income. Regulations impose additional requirements that must be met for a foreign tax to be creditable (including requirements that a "covered withholding tax" be imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of a "net income tax", which may be unclear or difficult to determine). However, a recent IRS notice provides temporary relief from certain of these requirements if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances.

Disposition of our ADSs or Ordinary Shares

You will recognize gain or loss on a sale or exchange of our ADSs or ordinary shares in an amount equal to the difference between the amount realized on the sale or exchange and your tax basis in our ADSs or ordinary shares. Subject to the discussion under “—Passive Foreign Investment Company” below, such gain or loss generally will be capital gain or loss. Capital gains of a non-corporate United States Holder, including an individual that has held our ADSs or ordinary shares for more than one year currently are eligible for reduced tax rates. The deductibility of capital losses is subject to limitations.

Any gain or loss that you recognize on a disposition of our ADSs or ordinary shares generally will be treated as United States-source income or loss for foreign tax credit limitation purposes. Under U.S. regulations, non-United States withholding tax imposed on such U.S. source gain may not constitute a creditable tax. You should consult your tax advisors regarding the proper treatment of gain or loss, as well as the availability of a foreign tax credit, in your particular circumstances.

Passive Foreign Investment Company

Based on the market price of our ADSs, the value of our assets and the nature and composition of our income and assets, we do not believe that we were a PFIC for United States federal income tax purposes for our taxable year ended December 31, 2023, although there can be no assurances in this regard. The determination of PFIC status is based on an annual determination that cannot be made until the close of a taxable year, involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income that we earn, and is subject to uncertainty in several respects. Moreover, we cannot assure you that the IRS will agree with any position that we take. Accordingly, there can be no assurance that we will not be treated as a PFIC for any taxable year or that the IRS will not take a contrary position to any determination we make.

We will be treated as a PFIC for United States federal income tax purposes for any taxable year if, applying applicable look-through rules, either:

- at least 75% of our gross income for such year is passive income; or
- at least 50% of the value of our assets (generally determined based on a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than certain royalties and rents derived in the active conduct of a trade or business and not derived from a related person). We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% by value of the stock.

Changes in the nature or composition of our income or assets, including as a result of our investment in new businesses, products, services and technologies, may cause us to be or become a PFIC. The determination of whether we will be a PFIC for any taxable year may depend in part upon the value of our goodwill and other unrecorded intangibles not reflected on our balance sheet (which may depend upon the market value of our ADSs or ordinary shares from time to time, which may be volatile) and also may be affected by how, and how quickly, we spend our liquid assets and the cash we generate from our operations and raise in any offering. In estimating the value of our goodwill and other unrecorded intangibles, we have taken into account our market capitalization. Among other matters, if our market capitalization declines, we may be or become a PFIC for the current or future taxable years because our liquid assets and cash (which are for this purpose considered assets that produce passive income) may then represent a greater percentage of the value of our overall assets. Further, while we believe our classification methodology and valuation approach are reasonable, it is possible that the IRS may challenge our classification or valuation of our goodwill and other unrecorded intangibles, which may result in our being or becoming a PFIC for our taxable year ended December 31, 2023, the current taxable year or one or more future taxable years.

If we are a PFIC for any taxable year during your holding period for our ADSs or ordinary shares, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold our ADSs or ordinary shares, unless we were to cease to be a PFIC and you make a “deemed sale” election with respect to our ADSs or ordinary shares. If such election is made, you will be deemed to have sold the ADSs or ordinary shares you hold at their fair market value and any gain from such deemed sale would be subject to the rules described in the following two paragraphs. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, such ADSs or ordinary shares with respect to which such election was made will not be treated as shares in a PFIC and, as a result, you will not be subject to the rules described below with respect to any “excess distribution” you receive from us or any gain from a sale or other taxable disposition of our ADSs or ordinary shares. You are strongly urged to consult your tax advisors as to the possibility and consequences of making a deemed sale election if we are and then cease to be a PFIC and such an election becomes available to you.

If we are a PFIC for any taxable year during your holding period for our ADSs or ordinary shares, then, unless you make a “mark-to-market” election (as discussed below), you generally will be subject to special and adverse tax rules with respect to any “excess distribution” that you receive from us and any gain that you recognize from a sale or other disposition, including a pledge, of the ADSs or ordinary shares. For this purpose, distributions that you receive in a taxable year that are greater than 125% of the average annual distributions that you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution. Under these rules:

- the excess distribution or recognized gain will be allocated ratably over your holding period for the ADSs or ordinary shares;
- the amount of the excess distribution or recognized gain allocated to the taxable year of distribution or gain, and to any taxable years in your holding period prior to the first taxable year in which we were treated as a PFIC, will be treated as ordinary income; and
- the amount of the excess distribution or recognized gain allocated to each other taxable year will be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year and the resulting tax will be subject to the interest charge generally applicable to underpayments of tax.

If we are a PFIC for any taxable year during your holding period for our ADSs or ordinary shares and any of our non-United States subsidiaries that are corporations (or other corporations in which we directly or indirectly own equity interests) is also a PFIC, you would be treated as owning a proportionate amount (by value) of the shares of each such non-United States corporation classified as a PFIC (each such corporation, a lower-tier PFIC) for purposes of the application of these rules. You should consult your tax advisors regarding the application of the PFIC rules to any of our lower-tier PFICs.

If we are a PFIC for any taxable year during your holding period for our ADSs or ordinary shares, then in lieu of being subject to the tax and interest-charge rules discussed above, you may make an election to include gain on our ADSs or ordinary shares as ordinary income under a mark-to-market method, provided that such ADSs or ordinary shares constitute “marketable stock.” Marketable stock is stock that is regularly traded on a qualified exchange or other market, as defined in applicable Treasury regulations. Our ADSs, but not our ordinary shares, are listed on the Nasdaq Global Select Market, which is a qualified exchange or other market for these purposes. Consequently, as long as our ADSs remain listed on the Nasdaq Global Select Market and are regularly traded, and you are a holder of such ADSs, we expect that the mark-to-market election would be available to you if we were a PFIC, but no assurances are given in this regard.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, if we were a PFIC for any taxable year, a United States Holder that makes a mark-to-market election with respect to our ADSs or ordinary shares may continue to be subject to the tax and interest charges under the general PFIC rules with respect to such United States Holder’s indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

In certain circumstances, a United States Holder of shares in a PFIC may avoid the adverse tax and interest-charge regime described above by making a “qualified electing fund” election to include in income its share of the corporation’s income on a current basis. However, you may make a qualified electing fund election with respect to our ADSs or ordinary shares only if we agree to furnish you annually with a PFIC annual information statement as specified in the applicable Treasury regulations. We currently do not intend to prepare or provide the information that would enable you to make a qualified electing fund election.

A United States Holder that holds our ADSs or ordinary shares in any year in which we are a PFIC will be required to file an annual report containing such information as the United States Treasury Department may require. In addition, under certain circumstances, regulations also require a “United States person” (as such term is defined in the Code) that owns an interest in a PFIC as an indirect shareholder through one or more United States persons to file an annual report for any taxable year during which such indirect shareholder is treated as receiving an excess distribution in connection with the ownership or disposition of such interest, or reports income pursuant to a mark-to-market election.

You should consult your tax advisors regarding the application of the PFIC rules to your ownership and disposition of our ADSs or ordinary shares and the availability, application and consequences of the elections discussed above.

Information Reporting and Backup Withholding

Information reporting to the IRS and backup withholding generally will apply to dividends in respect of our ADSs or ordinary shares, and the proceeds from the sale or exchange of our ADSs or ordinary shares, that are paid to you within the United States (and in certain cases, outside the United States), unless you furnish a correct taxpayer identification number and make any other required certification, generally on IRS Form W-9, or you otherwise establish an exemption from information reporting and backup withholding. Backup withholding is not an additional tax. Amounts withheld as backup withholding generally are allowed as a credit against your United States federal income tax liability, and you may be entitled to obtain a refund of any excess amounts withheld under the backup withholding rules if you file an appropriate claim for refund with the IRS and furnish any required information in a timely manner. United States Holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

United States Holders who are individuals (and certain entities closely held by individuals) generally will be required to report our name, address and such information relating to an interest in our ADSs or ordinary shares as is necessary to identify the class or issue of which our ADSs or ordinary shares are a part. These requirements are subject to exceptions, including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions and an exception applicable if the aggregate value of all “specified foreign financial assets” (as defined in the Code) does not exceed \$50,000 (and in some circumstances, a higher threshold).

United States Holders should consult their tax advisors regarding the application of these information reporting rules.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We previously filed with the SEC a registration statement on Form F-1 (File No. 333-226017), as amended, including the prospectus contained therein to register our ordinary shares in relation to our initial public offering. We later filed with the SEC a registration on Form F-3 (File No. 333-233691), as amended, including the prospectus contained therein to register our ordinary shares in relation to our follow-on offering and a registration on Form F-3 (File No. 333-273242), as amended, including the prospectus contained therein to register our ordinary shares in relation to follow-on offerings of us or the selling securityholders. We also filed with the SEC a related registration statement on Form F-6 (File No. 333-226171) to register the ADSs and a registration statement on Form S-8 (File No. 333-229285) to register our securities to be issued under our Amended and Restated Share Incentive Plan.

We are subject to the periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year. Copies of reports and other information, when so filed with the SEC, can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the Commission at 1-800-SEC-0330.

The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We will furnish The Bank of New York Mellon, the depositary of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in accordance with IFRS Accounting Standards, and all notices of shareholders’ meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders’ meeting received by the depositary from us.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about our exposure to market risks are provided in Note 16 to our consolidated financial statements included elsewhere in this annual report.

Item 12. Description of Securities Other Than Equity SecuritiesA. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

The Bank of New York Mellon, as depositary, registered and delivered ADSs, each representing two ordinary shares of the Company. The depositary's office at which the ADSs are administered and its principal executive office is located at 240 Greenwich Street, New York, New York 10286.

Fees and Expenses

Our ADS holders are required to pay the following service fees to the depositary bank, the Bank of New York Mellon, and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of ADSs):

Persons depositing or withdrawing shares or ADS holders must pay:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

\$0.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

\$0.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

For:

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

Any cash distribution to ADS holders

Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders

Depositary services

Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares

Cable and facsimile transmissions (when expressly provided in the deposit agreement)

Converting foreign currency to U.S. Dollars

As necessary

As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account.

The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payments by Depositary

In 2023, we did not receive payments from The Bank of New York Mellon, the depositary bank for our ADS program.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

See "Item 10. Additional Information" for a description of the rights of shareholders, which remain unchanged.

Item 15. Controls and Procedures

A. Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this annual report, as required by Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our management has concluded that due to material weakness (as defined in Rule 12b-2 of the Exchange Act) in internal control over financial reporting as further described below, as of December 31, 2023, our disclosure controls and procedures were ultimately not effective.

Our management has performed additional analysis and procedures in preparing our consolidated financial statements. We have concluded that our consolidated financial statements, in all material respects, fairly present our financial condition, results of operations and cash flows at and for the periods presented. Further, a remediation plan is being undertaken to address the deficiencies.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) under the Exchange Act, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with IFRS Accounting Standards. The company's internal control over financial reporting includes policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS Accounting Standards and that receipts and expenditures are being made only in accordance with authorizations of the management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements.

As required by Section 404 of the Sarbanes-Oxley Act and related rules as promulgated by the U.S. Securities and Exchange Commission, our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2023, based on the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management has concluded that our internal control over financial reporting as of December 31, 2023, was not effective due to the presence of control deficiencies set out below in the section "Material Weakness in Internal Control over Financial Reporting" which in accordance with the rules and regulations of the U.S. Securities and Exchange Commission constituted material weakness in our internal control over financial reporting. Rule 12b-2 of the Exchange Act defines a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Material Weakness in Internal Control over Financial Reporting

We had insufficient competence and capacity to maintain effective internal control across all activities related to financial reporting in accordance with the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our risk assessment procedures to identify risks of material misstatements, including risks of fraud, were not performed in a timely manner, resulting in the insufficient design, implementation and operation of business and IT general controls to effectively address such risks. Due to ineffective IT general controls, automated controls and controls dependent on these as well as completeness and accuracy of information derived from relevant IT systems were rendered ineffective. Each such area of deficiencies constituted a material weakness in our internal control over financial reporting under the definition of the Exchange Act.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, KPMG AS, which audited the consolidated financial statements included in this annual report, has expressed an adverse opinion on the Company's internal control over financial reporting.

C. Attestation Report of the Registered Public Accounting Firm

To the Shareholders and Board of Directors of Opera Limited:

Opinion on Internal Control Over Financial Reporting

We have audited Opera Limited and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2023 and the related notes (collectively, the consolidated financial statements), and our report dated April 24, 2024 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to insufficient competence and capacity to maintain effective internal control over financial reporting; risk assessment procedures to identify risks of material misstatements, including risk of fraud, not being performed in a timely manner, resulting in the insufficient design, implementation and operation of business and general IT controls; and automated controls and controls dependent upon the completeness and accuracy of information derived from IT systems being rendered ineffective because they are affected by the lack of IT general controls, have been identified and included in management's assessment. The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2023 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG AS

Oslo, Norway

D. Changes in Internal Control Over Financial Reporting

Management has evaluated, with the participation of our chief executive officer and chief financial officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Management has concluded that while we are making progress on remediating our instances of material weakness, we cannot at this stage conclude that our internal control over financial reporting has sufficiently improved during the period covered by this annual report on Form 20-F.

Remediation Plan

While there have been improvements throughout the year, there continued to be insufficient competence and capacity to perform all activities required in a timely manner. Our management is strengthening our remediation efforts to address the deficiencies described above, and will continue to do so through the following actions:

- In recognition of the criticality of maintaining and enhancing the overall internal control environment, we will prioritize continued training of personnel involved in the performance of internal controls, and look for opportunities to further strengthen our team, to ensure continuous improvement and effective operation. In 2023, we strengthened our team through strategic hiring to increase capacity and address gaps in competence. We will continue to engage external support as necessary.
- We will undertake measures to ensure that risks of material misstatements are appropriately identified and addressed by controls and enhance the quality of the existing control frameworks.
- We will continue efforts to standardize, clarify and automate control procedures for enhanced effectiveness. This initiative will prioritize the integration of control procedures into routine and ongoing processes while ensuring proper documentation and timely execution.
- We will address IT dependencies for business process controls by enhancing the quality of the IT general controls over systems involved in processing key financial information and tools supporting effective operation of internal controls.
- We will continue to report on our progress and discuss our remediation efforts with our officers and the audit committee. To our knowledge, our deficiencies do not indicate ineffectiveness in the supervision of internal controls by our audit committee or management in accordance with PRC rules and regulations as applicable to our parent company, which is a Chinese public company listed on the Shenzhen Stock Exchange.

These remediation measures require significant effort, and are time-consuming, costly, and affecting our operational resources. Once completed, management believes the remediation plan will effectively resolve the deficiencies. As the remediation plan is implemented, management may take additional measures or modify the plan described above.

Item 16. [Reserved]**Item 16A. Audit Committee Financial Expert**

Our board of directors has determined that Lori Wheeler Næss, an independent director and a member of our audit committee, qualifies as an “audit committee financial expert” within the meaning of the SEC rules and possesses financial sophistication within the meaning of the Nasdaq Stock Market Rules. Ms. Næss meets the independence standards under Rule 10A-3 under the Exchange Act.

Item 16B. Code of Ethics

We have adopted a code of business conduct and ethics that applies to all of our directors, officers and employees, including our chief executive officer and chief financial officer. We have filed our code of business conduct and ethics as Exhibit 99.1 to our registration statement on Form F-1 (file No. 333-226017) initially filed with the SEC on June 29, 2018. On August 18, 2023, our board of directors adopted an amended and restated code of business conduct and ethics, which is filed herewith with this annual report. Our code of business conduct and ethics is also available on our website at <https://investor.opera.com>. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person’s written request.

Item 16C. Principal Accountant Fees and Services

KPMG AS, Oslo, Norway (PCAOB ID 1363), is our independent registered public accounting firm. The following table sets forth the estimated aggregate fees for professional services and other services rendered by KPMG AS for the years ended December 31, 2022 and 2023 (in thousands):

	For the Year Ended December 31,	
	2022	2023
Audit fees	\$ 1,832	\$ 3,094
Audit-related fees	\$ -	\$ -
Tax fees	\$ 23	\$ 11
All other fees	\$ -	\$ -

“Audit fees” include the audit of our annual financial statements and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years including review of documents filed with the SEC. “Audit-related fees” means the aggregate fees billed for professional services rendered by our principal auditors for the assurance and related services, which were not included under Audit fees above. “Tax fees” means the aggregate fees billed in each of the fiscal periods listed for professional services rendered by our principal auditors for tax compliance. “All other fees” means the aggregate fees billed for each of the fiscal years listed for products or professional services rendered by our independent registered public accounting firm not included in Audit fees, Audit-related fees or Tax fees.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by KPMG AS, our independent registered public accounting firm, including audit services and audit-related services as described above.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Prior to 2022, we have historically repurchased an aggregate of 7,476,455 ADSs under two separate share repurchase programs announced in 2018 and 2020, which were terminated in 2019 and 2021, respectively.

On January 20, 2022, we announced that our board of directors had approved a new share repurchase program, or the 2022 Share Repurchase Program, which authorized us to execute the repurchase of up to \$50 million of ADSs by March 31, 2024, in any form that management may deem appropriate. On November 1, 2023, the 2022 Share Repurchase Program was completed following the repurchase of an aggregate of 6,119,841 ADSs at a total cost of \$50 million.

The following table provides information about the ADSs we repurchased during the year ended December 31, 2023 (in thousands, except for total number of ADSs and average price paid per ADS amounts):

Period	(a) Total Number of ADSs (1) Purchased	(b) Average Price Paid per ADS (1)	(c) Total Number of ADSs(1) Purchased as Part of Publicly Announced Plans or Programs (2)	(d) Maximum Number (or Approximate Dollar Value) of ADSs that May Yet Be Purchased Under the Plans or Programs (2)
January 1, 2023 to January 31, 2023	211,721	\$ 6.62	211,721	\$ 31,294
February 1, 2023 to February 28, 2023	158,441	\$ 6.71	158,441	\$ 30,231
March 1, 2023 to July 31, 2023	-	\$ -	-	\$ 30,231
August 1, 2023 to August 31, 2023	356,988	\$ 14.16	356,988	\$ 25,176
September 1, 2023 to September 30, 2023	884,242	\$ 13.77	884,242	\$ 13,001
October 1, 2023 to October 31, 2023	1,152,684	\$ 11.27	1,152,684	\$ 15
November 1, 2023 to November 30, 2023	1,270	\$ 11.32	1,270	\$ -
Total	2,765,346	\$ 11.83	2,765,346	\$ -

(1) Each ADS represents two ordinary shares.

(2) All purchases were under the 2022 Share Repurchase Program.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a Cayman Islands exempted company listed on the Nasdaq Global Select Market, we are subject to Nasdaq corporate governance listing standards. However, Rule 5615(a)(3) of the Nasdaq Stock Market Rules permits foreign private issuers like us to follow certain home country corporate governance practices in lieu of certain provisions of the Rule 5600 Series of the Nasdaq Stock Market Rules. A foreign private issuer that elects to follow a home country practice instead of such provisions, must disclose in its annual reports each requirement that it does not follow and describe the home country practice followed by it.

Our current corporate governance practices differ from Nasdaq corporate governance requirements for U.S. companies in certain respects, as summarized below:

- Rule 5605(b)(1) of the Nasdaq Stock Market Rules requires a Nasdaq-listed company to have a majority of the board be independent. In this regard we have elected to adopt the practices of our home country, the Cayman Islands, which practices do not require a majority independent board; and
- Rule 5605(d)(2) of the Nasdaq Stock Market Rules requires a Nasdaq-listed company to have a compensation committee composed solely of independent directors to determine or recommend the compensation of the executive officers of the company. In this regard we have elected to adopt the practices of our home country, the Cayman Islands, which practices do not require that any of the members of a company's compensation committee be independent directors.

We have relied on and intend to continue to rely on some of these exemptions.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will be applicable to the Company from the fiscal year ending December 31, 2024.

Item 16K. Cybersecurity

Cyber-attacks are prevalent in the internet and technology sector in which we operate. Supervised by the audit committee, our experienced management team is responsible for identifying, assessing and mitigating cybersecurity risks. Our overall approach aims to address cybersecurity risks collaboratively and through a cross-function approach as part of our broader risk management process, with a particular focus on safeguarding the confidentiality of end-user information with which we have been entrusted. This involves identifying, preventing, and mitigating cybersecurity threats, as well as promptly and effectively responding to any cybersecurity incidents that may arise.

We employ a variety of strategies and measures to identify, assess and mitigate cybersecurity risks. Cybersecurity is the shared responsibility of our Security team, Global IT and various product teams. Our Security team promulgates security and data protection standards in the form of our Security Policy and related documents. Global IT maintains our network infrastructure, manages our collocation providers and supervises use of third-party information systems in accordance with our security standards. Our product teams design and operate software applications in accordance with our standards, each maintaining a “security champion” as point of contact for security related topics. For example:

a. *Development Practices*: Our Security team promulgates a Product Security Standard under our Security Policy. Product teams are expected to adhere to the standard by conducting the required threat modeling, security reviews by security champions, as well as automated scanning and product monitoring. The standard also provides instructions on secure development best practices and the implementation of security requirements in our software applications.

b. *Information Security*: Our Security team promulgates an Information Security Standard under our Security Policy. Global IT is expected to implement the standard’s requirements relating to network access controls, password and authentication, and endpoint security. The standard also generally requires that the third-party collocation centers we use have a valid ISO 27001 certificate and that our servers are placed in special access zones.

c. *Security Audits*: The Security team’s security engineers conduct periodic audits of significant new and changed infrastructure elements, as well as risk assessments of new third-party service providers. We have a security-risk exception process where minor risks can be accepted by security team members and bigger risks require a business owner’s approval. Security exceptions are regularly monitored and reviewed quarterly by the Security team. We have not engaged assessors, consultants, auditors, or other third parties in connection with any such processes.

d. *Penetration Testing*: Our Security team conducts penetration testing of systems and leverages external resources, including retaining a security consultant and maintaining an active bug bounty program which encourages white hat hackers to identify and report to us security vulnerabilities in our systems.

e. *Security Awareness Training*: Our Security team periodically provides security awareness training to our employees, educating them about common cybersecurity risks, phishing attacks, social engineering tactics, and safe online practices.

Despite the measures we have taken to protect our systems, our systems have in some cases been breached in the past and we cannot guarantee that, despite our best efforts, they will not be breached again in the future.

Board Oversight

Pursuant to its charter, our audit committee has been delegated responsibility for discussing risk assessment and risk management with our management, as well as the actions management has taken to limit, monitor or control risk exposures, including with respect to cybersecurity threats. Management presents risk management issues to the audit committee on a quarterly basis. The audit committee is responsible for ensuring that our management has processes in place designed to identify and evaluate cybersecurity risks to which the company is exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. Our board of directors also includes additional directors with extensive experience in the internet and technology sector. See Item 6. Directors, Senior Management and Employees. For example, Director James Liu sits on our audit committee and has over 20 years of experience in internet and technologies companies and holds a bachelor’s degree in computer science from Shanghai Jiao Tong University. The work of the audit committee is reported to our board on a quarterly basis.

Management’s Role

Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, and putting in place appropriate mitigation measures. The Opera Risk Management Standard describes our approach to identifying, assessing, and mitigating risks in general, including cybersecurity risks in particular. Our management works collaboratively to implement risk management standards and reports prompt and timely information to our audit committee regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident when appropriate.

Our VP of Group IT, Mr. Krystian Zubel, is appointed as the risk owner for cybersecurity attacks in our risk register, which register is periodically presented to the audit committee. Mr. Zubel manages our Global IT and Security teams and has 20 years of industry experience, as well as a master’s degree in computer science specializing in computer networks and systems from Wroclaw University of Science and Technology. Mr. Zubel has been managing Opera IT projects related to critical infrastructure at Opera for over a decade and reports directly to our Co-CEO, Mr. Lin Song, who sits on our board of directors, has a bachelor’s degree in information systems from the University of International Business and Economics, and has worked for our group for over 20 years serving in various technical and leadership roles. Mr. Zubel works closely with other members of our management team on cybersecurity issues, including in particular our EVP of Browsers, Mr. Krystian Kolondra. Mr. Kolondra has worked at Opera for over 17 years and has a master’s degree in computer sciences from the University of Wroclaw.

Material Incidents

Cybersecurity incidents, as well as data breaches, are reported in our internal ticketing system and handled in accordance with our Incident Management Procedure. In accordance with the procedure, incidents must be promptly classified and mitigated by the incident owner based on severity. Relevant product and IT teams, together with the Security team, conduct a post-mortem analysis of all incidents to document mitigation, lessons learned, and future actions to prevent a recurrence. Incidents categorized as critical (including any personal data breach or incidents with potentially material effects) are reported within 12 hours of classification to our Co-CEO, General Counsel and CFO for materiality assessment and, where appropriate, reporting to our audit committee.

Over the past financial year, cybersecurity threats or incidents have not materially affected or are not reasonably likely to affect us, including our business strategy, results of operations or financial condition, but we cannot provide assurance that we will not be materially affected by any such risks, threats or incidents in the future.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of Opera Limited are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Second Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect (incorporated by reference to Exhibit 3.2 from our registration statement on Amendment No. 1 to Form F-1 (File No. 333-226017) filed publicly with the SEC on July 13, 2018)
2.1	Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-1 (File No. 333-226017) filed publicly with the SEC on June 29, 2018)
2.3	Form of Deposit Agreement among the registrant, the depository and owners and holders of the ADSs (incorporated by reference to Exhibit 4.3 from our registration statement on Amendment No. 2 to Form F-1 (File No. 333-226017) filed publicly with the SEC on July 23, 2018)
2.4	Description of the Rights of Securities Registered under Section 12 of the Securities Act (incorporated herein by reference to Exhibit 2.4 to the Company's annual report on Form 20-F (File No. 001-38588) filed publicly with the SEC on June 11, 2021, and as amended on June 28, 2021)
4.1	Amended and Restated Share Incentive Plan, dated as of January 10, 2019, as currently in effect (incorporated by reference to Exhibit 10.1 from our registration statement on Form S-8 (File No. 333-229285) filed publicly with the SEC on January 10, 2019)
4.2	Form of Indemnification Agreement between the Registrant and each of the directors and executive officers of the Registrant (incorporated by reference to Exhibit 10.2 from our registration statement on Form F-1 (File No. 333-226017) filed publicly with the SEC on June 29, 2018)
4.3	Form of Employment Agreement between the Registrant and each executive officer of the Registrant (incorporated by reference to Exhibit 10.3 from our registration statement on Amendment No. 1 to Form F-1 (File No. 333-226017) filed publicly with the SEC on July 13, 2018)
4.4	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.11 from our registration statement on Amendment No. 1 to Form F1 (File No. 333-226017) filed publicly with the SEC on July 13, 2018)
4.5	Amendment and Restatement Agreement to the Google Distribution Agreement, dated as of December 15, 2021, by and between Opera Norway AS (formerly known as Opera Software AS) and Google Ireland Limited (certain provisions of this exhibit have been omitted pursuant to Instruction No. 4 to Exhibits in Form 20-F) (incorporated herein by reference to Exhibit 4.4 to the Company's annual report on Form 20-F (File No. 001-38588) filed publicly with the SEC on April 26, 2022 and as amended on June 28, 2022)
4.6	Marketing and Advertising Services Agreement between Opera Norway AS and Mobimagic Digital Technology Limited, effective April 1, 2020 (incorporated herein by reference to Exhibit 4.16 to the Company's annual report on Form 20-F (File No. 001-38588) for the year ended December 31, 2020, filed with the SEC on June 11, 2021, and as amended on June 28, 2021)

4.7	Addendum No. 1 to the Marketing and Advertising Services Agreement between Opera Norway AS and Mobimagic Digital Technology Limited, effective October 1, 2020, by and among Opera Norway AS, Ying Liang Limited, and Mobimagic Digital Technology Limited (incorporated herein by reference to Exhibit 4.17 to the Company's annual report on Form 20-F (File No. 001-38588) for the year ended December 31, 2020, filed with the SEC on June 11, 2021, and as amended on June 28, 2021)
4.8	Share Transfer Agreement, dated as of April 20, 2022, by and between Opera Limited and Kunlun Tech Limited, regarding the sale of certain shares of Star Group Interactive Inc. (incorporated herein by reference to Exhibit 4.8 to the Company's annual report on Form 20-F (File No. 001-38588) for the year ended December 31, 2022, filed with the SEC on April 20, 2023)
8.1*	Significant Subsidiaries and Consolidated Affiliated Entities of the Registrant
11.1*	Code of Business Conduct and Ethics of the Registrant
12.1*	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of KPMG AS, Independent Registered Public Accounting Firm
97.1*	Clawback Policy
101	Interactive Data Files (formatted in Inline XBRL (Extensible Business Reporting Language)). Submitted electronically with the annual report on Form 20-F
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed with this annual report on Form 20-F.

** Furnished with this annual report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Opera Limited

By: /s/ James Yahui Zhou

Name: James Yahui Zhou

Title: Chairman and Chief Executive Officer

Date: April 24, 2024

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm (KPMG AS, Oslo, Norway, PCAOB ID 1363)	F-2
Consolidated Statement of Operations	F-4
Consolidated Statement of Comprehensive Income	F-5
Consolidated Statement of Financial Position	F-6
Consolidated Statement of Changes in Equity	F-7
Consolidated Statement of Cash Flows	F-8
Notes to the Consolidated Financial Statements:	F-9
1. Accounting Policies, Judgments, and Estimation Uncertainty	F-9
2. Corporate Information and Group Structure	F-11
3. Revenue Information	F-12
4. Personnel Expenses, Including Share-based Remuneration	F-14
5. Other Operating Expenses	F-16
6. Finance Income and Finance Expenses	F-17
7. Income Tax	F-18
8. Earnings Per Share	F-20
9. Property and Equipment	F-21
10. Goodwill and Intangible Assets	F-22
11. Investments in Unconsolidated Entities	F-24
12. Trade Receivables, Other Receivables, and Prepayments	F-27
13. Lease Liabilities and Other Loans	F-30
14. Trade and Other Payables, and Other Current Liabilities	F-32
15. Financial Assets and Financial Liabilities	F-33
16. Capital and Financial Risk Management	F-34
17. Related Parties	F-37
18. Events After the Reporting Period	F-39

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Opera Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Opera Limited and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 24, 2024 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment assessment of goodwill and trademark intangible assets

As discussed in Notes 1 and 10 to the consolidated financial statements, the Company's goodwill and trademark intangible asset balances were \$429.9 million and \$70.6 million respectively at December 31, 2023. These assets are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. These tests are performed at the level of the cash generating unit or group of units (CGU). The impairment test is based on an estimate of value in use for the CGU, using a discounted cash flow model that requires management to estimate the present value of future cash flows, discounted using a suitable discount rate.

We identified the evaluation of the impairment assessment for goodwill and trademark intangible assets as a critical audit matter. Significant auditor judgment was required to evaluate certain assumptions used in the discounted cash flow model, specifically projected growth rate of cash inflows, the discount rate, and the long-term growth rate in the terminal value. The audit effort associated with the valuation also required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We performed sensitivity analyses over the assumptions used to calculate the value in use in order to determine the impact of changes in those assumptions on the value in use. We compared the Company's historical forecasts to actual results to assess the Company's ability to forecast cash inflows. We also evaluated the reasonableness of the Company's projected cash inflows by comparing them to the Company's underlying business strategies, historic trends, and publicly available industry and analyst reports.

Our valuation professionals with specialized skills and knowledge assisted the audit team in performing the following:

- developing an independent range for the long-term growth rate by reviewing publicly available data and comparable companies within the same industry and comparing it to the Company's assumption
- developing an independent range for the discount rate using publicly available market data and comparing it to the Company's assumption
- comparing the historical and forecasted cash inflow growth of comparable companies within the same industry to the historical and forecasted financial information of the CGU.

Valuation of the investment in OPay

As discussed in Notes 1 and 11 to the consolidated financial statements, the Company's investment in OPay Limited (OPay) shares was valued at \$253.3 million at December 31, 2023. The company holds both ordinary and preferred shares in OPay, and the value of such shares is estimated using a probability-weighted expected return model (PWERM). In this model, the future equity value of OPay is estimated under various outcomes for the company, along with the timing and probability of the respective outcomes. The probability-weighted future investment returns are discounted using an estimated cost of equity (discount rate). In addition, Opera's Series C preferred shares in OPay are subject to an earnout provision based on the cumulative financial performance (in 2023 and 2024) of a business acquired by OPay in 2023, and an adjustment is made for the estimated number of shares that management expects to return based on probability weighted scenarios of the future financial performance of this acquired business. Because OPay is a private company, a discount for lack of marketability (DLOM) is applied. Finally, the probability-weighted present value of expected future investment returns in the PWERM are reconciled to an estimate of the overall equity value of OPay based on a discounted cash flow analysis (DCF) and a financing transaction that took place in late 2023.

We identified the valuation of the investment in OPay as a critical audit matter. Significant auditor judgment was required to evaluate certain assumptions used in the PWERM valuation, including the future equity value, timing, and probability of each of the future outcomes, the DLOM, achievement of a financial target based on cumulative financial performance for 2023 and 2024 of the business acquired by OPay (earnout provision), and the discount rate applied in the model. In addition, significant auditor judgment was required to evaluate certain assumptions used in the discounted cash flow model, specifically projected revenue growth rate, the discount rate and the long-term growth rate in the terminal value. The audit effort associated with the valuation also required specialized skill and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We performed sensitivity analyses over the assumptions used to determine the fair value of the investment in order to determine the impact of changes in those assumptions on the fair value. We evaluated the reasonableness of the future equity value, timing, and probability of each of the future outcomes via comparison with OPay's objectives and strategies, shareholder agreements, and relevant industry, regulatory, and economic factors. In addition, we evaluated the results of the PWERM valuation by comparing the result to values derived from both a DCF model and the financing transaction in late 2023. We evaluated the reasonableness of the Company's projected revenue growth rate in the DCF model by comparing it to publicly available industry reports and market data. We compared the Company's historical revenue forecasts to actual results to assess the Company's ability to accurately forecast. Further, we evaluated the reasonableness of the Company's adjustment in the number of shares by assessing the projected cumulative financial performance based on 2024 projected financial performance of the acquired business in the DCF model.

We involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the reasonableness of the DLOM by comparing the Company's assumption to restricted stock studies and Pre-IPO studies
- developing an independent range for the discount rates using publicly available market data and comparing it to the Company's assumptions used in the PWERM and DCF models
- developing an independent range for the long-term growth rates based on Valuation Services Technical Committee ("VSTC") guidelines and an H-model and comparing to the Company's assumption.

/s/ KPMG AS

We have served as the Company's and its predecessor's auditor since 2000.

Oslo, Norway
April 24, 2024

Consolidated Statement of Operations
(In thousands, except per share amounts)

	Notes	Year ended December 31,		
		2021	2022	2023
Revenue	3	\$ 250,991	\$ 331,037	\$ 396,827
Other operating income		466	469	666
Operating expenses:				
Technology and platform fees		(4,472)	(4,104)	(3,145)
Content cost		(3,712)	(3,834)	(4,297)
Cost of inventory sold		(5,507)	(46,650)	(85,808)
Personnel expenses, including share-based remuneration	4	(74,450)	(74,588)	(82,750)
Marketing and distribution expenses		(120,944)	(114,988)	(109,947)
Credit loss expense	12	(557)	(1,387)	(3,967)
Depreciation and amortization	9, 10	(19,600)	(13,939)	(13,165)
Impairment of non-financial assets	10	(5,624)	(3,194)	(681)
Other operating expenses	5	(22,802)	(27,015)	(30,842)
Total operating expenses		(257,668)	(289,699)	(334,603)
Operating profit (loss)		(6,211)	41,808	62,890
Share of net loss of equity-accounted investees	11	(29,376)	(6)	-
Impairment of equity-accounted investee	11	(115,477)	-	-
Fair value gain on investments	11	116,561	1,500	89,838
Net finance income (expense):				
Finance income	6	123	21,454	8,876
Finance expense	6	(6,912)	(39,729)	(644)
Foreign exchange gain (loss)	6	(1,814)	(1,157)	(963)
Net finance income (expense)		(8,603)	(19,432)	7,269
Income (loss) before income taxes		(43,106)	23,870	159,997
Income tax expense	7	(43)	(8,835)	(6,697)
Income (loss) from continuing operations		(43,149)	15,035	153,301
Loss from discontinued operations		(816)	-	-
Net income (loss) attributable to owners of the parent		\$ (43,964)	\$ 15,035	\$ 153,301
Earnings per ADS and per ordinary share for income (loss) from continuing operations:				
Basic earnings per ADS	8	\$ (0.37)	\$ 0.14	\$ 1.72
Diluted earnings per ADS	8	\$ (0.37)	\$ 0.14	\$ 1.69
Basic earnings per ordinary share	8	\$ (0.19)	\$ 0.07	\$ 0.86
Diluted earnings per ordinary share	8	\$ (0.19)	\$ 0.07	\$ 0.84
Earnings per ADS and per ordinary share for net income (loss):				
Basic earnings per ADS	8	\$ (0.38)	\$ 0.14	\$ 1.72
Diluted earnings per ADS	8	\$ (0.38)	\$ 0.14	\$ 1.69
Basic earnings per ordinary share	8	\$ (0.19)	\$ 0.07	\$ 0.86
Diluted earnings per ordinary share	8	\$ (0.19)	\$ 0.07	\$ 0.84

The accompanying notes are an integral part of this financial statement.

Consolidated Statement of Comprehensive Income
(In thousands)

	Notes	Year ended December 31,		
		2021	2022	2023
Net income (loss)		\$ (43,964)	\$ 15,035	\$ 153,301
Other comprehensive income (loss):				
<i>Items that may be reclassified to the Statement of Operations in subsequent periods (net of tax):</i>				
Exchange differences on translation of foreign operations		(1,156)	(3,477)	(742)
Reclassification of exchange differences on loss of control		-	(96)	-
Share of other comprehensive income of equity-accounted investees	11	227	-	-
Reclassification of share of other comprehensive loss of equity-accounted investees	11	-	708	-
Total other comprehensive loss		<u>(928)</u>	<u>(2,865)</u>	<u>(742)</u>
Total comprehensive income (loss) attributable to owners of the parent		<u>\$ (44,891)</u>	<u>\$ 12,170</u>	<u>\$ 152,559</u>

The accompanying notes are an integral part of this financial statement.

Consolidated Statement of Financial Position
(In thousands)

	Notes	As of December 31,	
		2022	2023
Assets:			
Property and equipment	9	\$ 14,623	\$ 16,074
Goodwill	10	429,445	429,856
Intangible assets	10	99,983	99,070
Investment in OPay	11	-	253,300
Other non-current investments and financial assets	11, 15	2,643	3,049
Non-current receivables from sale of investments	11, 12	76,305	-
Deferred tax assets	7	1,473	1,133
Total non-current assets		624,473	802,482
Trade receivables	12	57,923	69,382
Current receivables from sale of investments	12	56,347	32,797
Other current receivables	12, 15	17,247	7,760
Prepayments	12	3,932	4,660
Marketable securities	15, 16	66,250	-
Cash and cash equivalents		52,414	93,863
Total cash, cash equivalents, and marketable securities		118,664	93,863
Assets held for sale	11	86,100	-
Total current assets		340,213	208,461
Total assets		\$ 964,686	\$ 1,010,943
Equity:			
Share capital	2	\$ 18	\$ 18
Other paid in capital		824,832	717,610
Treasury shares	2, 16	(206,514)	(238,815)
Retained earnings		273,262	445,164
Foreign currency translation reserve		(3,385)	(4,127)
Total equity attributable to owners of the parent		888,213	919,850
Liabilities:			
Non-current lease liabilities and other loans	13	4,723	6,776
Deferred tax liabilities	7	7,352	2,813
Other non-current liabilities		68	94
Total non-current liabilities		12,143	9,682
Trade and other payables	14	46,937	52,247
Deferred revenue	3	995	10,272
Current lease liabilities and other loans	13	3,112	3,770
Income tax payable	7	1,133	1,838
Other current liabilities	14	12,152	13,285
Total current liabilities		64,330	81,411
Total liabilities		76,472	91,093
Total equity and liabilities		\$ 964,686	\$ 1,010,943

The accompanying notes are an integral part of this financial statement.

Consolidated Statement of Changes in Equity
(In thousands, except number of shares)

	Notes	Number of shares outstanding		Equity attributable to owners of the parent					Total equity
		Ordinary shares	ADS equivalent (1)	Share capital	Other paid in capital	Treasury shares	Retained earnings	Foreign currency translation reserve	
As of January 1, 2021		228,285,684	114,142,842	\$ 24	\$ 824,832	\$ (59,704)	\$ 283,334	\$ 409	\$ 1,048,895
Net loss		-	-	-	-	-	(43,964)	-	(43,964)
Other comprehensive loss		-	-	-	-	-	-	(928)	(928)
Share-based remuneration	4	-	-	-	-	-	9,785	-	9,785
Issuance of shares upon exercise of RSUs and options	4	2,172,680	1,086,340	-	-	-	-	-	-
Acquisition of treasury shares	16	(166,632)	(83,316)	-	-	(749)	-	-	(749)
As of December 31, 2021		<u>230,291,732</u>	<u>115,145,866</u>	<u>24</u>	<u>824,832</u>	<u>(60,453)</u>	<u>249,155</u>	<u>(520)</u>	<u>1,013,039</u>
Net income		-	-	-	-	-	15,035	-	15,035
Other comprehensive loss		-	-	-	-	-	-	(2,865)	(2,865)
Share-based remuneration	4	-	-	-	-	-	9,073	-	9,073
Issuance of shares upon exercise of RSUs and options	4	1,597,500	798,750	-	-	-	-	-	-
Acquisition of treasury shares	16	(53,458,990)	(26,729,495)	(6)	-	(146,063)	-	-	(146,068)
As of December 31, 2022		<u>178,430,242</u>	<u>89,215,121</u>	<u>18</u>	<u>824,832</u>	<u>(206,514)</u>	<u>273,262</u>	<u>(3,385)</u>	<u>888,213</u>
Net income		-	-	-	-	-	153,301	-	153,301
Other comprehensive loss		-	-	-	-	-	-	(742)	(742)
Share-based remuneration, net of tax	4	-	-	-	-	-	18,600	-	18,600
Issuance of shares upon exercise of RSUs and options	4	2,137,018	1,068,509	-	-	394	-	-	394
Dividends	16	-	-	-	(107,222)	-	-	-	(107,222)
Acquisition of treasury shares	16	(5,530,692)	(2,765,346)	-	-	(32,695)	-	-	(32,695)
As of December 31, 2023		<u>175,036,568</u>	<u>87,518,284</u>	<u>\$ 18</u>	<u>\$ 717,610</u>	<u>\$ (238,815)</u>	<u>\$ 445,164</u>	<u>\$ (4,127)</u>	<u>\$ 919,850</u>

(1) Opera Limited has American depositary shares listed on the Nasdaq Global Select Market, each representing two ordinary shares in the company.

The accompanying notes are an integral part of this financial statement.

Consolidated Statement of Cash Flows
(In thousands)

	Notes	Year ended December 31,		
		2021	2022	2023
Cash flows from operating activities:				
Income (loss) before income taxes from continuing operations		\$ (43,106)	\$ 23,870	\$ 159,997
Loss before income taxes from discontinued operations		(1,053)	-	-
<i>Adjustments to reconcile income (loss) before income taxes to net cash flows:</i>				
Share-based payment expense	4	9,785	9,073	14,926
Depreciation and amortization	9, 10	19,600	13,939	13,165
Impairment of non-financial assets	10	5,624	3,194	681
Share of net loss of equity-accounted investees	11	29,376	6	-
Impairment of equity-accounted investee	11	115,477	-	-
Fair value gain on investments	11	(116,561)	(1,500)	(89,838)
Net finance expense (income)	6	8,603	18,224	(7,269)
Other adjustments		(1,833)	(452)	(255)
<i>Changes in working capital:</i>				
Change in trade and other receivables	12	(7,291)	(19,299)	(17,956)
Change in prepayments	12	(132)	4,253	(500)
Change in trade and other payables	14	12,925	8,559	5,310
Change in deferred revenue	3	747	(97)	9,277
Change in other liabilities	14	(146)	3	1,158
Income taxes paid	7	(5,452)	(3,111)	(5,937)
Net cash flow from operating activities		26,564	56,662	82,761
Cash flows from investing activities:				
Purchase of equipment	9	(1,060)	(3,187)	(1,873)
Purchase of intangible assets	10	-	-	(250)
Development expenditure	4, 10	(4,836)	(6,789)	(4,281)
Acquisition of subsidiary, net of cash acquired		(9,008)	-	-
Proceeds from sale of shares in associate	11	50,000	36,879	-
Net sale (purchase) of listed equity instruments	16	(84,835)	16,178	23,414
Interest income received	6	35	1,368	2,989
Net cash flow from (used in) investing activities		(49,703)	44,450	19,999
Cash flows from financing activities:				
Acquisition of treasury shares	16	(749)	(146,068)	(32,695)
Proceeds from exercise of share options	4	-	-	394
Dividends paid	16	-	-	(23,105)
Interests on loans and borrowings		(316)	(293)	(369)
Repayment of loans and borrowings		(499)	(378)	(161)
Payment of lease liabilities	13	(5,119)	(3,837)	(3,907)
Net cash flow used in financing activities		(6,683)	(150,578)	(59,843)
Net change in cash and cash equivalents		(29,822)	(49,465)	42,918
Cash and cash equivalents at beginning of period		134,168	102,876	52,414
Effect of exchange rate changes on cash and cash equivalents		(1,472)	(996)	(1,469)
Cash and cash equivalents at end of period		\$ 102,876	\$ 52,414	\$ 93,863

The accompanying notes are an integral part of this financial statement.

Note 1. Accounting Policies, Judgments, and Estimation Uncertainty

Basis of Preparation

The consolidated financial statements of Opera Limited and its subsidiaries (collectively, Opera or the Group) have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The board of directors of Opera Limited (the Company or the Parent) authorized the consolidated financial statements for issue on April 24, 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for investments in ordinary and preferred shares in OPay, and ordinary shares in Fjord Bank, which are measured at estimated fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Opera considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The consolidated financial statements are presented in U.S. dollars and all amounts are rounded off to the nearest thousand except when otherwise indicated. Rounding differences may occur.

Except for the general accounting policies described below, Opera's material accounting policies are described in each of the individual notes to the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Opera Limited and entities it controls. Control is achieved when Opera is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

Foreign Currencies

Items included in the financial statements of the Parent and its subsidiaries are measured using the currency of the primary economic environment in which the entities operate, i.e., their functional currency. The consolidated financial statements are presented in U.S. dollars, which is also the functional currency of the Parent.

Foreign currency transactions are recognized at their respective functional currency spot rate at the date the transaction first qualifies for initial recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rates at the reporting date. Gains or losses arising from settlement or translation of monetary items are recognized in the Statement of Operations as foreign exchange gain (loss). Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The assets and liabilities of entities within the Group with functional currencies other than the U.S. dollar are translated into U.S. dollars using the currency exchange rates at the reporting date. Income and expense items are translated at average currency exchange rates for the respective period. The overall foreign currency impact from translating assets, liabilities, income, and expenses to U.S. dollars is recognized in the Statement of Comprehensive Income as Exchange differences on translation of foreign operations.

Accounting Judgments and Estimation Uncertainty

The preparation of Opera's consolidated financial statements requires the use of accounting estimates. Management also needs to exercise judgment in applying Opera's accounting policies. These estimates and judgments affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures. Accounting estimates and assumptions, which are continuously reviewed, are based on historical experience and various other factors that are believed to be reasonable and appropriate under the circumstances. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Changes in accounting estimates and judgments in the application of accounting policies are recognized in the period in which the estimates and judgments are revised, if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

These consolidated financial statements are based key accounting judgments and estimation uncertainty related to the following items:

- Determining whether development projects meet the criteria for capitalization (Note 4).
- Fair value measurement of share-based remuneration (Note 4).
- Recoverable amount for goodwill and other intangible assets (Note 10).
- Classification of investment in OPay and measurement of fair value of shares in the company (Note 11).

New Standards, Interpretations, and Amendments

The accounting policies applied in the preparation of these consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2022. Certain amendments to IFRS Accounting Standards apply for the first time in 2023, but these did not have any material impact on the measurement, recognition, or presentation of any items in Opera's consolidated financial statements. Amendments to IAS 1 require entities to disclose their material rather than significant accounting policies with the aim to help entities provide accounting policy disclosures that are more useful. These amendments have had an impact on Opera's disclosures of accounting policies.

Except for the amendments to IFRS 10 and IAS 28 for sales or contributions of assets between an investor and its associate or joint venture, Opera has not early adopted standards, interpretations or amendments that have been issued but are not yet effective.

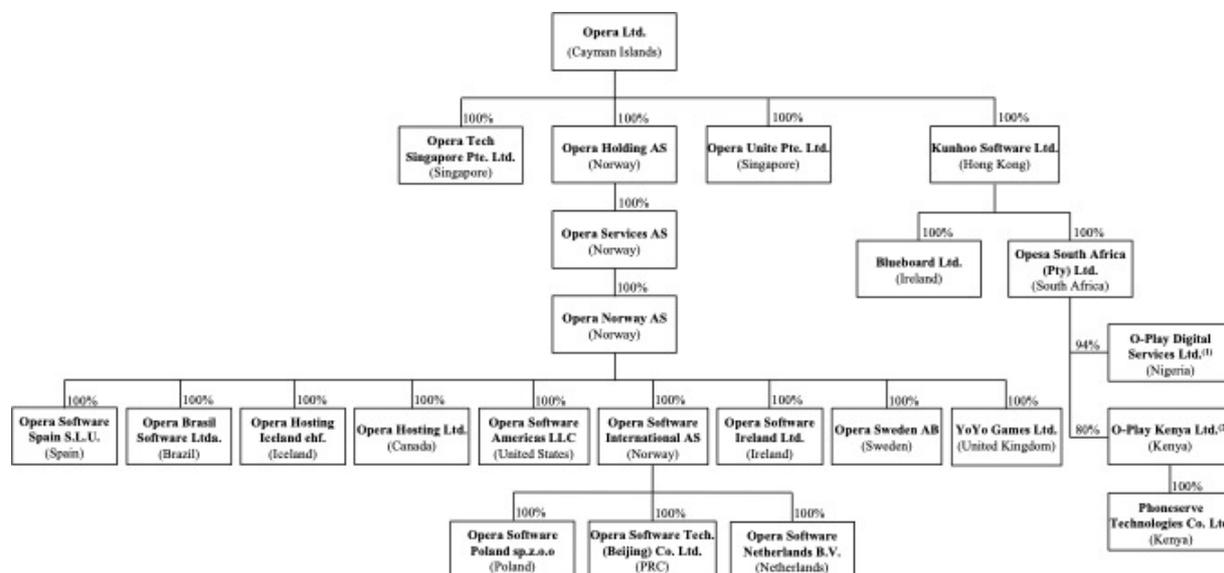
The IASB has issued IFRS 18, a new accounting standard on presentation and disclosure in financial statements, which introduces certain new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies. The accounting standard introduces three new defined categories for income and expenses—operating, investing and financing, and requires all companies to provide certain new defined subtotals. IFRS 18 also requires companies to disclose explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. Moreover, the accounting standard sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes and requires companies to provide more transparency about operating expenses. IFRS 18 will not impact the recognition or measurement of items in the financial statements. The accounting standard is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. Adoption of IFRS 18 by Opera is expected to result in the introduction of profit before financing and income taxes as a new subtotal for in the statement of operations, and disclosures in a note to the consolidated financial statements for adjusted EBITDA as a management-defined performance measure.

None of the other new and amended standards that are issued, but not yet effective, are expected to have a material impact on Opera's consolidated financial statements when they are implemented in future periods.

Note 2. Corporate Information and Group Structure

Opera is a user-centric and innovative software company focused on enabling the best possible internet browsing experience across all devices. People use the Opera web browsers for their unique and secure features on their mobile phones and desktop computers. Opera generates revenue primarily when users of the web browsers make searches using the integrated search and address bar, and from advertising on Opera’s properties and properties of Opera network partners.

The chart below provides an overview of the corporate structure of the Group, including the places of incorporation of the Parent and its material subsidiaries.



Notes:

- (1) 6% is held by additional Opera group entities.
- (2) 20% held by nominee shareholders.

In addition to the subsidiaries outlined above, Opera has investments in unconsolidated companies. Details on these investments are provided in Note 11.

Opera Limited is the parent company of the Opera group. The Company, with its office at Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1- 1104, Cayman Islands, is an exempted company under the laws of the Cayman Islands. The address of the principal executive office is Vitaminveien 4, 0485 Oslo, Norway.

Opera Limited has American depository shares (ADSs) listed on the Nasdaq Global Select Market, trading under the "OPRA" ticker symbol. Each ADS represents two ordinary shares in the Company. As of December 31, 2023, the total number of ordinary shares in the Company authorized for issue was 500,000,000, of which 175,036,568, equivalent to 87,518,284 ADSs, were outstanding. Each ordinary share has a par value of \$0.0001. As of year-end 2023, Opera held 3,709,879 ADSs in treasury.

Effective from 2023, Opera’s chairman and chief executive officer, who has been identified as the chief operating decision maker, reviews operating results at the aggregate level of Opera as a whole. As a result, Opera has only one reportable segment.

Note 3. Revenue Information**Accounting Policies**

Revenue is income arising in the course of Opera's ordinary activities. Opera generates revenue from the provision of advertising, search, technology licensing and related services. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which Opera expects to be entitled in exchange for those goods or services.

Advertising

Advertising revenue is generated by delivering advertising in Opera's PC and mobile browsers, including predefined bookmarks (Speed Dials), on Opera News, and on Opera network partners' properties. Advertising revenue also includes income from all other user-generated activities other than search revenue, such as subscriptions to services that are provided by Opera or its partners. Advertising revenue is recognized when the advertising service is delivered based on the specific terms of the underlying contract, which is commonly based on when the ad is displayed, or a user views the ad.

For ads placed on properties of network partners, Opera is the principal because Opera controls the advertising inventory before it is transferred to its customers. Opera's control is evidenced by its sole ability to monetize the advertising inventory before it is transferred to its customers and is further supported by Opera being primarily responsible to its customers and having a level of discretion in establishing pricing. As the principal, advertising revenues for ads placed on Opera network properties are reported on a gross basis, that is, the amounts billed to our customers are recorded as revenues, and amounts paid to Opera network partners are recorded as cost of inventory sold.

Search

When users of Opera's PC and mobile browsers use the built-in combined address and search bar, and other browser features, to conduct web searches using search engines of partners such as Google and Yandex, Opera is entitled to a share of the partners' advertising revenue if the users click on ads on the search results pages. The contractually agreed amount is recognized as revenue in the period qualified search occurs. Search revenue also includes any fixed fees received for customizations and integrations of search engines in the browsers, which are recognized linearly over the contractually agreed period during which Opera must maintain those customizations and integrations.

Technology licensing and other revenue

Technology licensing and other revenue include income from the sale of software and licenses to GameMaker Studio, a platform for developing games. Revenue from these transactions is recognized on completion of the performance obligation, which is typically on delivery of the software and licenses, at which time control has passed to the buyer.

Technology licensing and other revenue also include income from the provision of engineering services, such as integrations of customers' products and services with Opera's browsers. Revenue from distinct engineering services is recognized over the development period in line with the degree of completion.

Disaggregation of Revenue

The table below specifies the amount of revenue by type of service (in thousands):

	Year ended December 31,		
	2021	2022	2023
Advertising	\$ 123,910	\$ 187,434	\$ 230,980
Search	121,961	140,162	162,168
Technology licensing and other revenue	5,119	3,441	3,679
Total revenue	\$ 250,991	\$ 331,037	\$ 396,827

The table below presents the revenue by customer location (in thousands):

	Year ended December 31,		
	2021	2022	2023
United States	\$ 144,570	\$ 172,288	\$ 203,056
Singapore	24,440	28,876	41,181
Russia	16,156	20,288	34,976
Other locations	65,824	109,584	117,614
Total revenue	\$ 250,991	\$ 331,037	\$ 396,827

Revenue by country is based on where the customer has its primary geographical presence, which usually is where its parent company is incorporated, but which is not necessarily an indication of where revenue-generating activities occur because the end-users of Opera's products are located worldwide.

Opera has two customer groups that each has exceeded 10% of Opera's revenue in one or more of the periods presented (in thousands):

	Year ended December 31,		
	2021	2022	2023
Customer group 1	\$ 128,650	\$ 148,481	\$ 168,428
Customer group 2	\$ 18,494	\$ 29,418	\$ 34,976

Revenues from customer groups 1 and 2 include both search and advertising services.

Unsatisfied Performance Obligations

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts:

	As of December 31,	
	2022	2023
Aggregate amount of transaction prices allocated to unsatisfied long-term contracts	\$ -	\$ 21,613

Management expects that \$8.8 million of the transaction prices allocated to unsatisfied performance obligations as of December 31, 2023 will be recognized as revenue during 2024, and the remaining \$12.8 million will be recognized over the 2025-2026 period.

Deferred Revenue

Deferred revenue represents short-term advances from customers for search and advertising services related to performance obligations due to be fully satisfied during the next reporting period.

Note 4. Personnel Expenses, Including Share-based Remuneration**Accounting Policies**

Personnel expenses, other than share-based payments, are recognized at the undiscounted amount due to the employees or the de-facto employees when they have rendered service to Opera or when the liability otherwise arises. Contributions to publicly or privately administered pension insurance plans are recognized as personnel expenses when they are due. Opera has no further payment obligations related to pensions after the contributions have been paid.

Equity awards granted to employees as long-term incentives are classified as equity-settled transactions. Similarly, equity awards granted to Opera employees by Kunlun Tech Co., Ltd. (hereinafter "Kunlun"), the ultimate parent of Opera, are also classified as equity-settled transactions. Opera does not have any obligation to settle the awards granted by Kunlun and such grants do not lead to dilution for Opera's shareholders because the employees receive shares in Kunlun when the awards are exercised. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made. That cost is recognized in the Statement of Operations, together with a corresponding increase in equity, over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Opera's best estimate of the number of equity instruments that will ultimately vest.

Research and development expenditure predominantly consist of compensation to engineering and technical employees. Personnel expenses related to research activities are expensed as incurred while compensation related to development activities is recognized as an intangible asset when Opera can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Employee compensation is capitalized from the point in time a project enters the development phase and meets the six criteria for capitalization listed above. Assessing if and when these criteria are met is based on judgment, which takes into account past experiences and expectations about the technical ability to complete the development project intended. The cost of developing new features, together with significant and pervasive improvements of core platform functionality, that meet the criteria above, are capitalized as separate intangible assets or as additions to existing intangible assets. Expenditures related to product maintenance, such as bug fixes, updates needed to comply with changes in laws and regulations, and updates needed to keep pace with the latest trends, are expensed in the period they are incurred.

Personnel Expenses

The table below specifies the amounts of personnel expenses including share-based remuneration (in thousands):

	Year ended December 31,		
	2021	2022	2023
Salaries, including bonuses	\$ 43,440	\$ 43,235	\$ 41,890
Social security contribution, excluding amounts related to share-based remuneration	5,371	5,222	5,825
External temporary hires	8,617	10,318	11,796
Defined contribution pension expense	4,477	4,752	3,814
Other personnel-related expenses	2,080	1,758	2,476
Total personnel expenses, excluding share-based remuneration	63,984	65,285	65,801
Share-based remuneration, including related social security contribution	10,466	9,304	16,950
Total personnel expenses, including share-based remuneration	\$ 74,450	\$ 74,588	\$ 82,750

Research and Development Expenditure

The following table specifies the amounts of expensed and capitalized research and development expenditure (in thousands):

	Year ended December 31,		
	2021	2022	2023
Total research and development expenditure	44,055	50,537	46,098
Less: Capitalized development expenditure excluded from personnel expenses (Note 10)	4,862	6,825	4,587
Net research and development expenditure recognized as part of personnel expenses	39,193	43,713	41,511

Share-based Remuneration

Opera has adopted a share incentive plan for the purpose of rewarding, attracting, and retaining employees by providing long term incentives in the form of restricted share units (RSUs) and options. Effective from 2022, Kunlun, the ultimate parent of Opera, has enrolled certain employees of Opera in its share incentive plan under which these employees have received options issued by Kunlun as compensation for services they provide to Opera. In these consolidated financial statements, the awards granted by Kunlun are described as RSUs to be consistent with their classification under Chinese securities regulations. Opera does not have any obligation to settle the awards granted by Kunlun and such grants do not lead to dilution for Opera's shareholders. All counts of RSUs, options and per-unit values related to Opera's share incentive plan, as disclosed in these consolidated financial

statements, are converted to ADS equivalent units, while all counts of RSUs and per-unit values related to Kunlun's share incentive plan are expressed in units of shares in Kunlun.

The following table specifies the movements in the number of RSUs and options:

	Opera: RSUs		Opera: Options		Kunlun: RSUs (1)	
	Number of RSUs	Weighted average grant date fair value	Number of options	Weighted average grant date fair value	Number of RSUs	Weighted average grant date fair value
Outstanding as of January 1, 2022	2,666,525	\$ 9.71	100,000	\$ 3.40	-	\$ -
Granted during the year	-	-	-	-	3,275,000	1.22
Forfeited during the year	(82,500)	9.97	-	-	(350,000)	1.22
Exercised during the year	(798,750)	9.25	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding as of December 31, 2022	1,785,275	9.90	100,000	3.40	2,925,000	1.22
Regular grants during the year	934,359	8.39	-	-	6,200,000	2.01
Dividend adjustment grants during the year	257,551	-	-	-	-	-
Forfeited during the year	(50,203)	8.66	-	-	(2,000,000)	1.68
Exercised during the year	(1,008,509)	8.37	(60,000)	1.92	(832,500)	1.10
Expired during the year	-	-	-	-	-	-
Outstanding as of December 31, 2023	1,918,473	\$ 8.67	40,000	\$ 5.62	6,292,500	\$ 1.86

(1) From the exercise of RSUs granted by Kunlun, the employees will acquire shares of Kunlun Tech Co., Ltd., a company listed on the Shenzhen Stock Exchange.

Dividend adjustment grants represent adjustments to the number of un-exercised RSUs based on the yield of dividends paid. These grants are designed to ensure that un-exercised RSUs maintain their value and therefore such grants do not have any incremental value when considered together with the original regular grants.

As of December 31, 2023, the weighted average remaining vesting period for the RSUs and options outstanding under Opera's share incentive plan was 0.64 years (December 31, 2022: 0.87 years). The weighted average remaining vesting period for the RSUs outstanding under Kunlun's share incentive plan was 1.10 years as of December 31, 2023 (December 31, 2022: 1.17 years).

Estimating fair values for share-based awards requires the identification of an appropriate valuation model, which depends on the terms and conditions of the grants. The fair values of RSUs granted by Opera were measured using a Monte Carlo simulation, while the fair values of options granted by Opera and RSUs granted by Kunlun were measured using a Black-Scholes model. The estimates of fair values also require an assessment of the most appropriate inputs to the valuation model, including grant date fair value of the underlying equity, the expected life of the grant, volatility, and dividend yield. The table below specifies the inputs to the models used for estimating the fair values of the awarded equity units. The table presents the weighted average values across grants within each category of equity award instruments.

	Opera 2023 RSU grants (2)	Kunlun 2022 RSU grants	Kunlun 2023 RSU grants
Equity unit price valuation	\$ 8.46	\$ 2.88	\$ 3.48
Model Used	Monte Carlo	Black-Scholes	Black-Scholes
Expected Volatility (%) (1)	50.5%	25.5%	24.6%
Risk free interest rate (%) (1)	4.9%	2.2%	2.1%
Duration of initial simulation period (years to longstop date)	2.49	N/A	N/A
Duration of second simulation period with postponed exercise (years)	3.00	N/A	N/A
Exercise price	\$ -	\$ 1.77	\$ 1.54
Fair value at the measurement date	\$ 8.39	\$ 1.22	\$ 2.01

(1) Specified value is 4 years (modeled on yearly basis).

(2) Excluding dividend adjustment grants.

The equity cost of each award is recognized on a straight-line basis over the vesting period. Opera accrues for social security contributions based on the market price of the ADSs at the reporting date, with a straight-line recognition over the vesting period consistent with the equity cost.

Compensation for Key Management Personnel

The table below specifies the amounts of compensation for key management personnel, which include the directors and executive officers of Opera (in thousands):

	Year ended December 31,		
	2021	2022	2023
Short-term employee benefits	\$ 2,046	\$ 2,371	\$ 2,495
Post-employment and medical benefits	60	56	72
Share-based payment transactions	1,209	1,488	1,693
Total compensation for key management personnel	\$ 3,315	\$ 3,914	\$ 4,260

The amounts disclosed in the table above are the amounts recognized as an expense during the reporting period. No loans have been granted and no guarantees have been issued to key management personnel. Key management personnel do not have any agreements for compensation upon termination or change of employment or directorship.

Note 5. Other Operating Expenses

The table below specifies the nature of other operating expenses (in thousands):

	Year ended December 31,		
	2021	2022	2023
Hosting	\$ 7,647	\$ 9,267	\$ 10,161
Audit, legal and other advisory services	6,579	6,857	8,669
Software license fees	1,782	2,149	3,357
Rent and other office expenses	3,152	3,743	2,700
Travel	542	1,496	1,848
Other expenses	3,101	3,502	4,106
Total other operating expenses	\$ 22,802	\$ 27,015	\$ 30,842

Note 6. Finance Income and Finance Expenses

The table below specifies the nature of finance income and finance expenses, including foreign exchange gains and losses (in thousands):

	Year ended December 31,		
	2021	2022	2023
Finance income:			
Interest income on receivables from sales of investments (Note 12)	\$ -	\$ 3,675	\$ 1,556
Other interest income	35	1,675	2,989
Gain on settlement of receivable from sale of investment (Note 11)	-	-	1,084
Net gain on investment portfolio (Note 16)	-	15,946	3,243
Other finance income	88	157	5
Total finance income	123	21,454	8,876
Finance expenses:			
Interest expense	(316)	(282)	(369)
Net loss on investment portfolio (Note 16)	(4,944)	-	-
Fair value loss on receivable from sale of investment (Note 12)	-	(37,923)	-
Other finance costs	(1,652)	(1,524)	(276)
Total finance expenses	(6,912)	(39,729)	(644)
Foreign exchange gain (loss):			
Unrealized foreign exchange gain (loss)	(494)	(1,512)	(1,901)
Realized foreign exchange gain (loss)	(1,320)	355	938
Total foreign exchange gain (loss)	(1,814)	(1,157)	(963)
Net finance income (expense)	\$ (8,603)	\$ (19,432)	\$ 7,269

Note 7. Income Tax
Accounting Policies

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Opera operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Opera measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the underlying items, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is only recognized to the extent that it is probable that future taxable profits will allow the deferred tax asset to be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Tax deductions from equity awards granted to employees are based on the fair values of the shares at the time of exercise. For equity awards scheduled to vest in future periods, the amount of estimated future tax deduction is based on Opera's share price at the end of the reporting period. Where the amount of tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the current or deferred tax associated with the excess is recognized directly in equity.

Income Tax Expense, Tax Payable, and Deferred Tax Assets and Liabilities

The table below specifies the income tax expense (in thousands):

	Year ended December 31,		
	2021	2022	2023
Current income taxes	\$ (4,109)	\$ (7,434)	\$ (6,769)
Currency effect on income tax (expense) benefit and adjustments recognized in the period for current tax of prior periods ⁽¹⁾	852	141	(458)
Deferred taxes	3,452	(1,542)	531
Income tax benefit (expense)	\$ 194	\$ (8,835)	\$ (6,697)
<i>Income tax benefit (expense) attributable to:</i>			
Continuing operations	\$ (43)	\$ (8,835)	\$ (6,697)
Discontinued operations	\$ 237	\$ -	\$ -

(1) Currency effect on income tax (expense) benefit due to corporate income tax filings being in Norwegian kroner for Norwegian subsidiaries with the U.S. dollar as their functional currency.

Opera Limited, the Parent, is domiciled in the Cayman Islands, where the applicable tax rate is zero. With Opera being headquartered in Norway and with a large share of the Group's income being recognized by Opera Norway AS, a subsidiary domiciled in Norway, the reconciliation below between the income tax benefit (expense) and the accounting profit is based on the tax rate applicable in Norway, which was 22% in 2023 and in the comparative periods. The tax rate in Norway will remain 22% in 2024.

	Year ended December 31,		
	2021	2022	2023
Income (loss) from continuing operations before income taxes	\$ (43,106)	\$ 23,870	\$ 159,997
Tax benefit (expense) at nominal tax rate in Norway	9,483	(5,251)	(35,199)
Effect of different tax rates applied by subsidiaries	(7,958)	1,408	25,455
Permanent differences:			
Tax effect of translation differences exempted for tax	358	(320)	1,171
Tax effect of financial items exempted from tax	(193)	480	665
Withholding taxes (paid) credited	(324)	299	270
Net other permanent differences (not) tax deductible	(1,990)	(3,585)	(3,384)
Other effects:			
Change in income tax losses carried forward	(227)	(462)	2,851
Change in share-based remuneration	-	-	2,598
Currency effect on income tax (expense) benefit and adjustments recognized in the period for current tax of prior periods	852	141	(458)
Change in withholding taxes and restricted interest deduction carried forward	147	(1,564)	(601)
Change in tax rate	(190)	21	(64)
Income tax expense for the year	\$ (43)	\$ (8,835)	\$ (6,697)
Effective tax rate	0.1%	(37.0)%	(4.2)%

Deferred tax assets and liabilities are related to the following items (in thousands):

	As of December 31,	
	2022	2023
Property, equipment, and intangible assets	\$ 20,466	\$ 20,016
Share-based remuneration	-	(4,094)
Trade receivables	(300)	(367)
Intra-group interest costs subject to limitations ⁽¹⁾	(8,066)	(7,648)
Withholding tax expected to be credited (credit method)	(216)	(34)
Tax losses carried forward	(5,399)	(5,247)
Other	(606)	(947)
Net deferred tax liability	\$ 5,878	\$ 1,679
<i>Recognized and classified as:</i>		
Deferred tax assets	\$ 1,473	\$ 1,133
Deferred tax liabilities	\$ 7,352	\$ 2,813

(1) Interest costs incurred on intra-group loans subject to interest limitation rules.

The deferred tax liability for property, equipment and intangible assets is mainly related to differences between the fair values and tax bases for such assets that were recognized in 2016 when Opera Norway AS was acquired.

Opera has recognized deferred tax assets related to intra-group interest costs that are carried forward due to limitations in Norway to the annual amount that can be deducted for tax purposes. Such intra-group interest cost can be carried forward for up to ten years. Opera has also recognized deferred tax assets for tax losses carried forward. Management has determined that there is convincing evidence that future taxable profits will be available to utilize the interest charges within the time restriction period.

The following table specifies the changes in the net deferred tax liability (in thousands):

	Year ended December 31,	
	2022	2023
Net deferred tax liability as of January 1	\$ 4,209	\$ 5,878
Expense (benefit) in the Statement of Operations	1,542	(531)
Deferred tax recognized in equity ⁽¹⁾	-	(3,674)
Expense (benefit) in the Statement of Comprehensive Income	127	6
Net deferred tax liability as of December 31	\$ 5,878	\$ 1,679

(1) When the amount of tax deduction from share-based remuneration exceeds the amount of the related cumulative remuneration expense, the current and deferred tax associated with the excess is recognized directly in equity.

Note 8. Earnings Per Share

Basic earnings per share is calculated by dividing the net income or loss for the year attributable to ordinary equity holders of Opera Limited by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net income or loss attributable to ordinary equity holders of Opera Limited by the weighted average number of ordinary shares outstanding during the year plus the number of ordinary shares that would be issued pursuant to Opera's employee equity program based on period-average employee equity awards. The net dilutive effect of these awards is determined by application of the treasury stock method related to the share equivalents of unrecognized share compensation expense on employee equity grants outstanding at period end.

Opera Limited has American depositary shares (ADSs) listed on the Nasdaq Global Select Market. Each ADS represents two ordinary shares in the Company.

The following table shows the income and share data used in the basic and diluted earnings per ADS and per share calculations (in thousands, except share and per share data):

	Year ended December 31,		
	2021	2022	2023
Net income (loss) attributable to owners of the parent:			
Income (loss) from continuing operations	\$ (43,149)	\$ 15,035	\$ 153,301
Loss from discontinued operations	(816)	-	-
Net income (loss) attributable to owners of the parent	\$ (43,964)	\$ 15,035	\$ 153,301
Basic and diluted weighted-average number of ordinary shares in the period:			
(1)			
Issued ordinary shares at beginning of period	228,285,684	230,291,732	178,430,242
Effect of shares issued (Note 4)	2,165,283	1,580,952	2,007,850
Effect of shares bought to treasury (Note 16)	(164,324)	(12,914,508)	(1,926,286)
Basic weighted-average number of ordinary shares in the period	230,286,642	218,958,176	178,511,806
Effect of employee equity grants (Note 4) (2)	-	1,706,927	3,331,410
Diluted weighted-average number of ordinary shares in the period	230,286,642	220,665,102	181,843,216
ADS equivalent of basic weighted-average number of ordinary shares in the period	115,143,321	109,479,088	89,255,903
ADS equivalent of diluted weighted-average number of ordinary shares in the period	115,143,321	110,332,551	90,921,608

(1) The number of ordinary shares outstanding in the periods, and its ADS equivalent, are presented in the Statement of Changes in Equity.

(2) In 2021, the number of diluted weighted-average number of ordinary shares, and its ADS equivalent, excluded the effect of 2,766,525 ADSs that would be issued at the vesting of the employee equity grants because these potential shares would have had anti-dilutive effects on the diluted net loss per ADS and per share.

	Year ended December 31,		
	2021	2022	2023
Earnings per ADS and per ordinary share for income (loss) from continuing operations:			
Basic earnings per ADS	\$ (0.37)	\$ 0.14	\$ 1.72
Diluted earnings per ADS	\$ (0.37)	\$ 0.14	\$ 1.69
Basic earnings per ordinary share	\$ (0.19)	\$ 0.07	\$ 0.86
Diluted earnings per ordinary share	\$ (0.19)	\$ 0.07	\$ 0.84
Earnings per ADS and per ordinary share for net income (loss):			
Basic earnings per ADS	\$ (0.38)	\$ 0.14	\$ 1.72
Diluted earnings per ADS	\$ (0.38)	\$ 0.14	\$ 1.69
Basic earnings per ordinary share	\$ (0.19)	\$ 0.07	\$ 0.86
Diluted earnings per ordinary share	\$ (0.19)	\$ 0.07	\$ 0.84

Note 9. Property and Equipment
Accounting Policies

Property and equipment, which include right-of-use assets acquired under leases, are recognized at cost, less accumulated depreciation, and impairment losses. The cost of right-of-use assets under leases are measured as the initial amount of the lease liability (see Note 13) adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets or the remaining lease term, whichever is shorter. Useful lives, residual values and the depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Value in use is calculated as the present value of estimated future cash flows, which are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Reconciliation of the Carrying Amount of Property and Equipment

	Office properties	Equipment	Leasehold improvements	Furniture and fixtures	Total
Cost:					
As of January 1, 2022	\$ 10,257	\$ 28,604	\$ 1,719	\$ 782	\$ 41,363
Additions	-	3,505	19	45	3,570
Adjustments to right-of-use assets	4,182	1,722	-	-	5,904
Disposals	(404)	(174)	-	-	(578)
Effect of movements in exchange rates	1	137	(15)	(5)	118
As of December 31, 2022	<u>14,036</u>	<u>33,794</u>	<u>1,724</u>	<u>822</u>	<u>50,377</u>
Additions	-	1,829	-	44	1,873
Adjustments to right-of-use assets	1,829	4,527	-	-	6,356
Disposals	(376)	(3,410)	-	(1)	(3,788)
Effect of movements in exchange rates	(84)	13	1	(5)	(75)
As of December 31, 2023	<u>15,405</u>	<u>36,753</u>	<u>1,725</u>	<u>859</u>	<u>54,742</u>
Depreciation and impairment:					
As of January 1, 2022	6,086	20,955	1,388	670	29,100
Depreciation	2,047	5,016	196	61	7,321
Disposals	(404)	(174)	-	-	(577)
Effect of movements in exchange rates	(1)	(100)	12	-	(89)
As of December 31, 2022	<u>7,728</u>	<u>25,696</u>	<u>1,596</u>	<u>732</u>	<u>35,754</u>
Depreciation	1,664	4,841	116	40	6,660
Disposals	(376)	(3,410)	-	(1)	(3,786)
Effect of movements in exchange rates	47	(10)	(1)	5	41
As of December 31, 2023	<u>9,063</u>	<u>27,118</u>	<u>1,711</u>	<u>776</u>	<u>38,669</u>
Net book value as of December 31, 2022	<u>6,308</u>	<u>8,097</u>	<u>127</u>	<u>90</u>	<u>14,623</u>
Net book value as of December 31, 2023	<u>\$ 6,343</u>	<u>\$ 9,635</u>	<u>\$ 14</u>	<u>\$ 83</u>	<u>\$ 16,074</u>

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Office properties: Up to 7 years
- Equipment: Up to 10 years, or term of lease contract
- Leasehold improvements: Up to 6 years, or term of lease contract
- Furniture and fixtures: Up to 5 years

Additions to and remeasurements of the right-of-use assets during 2023 totaled \$6.4 million (2022: \$5.9 million).

Note 10. Goodwill and Intangible Assets
Accounting Policies

Intangible assets, which include certain crypto assets held by Opera, are measured on initial recognition at cost. Government grants that relate to the development of technology are deducted in arriving at the carrying amount of the asset when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period.

Goodwill is initially recognized as the excess of the aggregate of the consideration transferred when acquiring a business, the amount recognized for any non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill and other intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In the impairment test, goodwill is allocated to the cash-generating units or groups of cash-generating units that were expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Value in use is calculated as the present value of estimated future cash flows, which are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. Intangible assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Reconciliation of the Carrying Amount of Goodwill and Intangible Assets

	Goodwill	Trademarks	Customer relationships	Technology	Other intangible assets	Total
Cost:						
As of January 1, 2022	\$ 433,459	\$ 70,600	\$ 40,732	\$ 35,279	\$ 4,077	\$ 584,147
Additions (1)	-	-	-	6,789	5	6,794
Disposals	-	-	-	(5,211)	-	(5,211)
Effect of movements in exchange rates	(933)	-	-	(275)	(52)	(1,260)
As of December 31, 2022	<u>432,526</u>	<u>70,600</u>	<u>40,732</u>	<u>36,582</u>	<u>4,031</u>	<u>584,470</u>
Transfers and additions (1)	-	-	-	4,281	2,012	6,293
Disposals	-	-	-	-	(1)	(1)
Effect of movements in exchange rates	411	-	-	(10)	(1)	400
As of December 31, 2023	<u>432,937</u>	<u>70,600</u>	<u>40,732</u>	<u>40,852</u>	<u>6,041</u>	<u>591,162</u>
Amortization and impairment:						
As of January 1, 2022	3,081	-	15,362	28,807	2,893	50,142
Amortization	-	-	2,580	4,014	25	6,618
Impairment	-	-	-	2,220	974	3,194
Disposals	-	-	-	(5,211)	-	(5,211)
Effect of movements in exchange rates	-	-	-	224	74	298
As of December 31, 2022	<u>3,081</u>	<u>-</u>	<u>17,942</u>	<u>30,054</u>	<u>3,965</u>	<u>55,042</u>
Amortization	-	-	2,580	3,908	17	6,505
Impairment	-	-	-	681	-	681
Disposals	-	-	-	-	(1)	(1)
Effect of movements in exchange rates	-	-	-	8	1	9
As of December 31, 2023	<u>3,081</u>	<u>-</u>	<u>20,522</u>	<u>34,652</u>	<u>3,982</u>	<u>62,237</u>
Net book value as of December 31, 2022	<u>429,445</u>	<u>70,600</u>	<u>22,790</u>	<u>6,528</u>	<u>66</u>	<u>529,428</u>
Net book value as of December 31, 2023	<u>\$ 429,856</u>	<u>\$ 70,600</u>	<u>\$ 20,210</u>	<u>\$ 6,200</u>	<u>\$ 2,059</u>	<u>\$ 528,926</u>

(1) Additions to technology assets represent capitalized development expenditure net of grants received from the Norwegian government.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets with a limited useful life, as follows:

- Customer relationships: Up to 15 years
- Technology: Up to 5 years
- Other intangible assets: Up to 5 years

Other intangible assets include holdings of CELO and other crypto assets with a total carrying amount of \$2.0 million as of December 31, 2023. These assets have indefinite useful lives. In the statement of financial position as of December 31, 2022, crypto assets with an aggregate carrying amount of \$1.5 million were presented as part of other current receivables.

Impairment Losses on Goodwill and Other Intangible Assets

In 2023, Opera recognized an impairment charge of \$0.7 million on a non-strategic asset. In 2022, Opera recognized an impairment charge of \$2.2 million on another non-strategic intangible asset that subsequently was sold to Kunlun, a related party. The fair value of the consideration for the asset was the same as the asset's carrying amount subsequent to the impairment charge.

As of year-end 2022, Opera determined that the recoverable amount of a license related to the former European fintech initiative was \$0, which led to the recognition of an impairment loss of \$1.0 million. In 2021, Opera recognized an impairment loss of \$0.9 million on the same asset.

In 2021, Opera recognized an impairment of goodwill of \$3.1 million, which was the carrying amount of goodwill recognized in the acquisition of PocoSys in 2020. At the same time, Opera recognized an impairment loss of \$1.6 million for technology-related intangible assets used as part of a service that was discontinued.

Impairment Test for Goodwill and Other Intangible Assets

The carrying amount of goodwill as of December 31, 2023, comprised goodwill recognized in 2016 in the acquisition of Opera Norway AS of \$421.6 million, and \$8.3 million recognized in the acquisition of YoYo Games Limited in 2021. For impairment testing purposes, the group of cash-generating units also included the Opera brand, a trademark with indefinite useful life, which has a carrying amount of \$70.6 million.

Opera performed the annual impairment test in the fourth quarter of 2023. The recoverable amount was measured as the value in use by estimating the present value of the future cash flows from the cash-generating units. The projected cash flows were based on the most up-to-date forecast that had been approved by management and did not include cash flows arising from future enhancements of assets that have not been committed to and have not substantively commenced. The approved forecast is for 2024 only as management does not approve forecasts for a longer period. Because the length of the projection period for the cash flow forecast is into perpetuity, management identified a "steady state" set of assumptions for the cash flows based an approach where management estimated cash flows for the years 2025 and 2026 and then used the estimated cash flows in 2026 as the basis for the terminal value. This two-stage approach was aimed to take cash flows to a level at which they can be regarded as reflecting maintainable earnings and to the period in a mid-point of the cycle – i.e., not at peak or trough of the cycle. Beyond 2026, the cash flows were extrapolated using constant nominal growth rates.

The value-in-use calculation demonstrated that the recoverable amount exceeded the carrying amount of the cash-generating units, meaning the goodwill and the trademark were not impaired. The sections below outline the key assumptions in the value-in-use calculation, including their sensitivities.

Cash Flows in Projected Period

Cash inflows are expected to grow at an annualized rate of 15.3% over the projected period (2022: 16.1%), before reaching its long-term stable level. The cash inflows are forecasted for each product and country where there are sufficient and reliable data on which to base the projections. Forecasted cash outflows are partly based on actual costs in 2023 and a bottom-up assessment for the relevant operating unit. Operating expenditures are expected to grow in U.S. dollar terms but decline relative to revenue due to economies of scale.

Long-term Growth

Long-term GDP growth rates in the relevant regions were estimated as the basis for the long-term growth rate in the terminal value. Both the labor force and productivity were assumed to be stable, which resulted in zero real GDP growth. The International Monetary Fund's inflation estimates for 2028, broken down across regions, were used as the basis for estimating long-term inflation. As a result, the long-term nominal growth rate was estimated to be 2.8% (2022: 3.0%).

Discount Rate

The estimated weighted average cost of capital (WACC) was used to discount the projected cash flows, as converted to U.S. dollars. Based on the inputs listed below, the post-tax WACC was calculated to be 14.0% (2022: 12.8%). The derived pre-tax WACC was calculated to be 16.1% (2022: 14.6%).

- Risk free rate: 3.9% (2022: 3.9%)
- Market risk premium: 4.6% (2022: 4.6%)
- Equity beta: 0.9 (2022: 0.9)
- Country risk premium: 3.3% (2022: 1.9%)
- Size premium: 2.6% (2022: 2.9%)
- Equity to assets ratio: 100% (2022: 100%)

Sensitivity Analysis

Because Opera is in a growth period, management considered changes of +/-5 percentage points for the revenue growth rate and +/-1 percentage point for the long-term growth and post-tax WACC to be reasonably possible changes. None of these reasonably possible changes would result in an impairment loss. Listed below are the thresholds at which Opera would recognize an impairment loss.

- Decrease in annualized growth for cash inflows in the projected period of 19.5 percentage points, resulting an annualized decline of 4.2%.
- Decrease in the long-term growth rate of 12.3 percentage points, which would entail negative long-term growth rate of 9.5%.
- Increase of discount rate by more than 8.1 percentage points.

Note 11. Investments in Unconsolidated Entities
Accounting Policies

The accounting for investments in unconsolidated entities is based on Opera's degree of influence over the investees. When Opera has the power to participate in the financial and operating policy decisions of the investee, but not control nor joint control of those policies, the investee is classified as an associate. When Opera and other parties have contractually agreed to share control over an arrangement and Opera and the other parties have rights to the net assets of the arrangement, it is classified as a joint venture. Investments in associates and joint ventures are accounted for in accordance with the equity method. Other investments in unconsolidated entities are classified and accounted for as financial assets.

Equity-accounted investees

Under the equity method, the investment is initially recognized at cost and adjusted thereafter to recognize Opera's share of the post-acquisition profits or losses of the investee in the Statement of Operations, and Opera's share of movements in other comprehensive income of the investee in the Statement of Comprehensive Income. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of Opera's interest in the investee.

When Opera's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term interests that in substance form part of its net investment, is reduced to zero, and the recognition of further losses is discontinued. However, additional losses are provided for, and a liability is recognized, to the extent that Opera has incurred legal or constructive obligations or has made payments on behalf of the investee.

Financial assets

Investments in ordinary and preferred shares in OPay and Fjord Bank where Opera does not have control, joint control, or significant influence, are measured at fair value through profit or loss with the net change in fair value recognized as fair value gain on investments in the Statement of Operations. Management has not elected to present fair value gains and losses on equity investments in OCI. Transaction costs are expensed when incurred.

Opera's ordinary and preferred shares in OPay were classified as held for sale as of December 31, 2022. For an asset to be considered "held for sale," actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Moreover, the asset must be available for immediate sale in its present condition. Financial assets classified as held for sale continue to be measured at fair value through profit or loss and are presented separately as current items in the Statement of Financial Position.

Gains, Losses, and Carrying Amounts of Investments in Unconsolidated Entities

The tables below specify the gains, losses, and carrying amounts of Opera's investments in unconsolidated entities (in thousands):

	Year ended December 31,		
	2021	2022	2023
Share of net loss of equity-accounted investees:			
Share of net loss of Nanobank	\$ (28,700)	\$ -	\$ -
Share of net loss of OPay	(218)	-	-
Share of net loss of nHorizon	(458)	(6)	-
Total share of net loss of equity-accounted investees	(29,376)	(6)	-
Impairment of equity-accounted investee:			
Impairment of investment in Nanobank	(115,477)	-	-
Total impairment of equity-accounted investee	(115,477)	-	-
Fair value gain on investments:			
Fair value gain on preferred and ordinary shares in OPay	88,093	1,500	89,838
Fair value gain on preferred shares in Star X	28,468	-	-
Total fair value gain on investments	116,561	1,500	89,838
Net gain (loss) from investments in unconsolidated entities	\$ (28,292)	\$ 1,494	\$ 89,838

Investee	Nature of ownership interest	Ownership interest	Classification of investee	Basis of accounting for investment	Carrying amount of net investment as of December 31,	
					2022	2023
OPay	Ordinary and preferred shares	9.4%	Non-current financial asset (1)	FVTPL (2)	\$ 86,100	\$ 253,300
Fjord Bank	Ordinary shares	4.9%	Non-current financial asset (3)	FVTPL (2)	897	897
nHorizon Innovation	Ordinary shares	29.1%	Associate (4)	Equity method	\$ -	\$ -

(1) The shares in OPay were classified as held for sale at the end of 2022. While management remains committed to selling the shares, the criteria for classifying the shares as held for sale were not met as of December 31, 2023. Consequently, the carrying amount of the shares were presented as a separate line item in the Statement of Financial Position as of year-end 2023.

(2) Fair value through profit or loss ("FVTPL").

(3) The investment in Fjord Bank is included in other non-current investments and financial assets in the Statement of Financial Position.

(4) nHorizon Innovation was classified as a joint venture until the arrangement establishing joint control was terminated in mid-2023.

OPay

OPay is a mobile payment fintech company focused on emerging markets, with Nigeria and Egypt as initial key markets. OPay provides online and offline payments, and digital wallet services leveraging AI, big data and other fintech innovations, thus helping countries in emerging markets advance their trajectory of digital payments and other financial services.

Opera holds a combination of ordinary and preferred shares in OPay. During 2023, Opera's ownership interest in the company increased from 6.4% to 9.4% as a result of the receipt of Series C preferred shares in OPay under the share transfer agreement entered into in connection with the settlement of the receivable from Opera's sale of shares in Nanobank, as described in Note 12. During 2021, Opera sold a portion of its preferred shares for a total consideration of \$50.0 million.

The shares in OPay were initially classified as held for sale at the end of 2021 based on a plan authorized by the board of directors of Opera Limited to pursue divestment. The shares continued to be classified as held for sale as of December 31, 2022, based on management still pursuing divestment opportunities and assessing that a sale within the next year was highly probable. However, at the end of 2023, management of Opera concluded that it is no longer highly probable that the shares will be sold within the next year. Ceasing to classify the shares as held for sale did not impact how the shares are measured – only their classification in the Statement of Financial Position.

OPay was classified as an associate until mid-2021, at which point in time management of Opera concluded, based on significant judgment, that Opera lost significant influence over the company even though Opera's chairman and chief executive officer was and continues to be the chairman and chief executive officer of OPay. Factors that were key in the assessment include Opera's ownership interest relative to other investors, that Opera's chairman and chief executive officer holds his roles at OPay as a representative of his personal investment entities (which also are investors in OPay), and that the corporate governance framework in OPay does not allow him to exercise significant influence in OPay on behalf of Opera. Upon the loss of significant influence, Opera discontinued the application of the equity method to the accounting for the investment in ordinary shares and instead measured the ordinary shares at fair value through profit or loss. The loss of significant influence over OPay did not impact the accounting for the preferred shares, which are measured at fair value through profit or loss.

The fair values of the shares in OPay were measured using the probability-weighted expected return model ("PWERM"), which was determined to be an appropriate model because it can capture and reflect the characteristics of the company and the economic rights and benefits of the various classes of shares, including redemption rights and liquidation preferences. In the model, as applied, fair values of the shares were estimated based on the probability-weighted present value of expected future investment returns, considering a total of eight possible future scenarios, including three variations each for initial public offering and private sale transactions, one scenario for dissolution and one for redemption, with future equity values ranging from \$0.2 billion to \$8.0 billion after one to three years. The table below specifies equity values (in millions), timing and probabilities of the respective outcomes:

Scenarios	Equity value		Time to exit (in years)		Probability	
	2022	2023	2022	2023	2022	2023
Initial public offering	2,1000	2,9000				
	-5,00000	-8,00000	1.5	1 - 3	30%	72%
	2,0000	3,5000				
Sale transaction	-5,00000	-7,50000	1 - 1.5	1 - 3	50%	8%
Dissolution	\$400	\$234	1.5	3	10%	10%
Redemption	\$1,000	\$1,000	1.5	3	10%	10%

Each class of shares was allocated its portion of the equity value based on the economic rights and benefits of the shares. The future outcomes were discounted using an estimated cost of equity of 18.9% (2022: 18.9%). Accordingly, the present equity values of the scenarios ranged from \$0.1 billion to \$4.8 billion, with a probability-weighted present value of \$3.0 billion (2022: \$1.9 billion). Additionally, as OPay is a private company and its shares are illiquid, a judgmental discount for lack of marketability of 10% was applied in the fair value measurement of the shares (2022: 10%). Because the fair value measurement incorporated significant unobservable inputs, it was classified as a level 3 measurement in the fair value hierarchy.

The probability-weighted present value estimated by PWERM was reconciled to an estimate for the overall equity value of OPay based on a discounted cash flow analysis, the valuation implied in a smaller financing transaction that took place in late 2023, and to a limited extent, market multiples. In the discounted cash flow analysis, revenue was estimated to grow at an annualized rate of 35% over the 2023-2030 period, and thereafter reaching a long-term growth rate of 7.0%. The free cash flow was expected to increase over the forecasted period in line with the growth of profitability.

The Series C preferred shares received in 2023 as settlement of the Nanobank receivable, as discussed in Note 12, must be returned to OPay on a pro-rata basis if the cumulative financial performance over 2023 and 2024 for the business acquired by OPay from Nanobank falls short of a certain target. In connection with the valuation of these shares as of December 31, 2023, scenarios for achieving the financial target were considered, taking into account the contribution from 2023, as already confirmed by OPay. The conclusion was that the scenarios identified and weighted when the shares were received continued to be appropriate as of year-end 2023, and consequently a 6% net reduction of value was maintained.

The table below provides a reconciliation of the carrying amount of Opera’s investment in OPay (in thousands):

	Year ended December 31,	
	2022	2023
Carrying amount as of January 1	\$ 84,600	\$ 86,100
Fair value of shares acquired	-	77,362
Change in fair value of preferred shares	1,100	67,018
Change in fair value of ordinary shares	400	22,820
Carrying amount as of December 31	\$ 86,100	\$ 253,300

The table below shows the sensitivities to the key unobservable inputs in the measurement of fair values of the shares in OPay (in thousands):

Significant unobservable inputs	Change in assumption	Impact on fair value of shares in OPay			
		2022		2023	
		Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption
Weighted average equity value	10%	(9,862)	9,862	(24,791)	24,791
Time to exit	1 year	16,219	(13,641)	47,872	(40,263)
Relative change in probability of sale (1)	100%	23,321	(5,791)	(630)	630
Discount for lack of marketability	5 pp	4,768	(4,768)	14,072	(14,072)
Discount rate	2 pp	2,131	(2,045)	9,759	(9,202)
Achievement of financial target (2)	10 pp	N/A	N/A	(8,452)	5,017

(1) Represents a relative change in the probabilities of sale scenarios, offset by an equal change in the probabilities of IPO scenarios.

(2) Only applicable to the Series C preferred shares acquired in 2023, as discussed above.

nHorizon Innovation and nHorizon Infinite

nHorizon Innovation and nHorizon Infinite (collectively “nHorizon”) were joint ventures until mid-2023, after which the arrangement establishing joint control was terminated. At the time the carrying amount of the investments was zero. Opera continues to hold a 29.1% ownership interest in nHorizon Innovation, which is classified as an associate. nHorizon Innovation generates income from the licensing of intellectual property, predominantly from nHorizon Infinite, which is focused on supporting Chinese app developers monetize their apps internationally through advertising.

Fjord Bank

Fjord Bank is a full-digital consumer finance bank with a specialized bank license granted by the European Central Bank. Fjord Bank’s head office is in Vilnius, Lithuania. Opera holds 3,252,300 shares in Fjord Bank, which represented an ownership interest of 4.9% as of December 31, 2023. The investment in Fjord Bank is measured at fair value through profit or loss. As of December 31, 2023, the fair value of the shares in Fjord Bank was estimated to be \$0.9 million, which is the same amount as the acquisition cost and the carrying amount as of year-end 2022. Because the fair value measurement incorporated significant unobservable inputs, it was classified as a level 3 measurement in the fair value hierarchy. The carrying amount of the shares is recognized as part of other non-current investments and financial assets in the Statement of Financial Position.

Nanobank

In March 2022, Opera sold its 42.4% ownership interest in Nanobank, a provider of online microlending and credit card services, for a fixed consideration of \$127.1 million in cash, payable in eight equal installments over the following two years. See Note 12 for additional details about the receivable. Prior to the disposal, the investment in Nanobank was accounted for in accordance with the equity method until the end of 2021, at which point in time the investment was classified as held for sale, resulting in the shares being measured at their fair value less costs to sell. The price for the shares agreed in the sale transaction in March 2022 was determined to be the best estimate of the fair value less costs to sell as of year-end 2021, which resulted in an impairment loss of \$115.5 million in 2021.

Star X

In April 2022, Opera sold its preferred shares in Star X, a technology-driven company focused on audio-centric social networking. The preferred shares represented a 19.4% ownership interest in Star X. The shares were sold to Kunlun, the ultimate parent of both Opera and Star X. While Star X was classified as an associate because Opera had significant influence over the company, the preferred shares were measured at fair value through profit or loss because they provided certain rights and benefits over ordinary shares. The classification of Star X as held for sale as of the end of 2021 did not impact the basis of measurement of the preferred shares.

Fair value of the preferred shares as of year-end 2021 was measured based on the transaction price agreed in the sale transaction completed in April 2022. Therefore, the sale did not result in a gain or loss in 2022. The agreed transaction price was \$83.5 million, resulting in Opera recognizing a fair value gain of \$28.5 million in 2021. See Note 12 for details on the receivable due from Kunlun for the shares in Star X.

Note 12. Trade Receivables, Other Receivables, and Prepayments
Accounting Policies

Trade receivables that do not contain a significant financing component are initially measured at the transaction price determined in accordance with the accounting policies for revenue. Other receivables are initially measured at their fair values plus, in the case of a receivable not at fair value through profit or loss, transaction costs. Transaction costs of receivables measured at fair value through profit or loss are expensed when incurred.

On initial recognition, Opera classifies a receivable as subsequently measured at amortized cost or fair value through profit or loss depending on Opera's business model for managing the receivable and the contractual cash flow characteristics. Receivables that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the Statement of Operations together with foreign exchange gains and losses. Impairment losses are presented as credit loss expenses. Receivables that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a receivable that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

An allowance for expected credit losses (ECLs) is recognized for all receivables not held at fair value through the Statement of Operations. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to be received, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, Opera applies a simplified approach in calculating ECLs. Under the simplified approach, Opera does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. Opera makes specific loss provisions at the level of specific invoices where information exists that management can utilize in its determination of credit risk. For trade receivables where no specific risk information is identified, Opera has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than 180 days past due. For each customer, management makes individual assessments with respect to the timing and amount of write-off.

Receivables are derecognized when the rights to receive cash flows have expired or have been transferred and Opera has transferred substantially all the risks and rewards of ownership. When the terms and conditions of a contract underlying a receivable are changed, Opera performs a quantitative and qualitative evaluation of whether the modification is substantial, that is, whether the cash flows of the original receivable and the modified or replacement receivable are substantially different. When the cash flows are substantially different, the contractual rights to cash flows from the original receivable are deemed to have expired. The quantitative and qualitative evaluation considers the changes to the terms of the contract, including whether those give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade Receivables

The table below specifies items of trade receivables (in thousands):

	As of December 31,	
	2022	2023
Trade receivables due from third-party customers	\$ 60,037	\$ 76,468
Trade receivables due from related parties (Note 17)	1,947	591
Total gross trade receivables	61,985	77,059
Allowance for expected credit losses	(4,062)	(7,677)
Trade receivables net of loss allowance	\$ 57,923	\$ 69,382

The credit loss allowance was determined as follows (in thousands, except for percentages):

As of December 31, 2022	Current (not past due)	Past due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Weighted-average expected credit loss rate	1.3%	6.8%	13.3%	26.2%	54.0%	6.6%
Gross carrying amount	\$ 51,268	\$ 3,203	\$ 1,296	\$ 1,251	\$ 4,966	\$ 61,985
Loss allowance as of December 31, 2022	\$ 662	\$ 218	\$ 173	\$ 328	\$ 2,682	\$ 4,062

As of December 31, 2023	Current (not past due)	Past due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Weighted-average expected credit loss rate	0.7%	1.2%	2.1%	3.1%	86.4%	10.0%
Gross carrying amount	\$ 62,815	\$ 4,116	\$ 1,247	\$ 634	\$ 8,248	\$ 77,059
Loss allowance as of December 31, 2023	\$ 458	\$ 47	\$ 26	\$ 20	\$ 7,126	\$ 7,677

The credit loss allowance for trade receivables as of year-end reconciles to the opening loss allowance as follows (in thousands):

	Year ended December 31,	
	2022	2023
Loss allowance as of January 1	\$ 2,796	\$ 4,062
Increase in loss allowance	1,366	3,814
Effect of movements in exchange rates	(100)	(199)
Loss allowance as of December 31	<u>\$ 4,062</u>	<u>\$ 7,677</u>

Total loss allowance increased in particular due to receivables due from certain specific customers in emerging markets, where local events and circumstances resulted in increased collection risk. See Note 16 for details regarding Opera's procedures on managing credit risk.

Receivables from Sale of Investments

Star X

In April 2022, Opera sold its 19.4% ownership interest in Star X to Kunlun, the ultimate parent of both Opera and Star X, for a fixed consideration of \$83.5 million in cash, plus interest. The receivable was classified as subsequently measured at amortized cost. An initial \$28.4 million installment was received in 2022. Kunlun will pay a simple annual interest of 3.5% on the deferred payments.

In June 2023, Opera and Kunlun entered into an amendment to the share transfer agreement. The amendment modified the payment terms. Specifically, dividends declared and payable to Kunlun's holding of ordinary shares in Opera from the recurring cash dividend program adopted in June 2023, as described in Note 16, will be offset against the receivable until the receivable, including accrued interest, is settled. This in lieu of Kunlun making the then remaining installment payments to Opera in cash. Of the dividend declared in June 2023, \$25.1 million was payable to Kunlun's holding of ordinary shares and offset against Opera's Star X receivable. Similarly, of the dividend declared in December 2023, an equal amount was offset against the receivable when the dividend was paid in January 2024.

The table below specifies the movement in the carrying amount of the receivable (in thousands):

	Year ended December 31,	
	2022	2023
Carrying amount as of January 1	\$ -	\$ 56,374
Initial recognition at fair value	83,468	-
Interest income (Note 7)	1,285	1,556
Installment and dividend set-off	(28,379)	(25,133)
Carrying amount as of December 31	<u>\$ 56,374</u>	<u>\$ 32,797</u>
<i>Recognized and classified as:</i>		
Non-current receivables from sale of investments	\$ 28,187	\$ -
Current receivables from sale of investments	\$ 28,187	\$ 32,797

While the receivable is measured at amortized cost in the Statement of Financial Position, its fair value is estimated for disclosure purposes. Based on a present value technique where contractual cash flows were discounted using a risk-adjusted discount rate incorporating the current yield on U.S. government bonds with maturities consistent with the maturity of the receivable, and a risk premium estimated based on the characteristics of the receivable and Kunlun, the estimated fair value of the receivable was \$32.0 million as of December 31, 2023, which was \$0.8 million lower than the carrying amount as of the same date. As of December 31, 2022, the estimated fair value was \$54.6 million, as compared to the carrying amount of \$56.4 million. The risk-adjusted discount rate as of year-end 2023 was estimated to be 6.1%, up from 5.7% as of the end of 2022 due to increases in the yields on U.S. government bonds. The fair value measurement incorporated significant unobservable inputs and is therefore categorized within level 3 of the fair value hierarchy.

Nanobank

In March 2022, Opera sold its 42.4% ownership interest in Nanobank for a fixed consideration of \$127.1 million in cash, payable in eight equal installments over the following two years. The receivable was recognized at its estimated fair value of \$120.3 million. The receivable was subsequently measured at amortized cost.

In August 2022, Opera and the buyer agreed to make certain modifications to the sales agreement, including to the total purchase price, payment period and installment amounts. The adjusted purchase price was \$131.7 million, payable in 16 quarterly installments, the first of which had been made at the time the modified share transfer agreement was entered into. The modified share transfer agreement also introduced certain mechanisms which would potentially reduce the purchase price or trigger an immediate settlement in the form of the transfer of shares in any acquiring company following a sale or merger in which Nanobank would be the target entity sold or merged for consideration in equity of the acquirer. Because of the substantial modifications to the share transfer agreement, the contractual rights to cash flows from the original receivable were deemed to have expired. The original receivable was therefore derecognized, and a new receivable recognized at its estimated fair value. The terms of the modified share transfer agreement were not consistent with a basic financing arrangement and the new receivable was therefore subsequently measured at fair value through profit or loss.

As of December 31, 2022, fair value of the receivable was estimated to be \$76.3 million based on an expected present value technique where the probability-weighted average of possible future cash flows and non-cash payments was discounted using a discount rate of 8.0%, which was based on the yield of U.S. treasury bonds with the same maturity as the receivable and a risk premium to capture the uncertainty with regard to amount and timing of future cash flows not reflected in the scenarios for future cash flows. The fair value measurement was classified as a level 3 measurement in the fair value hierarchy because it incorporated significant unobservable inputs, including the possible scenarios for settlement and default, their probabilities of occurring and the risk premium.

In February 2023, Nanobank sold the majority of its business in Asia to OPay in exchange for shares in OPay. In connection with this, Opera and the third-party buyer of Opera's former ownership stake in Nanobank agreed to treat the transaction as a full sale of Nanobank, triggering an immediate settlement of Opera's receivable in the form of the transfer 58,785,744 Series C preferred shares in OPay in lieu of quarterly cash installments through the second quarter of 2026. The settlement was based on the valuation applied in the transaction as well as an estimate for the value of Nanobank's remaining business. Opera entered into a final share transfer agreement with the third-party buyer mirroring relevant provisions of the sales agreement between Nanobank and OPay, which includes certain financial targets for the Nanobank business acquired and a provision for the sellers to pro-rata return up to all Series C preferred shares received as consideration in the transaction, after 2024, if the cumulative financial performance over 2023 and 2024 falls short of such targets. The estimated fair value of the shares received was \$77.4 million, which was inclusive of a 6% net reduction of value, equal to \$4.9 million, to reflect various scenarios of impacts related to the provisions in the agreement. The fair value of the shares was \$1.1 million higher than the carrying amount of the receivable as of December 31, 2022, resulting in the recognition of a gain on settlement of \$1.1 million, which was recognized as part of finance income.

The table below specifies the movement in the carrying amount of the receivable (in thousands):

	Year ended December 31,	
	2022	2023
Carrying amount as of January 1	\$ -	\$ 76,278
Initial recognition at fair value	120,311	-
Interest income (Note 7)	2,390	-
Fair value gain (loss) (Note 7)	(37,923)	1,084
Installment and settlement	(8,500)	(77,362)
Carrying amount as of December 31	\$ 76,278	\$ -
<i>Recognized and classified as:</i>		
Non-current receivables from sale of investments	\$ 48,118	\$ -
Current receivables from sale of investments	\$ 28,160	\$ -

Other Current Receivables and Prepayments

The table below specifies the items of other current receivables (in thousands):

	As of December 31,	
	2022	2023
Value added tax	\$ 1,472	\$ 5,781
Unsettled trades (1)	12,993	-
Receivable due from Kunlun (Note 17) (2)	-	1,300
Other (3)	2,783	678
Total other current receivables	\$ 17,247	\$ 7,760

- (1) Receivables from unsettled trades represented the amount due from brokers from the sale of listed equity securities under the former investment program described in Note 16.
- (2) Represents amount due from Kunlun for the recharge of certain corporate expenses.
- (3) In 2022, crypto assets with an aggregate carrying amount of \$1.5 million were presented as part of other current receivables. In 2023, crypto assets are presented as other intangible assets, as specified in Note 10.

The table below specifies the items of prepayments (in thousands):

	As of December 31,	
	2022	2023
Prepaid corporate income taxes	\$ 421	\$ 649
Other prepaid expenses	3,511	4,010
Total prepayments	\$ 3,932	\$ 4,660

Note 13. Lease Liabilities and Other Loans**Accounting Policies***Leases*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date of a lease Opera recognizes a lease liability and a right-of-use asset.

Contracts may contain both lease and non-lease components, which are accounted for separately. Consideration in the contracts is allocated to the lease and non-lease components based on their relative stand-alone prices.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Opera's incremental borrowing rate. Generally, Opera uses its incremental borrowing rate as the discount rate. The lease payments include:

- fixed payments (and payments that are fixed in substance) less any lease incentives;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees; and
- the exercise price of any purchase option reasonably certain to be exercised by Opera, and payments of penalties for terminating a lease, if the lease term reflects management's expectation of exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period when the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Lease payments on short-term leases of office properties and equipment, and leases of office equipment of low value are recognized as expenses on a straight-line basis over the lease term.

Other Loans

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Operations over the period of the borrowings using the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Operations.

Financial liabilities are classified as current liabilities unless Opera has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Specification of Lease Liabilities and Other Loans

The table below summarizes lease liabilities and other loans (in thousands):

	As of December 31,	
	2022	2023
Non-current lease liabilities	\$ 4,723	\$ 6,776
Non-current interest-bearing loans	-	-
Total non-current lease liabilities and other loans	4,723	6,776
Current lease liabilities	2,840	3,659
Current interest-bearing loans	146	-
Other current loans	126	111
Total current lease liabilities and other loans	3,112	3,770
Total lease liabilities and other loans	\$ 7,836	\$ 10,545

In June 2023, Opera made the final installment on the interest-bearing loan related to vendor financing of hosting infrastructure. As of December 31, 2023, Opera did not have any interest-bearing loans.

See Note 16 for a maturity analysis of the financial liabilities.

The Statement of Financial Position has the following amounts relating to leases (in thousands):

	As of December 31,	
	2022	2023
Right-of-use assets:		
Office properties (Note 10)	\$ 6,307	\$ 6,343
Equipment (Note 10)	1,157	3,713
Total right-of-use assets	\$ 7,464	\$ 10,056
Lease liabilities:		
Non-current lease liabilities	\$ 4,723	\$ 6,776
Current lease liabilities	2,840	3,659
Total lease liabilities	\$ 7,564	\$ 10,434

The Statement of Operations has the following amounts relating to leases (in thousands):

	Year ended December 31,	
	2022	2023
Depreciation expense of right-of-use assets classified as property	\$ 2,047	\$ 1,664
Depreciation expense of right-of-use assets classified as equipment	1,636	1,971
Interest expense (included in finance expense)	242	356
Expense relating to short-term leases (included in other operating expenses)	2,609	1,254
Foreign exchange (gain) loss	(103)	196
Total lease-related expenses	\$ 6,431	\$ 5,441

The total cash outflow for leases in 2023 was \$6.1 million (2022: \$6.2 million, and 2021: \$7.5 million).

Lease terms are negotiated on an individual basis and are for a wide range of different terms and conditions. Lease contracts are typically made for fixed periods of 6 months up to 7 years, but several property and equipment leases include extension and termination options. These options are used to maximize operational flexibility. The majority of extension and termination options held are exercisable only by Opera and not by the respective lessors.

Some lease agreements require that Opera provide cash deposits as security for lease payments. As of December 31, 2023, such cash deposits totaled \$1.7 million (December 31, 2022: \$1.7 million). Leased assets may not be used as collateral for borrowing purposes.

To determine the incremental borrowing rate, management used a build-up approach that started with a risk-free interest rate, which was adjusted for estimated credit risk and other factors specific to the lease, including term, geographic location, currency and collateral.

Guarantee

A guarantee has been made by Opera in favor of Dell Bank International d.a.c., or Dell, as a security for all present and future lease liabilities of Opera as the lessee to Dell. This guarantee is limited to a principal amount of 100.0 million Norwegian kroner (\$9.8 million), with the addition of any interests, costs and/or expenses accruing on the liabilities and/or as a result of Opera's non-fulfilment of the liabilities. The guarantee is valid until January 17, 2027.

Changes in Liabilities Arising from Financing Activities

The table below specifies changes in liabilities arising from financing activities (in thousands):

	Non-current lease liabilities	Non-current interest- bearing loans	Current lease liabilities	Current interest- bearing loans	Other current loans	Total
As of January 1, 2022	\$ 1,925	\$ 155	\$ 3,449	\$ 7,784	\$ 194	\$ 13,508
Net cash flows	(353)	(9)	(3,484)	(301)	(68)	(4,216)
Change in credit facility	-	-	-	(7,483)	-	(7,483)
New, modified and disposed leases	3,075	-	2,812	-	-	5,887
Interest expense	154	-	88	-	-	242
Foreign exchange (gain) loss	(78)	-	(24)	-	-	(103)
Other changes (1)	-	(146)	-	146	-	-
As of December 31, 2022	4,723	-	2,840	146	126	7,836
Net cash flows	(1,647)	-	(2,260)	(146)	(15)	(4,068)
New, modified and disposed leases	3,310	-	2,915	-	-	6,225
Interest expense	243	-	113	-	-	356
Foreign exchange (gain) loss	146	-	50	-	-	196
As of December 31, 2023	\$ 6,776	\$ -	\$ 3,659	\$ -	\$ 111	\$ 10,545

(1) "Other changes" includes the effect of reclassification of the non-current portion of liabilities to current due to the passage of time and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities.

Note 14. Trade and Other Payables, and Other Current Liabilities**Accounting Policies**

A trade payable is a liability to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are derecognized when the obligation under the liability is discharged or canceled or expires.

A provision is recognized when Opera has a present legal or constructive obligation because of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Specifications of Trade and other Payables, and Other Current Liabilities

The table below specifies the items of trade and other payables (in thousands):

	As of December 31,	
	2022	2023
Trade payables due to third-party suppliers	\$ 40,031	\$ 49,345
Trade and other payables due to related parties (Note 17)	4,125	483
Value added tax	768	373
Payroll tax	2,012	2,045
Total trade and other payables	\$ 46,937	\$ 52,247

The table below specifies the items of other current liabilities (in thousands):

	As of December 31,	
	2022	2023
Accrued personnel expenses	\$ 11,586	\$ 12,887
Other current liabilities	567	398
Total other current liabilities	\$ 12,152	\$ 13,285

For a schedule of maturities for trade and other payables, and other current liabilities, see Note 16.

Note 15. Financial Assets and Financial Liabilities

The following table shows the carrying amounts of financial assets and financial liabilities (in thousands):

	As of December 31,	
	2022	2023
Financial assets at amortized cost:		
Receivables from sale of investments (Note 12)	\$ 56,374	\$ 32,797
Trade receivables (Note 12)	57,923	69,382
Other receivables (Note 12) (1)	18,993	9,911
Total financial assets at amortized cost	133,290	112,090
Financial assets at fair value through profit or loss:		
Receivables from sale of investments (Note 12)	76,278	-
Unlisted preferred and ordinary shares (Note 11) (2)	86,997	254,197
Listed equity securities (Note 16) (3)	66,250	-
Total financial assets at fair value through profit or loss	229,525	254,197
Total financial assets	362,815	366,288
Financial liabilities at amortized cost:		
Lease liabilities and other loans (Note 13)	7,835	10,545
Trade and other payables (Note 14)	46,937	52,247
Other financial liabilities (Note 13)	12,220	13,379
Total financial liabilities at amortized cost	66,992	76,171
Total financial liabilities	\$ 66,992	\$ 76,171

(1) In the Statement of Financial Position, other non-current receivables are presented as part of other non-current investments and financial assets while other current receivables are presented separately.

(2) As of December 31, 2023, Opera held investments in ordinary and preferred shares in OPay with a total carrying amount of \$253.3 million and ordinary shares in Fjord Bank with a carrying amount of \$0.9 million. As of December 31, 2022, these investments had a carrying amount of \$86.1 million and \$0.9 million, respectively. The shares in OPay are presented as a separate line item in the Statement of Financial Position as of December 31, 2023, while as of year-end 2022, the investment in OPay was classified as held for sale. The shares in Fjord Bank are presented as part of other non-current investments and financial assets. See Note 11 for more information.

(3) Investments in listed equity securities were presented as marketable securities in the Statement of Financial Position.

Note 16 provides details on the management of risks related to the financial assets and financial liabilities.

Fair Values of Financial Assets and Financial Liabilities

The fair values of cash and cash equivalents, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the relatively short-term maturities of these instruments. For lease liabilities the differences between the carrying amounts and fair values are not material.

Fair values of listed equity securities were determined by reference to published price quotations in active markets. As such, the fair value measurement of marketable securities was classified as a level 1 measurement in the fair value hierarchy.

Note 11 provides details on the fair value measurement of ordinary and preferred shares in OPay and ordinary shares in Fjord Bank, while Note 12 provides details on the fair value measurement of the receivable from the sales of shares in Star X.

Note 16. Capital and Financial Risk Management

Capital Management

The primary objective of Opera's capital management is to maintain a strong capital base to support investor, creditor, and market confidence and to sustain future development of the business in accordance with its growth plans.

Dividends

On January 12, 2023, the board of directors of the Company declared a special cash dividend of \$0.80 per ADS, or \$0.40 per ordinary share, representing an aggregate dividend of \$71.4 million. Of this, \$59.0 million was payable to Kunlun Tech Limited and Keeneyes Future Holding Inc., each a shareholder in Opera, and was offset against receivables due from these companies by the same amount. The offsetting receivables arose from Opera's sale of listed equity securities to these two shareholders in connection with Opera terminating its investment program (see below). The remaining \$12.4 million of the dividend was paid in cash.

On June 13, 2023, the board of directors of the Company adopted a recurring semi-annual cash dividend program for holders of Opera's ordinary shares as well as ADSs. The first semi-annual dividend of \$0.40 per ADS was declared at the same date, representing an aggregate dividend of \$36.0 million. The dividend payable on the ordinary shares held by Kunlun, totaling \$25.1 million, was offset against Opera's receivable due from Kunlun following the sale of Opera's former ownership interest in Star X. Future dividend payments on Kunlun's ordinary shares in Opera will also be offset until the Star X receivable is fully settled.

On December 12, 2023, the board of directors of the Company declared the second dividend of \$0.40 per ADS under the semi-annual cash dividend program, which was payable to shareholders of record on January 3, 2024. Because the Company's directors retained the ability to cancel the dividend up until the record date, the dividend did not represent a liability as of December 31, 2023.

While Opera intends to pay regular semi-annual dividends, each distribution will require the approval of the Company's board of directors, which will consider the form, frequency and amounts of future dividends based upon Opera's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, and other relevant factors.

Share Repurchases

On January 20, 2022, the board of directors of the Company approved a share repurchase program, which authorized the Company's management to execute the repurchase of ADSs for up to \$50 million by March 31, 2024, in any form that management may deem fit. The repurchase program launched in February 2022 and was completed in November 2023, at which point in time Opera had repurchased 6,119,841 ADSs under the program for a total cost of \$50 million.

Prior to 2022, Opera had repurchased 7,476,455 ADSs for \$60.5 million under two separate repurchase programs that commenced in 2018 and 2020, and which were completed in 2019 and 2021, respectively.

On October 17, 2022, Opera completed the repurchase of 46,750,000 ordinary shares, equivalent to 23,375,000 ADSs, for \$128.6 million from its pre-IPO shareholder Qifei International Development Co. Ltd., a subsidiary of 360 Security Technology Inc., which consequently is no longer a shareholder in Opera. This repurchase of ordinary shares was made separately from the share repurchase program for the Company's ADSs.

Including both on- and off-market transactions, Opera has repurchased a total of 36,971,296 ADS equivalents for a total cost of \$239.0 million over the 2018-2023 period.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in the Statement of Operations on the purchase, sale, reissue, or cancellation of the Company's own equity instruments.

Investment Program

Since 2018, Opera has operated an investment program under which up to \$70 million of Opera's capital was set aside for investments in listed equity securities. Early in 2023, following the sale of the majority of the investment portfolio to Kunlun Tech Limited, a subsidiary of Kunlun, and Keeneyes Future Holding Inc., each a shareholder in Opera, as discussed in Note 17, and the subsequent sale of the remaining securities in market transactions, Opera terminated the investment program. The table below provides an overview of the gains and losses on the investment portfolio (in thousands):

	Year ended December 31,		
	2021	2022	2023
Realized net gain (loss)	\$ 6,752	\$ (18,375)	\$ 37,564
Change in unrealized net gain (loss)	(11,696)	34,321	(34,321)
Net gain (loss) on investment portfolio	\$ (4,944)	\$ 15,946	\$ 3,243

The net gains in 2022 and 2023 on the investment portfolio were recognized in the Statement of Operations as finance income, while the net loss in 2021 was recognized as finance expense, as specified in Note 6. The investment program existed through relatively volatile market conditions, and overall provided a net gain of \$34.2 million since its inception in 2018.

Financial Risk Management - Overview

The financial assets and financial liabilities held by Opera, as specified in Note 15, create exposure to market, credit, and liquidity risks. The management team seeks to minimize potential adverse effects of these risks through sound business practices and risk management. The board of directors, together with senior management, is involved in the risk assessment process. Opera has not utilized derivatives for hedging purposes.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Opera is exposed to three types of market risk: interest rate risk, foreign currency risk and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk as of December 31, 2023, was limited. During 2023, Opera repaid the interest-bearing loan that was outstanding at the end of 2022 with a carrying amount of \$0.1 million. The receivable due from Kunlun following the sale of Opera's former ownership interest in Star X accrues a simple annual interest of 3.5%. Cash is deposited in interest-bearing accounts at banks and financial institutions. Other financial assets and liabilities are not interest-bearing.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Opera is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and payables are denominated and the respective functional currencies of Group companies. Most of Opera's revenue is denominated in U.S. dollars and Euro, while operating expenses are incurred in a wider specter of currencies, including the Norwegian krone, Chinese renminbi, Polish zloty, Swedish krona, British pound, and the Euro. The functional currency of revenue-generating entities in the Group is primarily the U.S. dollar. Management is closely monitoring Opera's exposure to foreign currency risk and seeks to minimize its exposure to such risk. Opera's exposure to foreign currency risk related to cash is limited.

In addition to transactional foreign currency risk, Opera is exposed to foreign currency translation risk arising from financial and non-financial items held by subsidiaries with functional currencies that are different from U.S. dollars, which is the presentation currency for the consolidated financial statements. Opera seeks to minimize this risk by limiting funding of subsidiaries to near-term cash needs.

Price Risk

Opera is exposed to price risk from its investments in ordinary and preferred shares in OPay and ordinary shares in Fjord Bank, all of which are unlisted and measured at fair value through profit or loss. The nature of the investments and the underlying businesses entail uncertainties about the future values of the shares. This price risk is monitored by Opera's senior management on a regular basis by reviewing the financial performance and position of the investees, and their forecasts for future performance. Note 11 contains additional details on the fair values of these shares, including sensitivity analysis.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss for Opera. Opera's exposure to credit risk primarily arises from trade and other receivables, including receivables from sale of investments, deposits of cash with banks and financial institutions, and from the investment in preferred shares in OPay.

Credit risk is managed on a group basis. Deposits of cash are only made with banks and financial institutions that are considered solvent, resulting in management considering its exposure to credit risk for cash being low. For trade receivables due from customers, the exposure to credit risk is limited by Opera having established maximum payment periods in the range of 30 to 90 days after invoices being issued. Management is continuously monitoring the exposure to credit risk from outstanding trade receivables and is managing this risk as part of the management of business risk. Additional details on trade receivables, including maturity analysis and provision for expected credit losses, are provided in Note 12.

In 2022, Opera sold its shares in Star X, with a significant portion of the transaction prices being payable in future periods. The credit risk related to this receivable is discussed in Note 12.

The investment in preferred shares in OPay gives rise to credit risk due to the redemption rights granted to Opera and other holders of preferred shares. The redemption rights entail that if certain defined events occur, such as the failure to complete an IPO within a certain period or material breaches of contractual obligations, Opera (and other investors) can demand repayment of the invested amount plus a return on that investment at a simple annual interest rate of 8%. Holders of preferred shares in OPay will incur credit losses if OPay is unable to honor its potential future redemption obligation. Opera's management assessed this specific contingent credit risk to be low based on the financial position of OPay. The preferred shares are monitored for credit deterioration. Note 11 provides additional details on the preferred shares.

Liquidity Risk

Liquidity risk is the risk that Opera will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The senior management of Opera is monitoring the exposure to liquidity risk and has adopted a centralized cash pooling process, which enables Opera to manage liquidity surpluses and deficits according to the actual needs at the group and subsidiary level. The liquidity management takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from operations. Opera's goal is to have a strong liquidity position in terms of available cash and cash equivalents, and short-term investments.

Opera's liquidity risk is low because of the relatively strong liquidity position and Opera's low debt-to-equity ratio. The table below summarizes the maturity profile of Opera's financial liabilities based on contractual undiscounted payments (in thousands):

As of December 31, 2022	Less than 12 months	1 to 3 years	Over 3 years	Total
Non-current:				
Lease liabilities (Note 13)	\$ -	\$ 2,228	\$ 2,973	\$ 5,201
Interest-bearing loans, including interest (Note 13)	-	-	-	-
Other non-current liabilities	-	-	68	68
Current:				
Trade and other payables (Note 14)	46,937	-	-	46,937
Lease liabilities (Note 13)	3,084	-	-	3,084
Interest-bearing loans, including interest (Note 13)	146	-	-	146
Other current liabilities (Note 14)	12,152	-	-	12,152
Total financial liabilities, including interest	\$ 62,319	\$ 2,228	\$ 3,041	\$ 67,588
As of December 31, 2023	Less than 12 months	1 to 3 years	Over 3 years	Total
Non-current:				
Lease liabilities (Note 13)	\$ -	\$ 4,734	\$ 2,374	\$ 7,109
Other non-current liabilities	-	-	94	94
Current:				
Trade and other payables (Note 14)	52,247	-	-	52,247
Lease liabilities (Note 13)	4,024	-	-	4,024
Other current liabilities (Note 14)	13,285	-	-	13,285
Total financial liabilities, including interest	\$ 69,556	\$ 4,734	\$ 2,468	\$ 76,758

Note 17. Related Parties

Set out in the table below are the related parties with which Opera had transactions in the periods included in these consolidated financial statements.

Related parties	Nature of related party relationship
Beijing OFY Co., Ltd.	Key management personnel.
Keeneyes Future Holding Inc.	Entity controlled by Opera's chairman and chief executive officer.
Kunlun Tech Co., Ltd., and its subsidiaries ("Kunlun")	Key management personnel and the ultimate parent of Opera.
nHorizon Innovation (Beijing) Software Ltd. and nHorizon Infinite (Beijing) Software Ltd.	Joint ventures of Opera until mid-2023, after which nHorizon Innovation is classified as an associate.
OPay Ltd., and its subsidiaries ("OPay")	Key management personnel and an associate of Opera until mid-2021.
Qifei International Development Co., Ltd.	Entity with significant influence over Opera.
Star Group Interactive Inc. ("Star X")	Subsidiary of Kunlun and associate of Opera until April 2022.
Wisdom Connection III Holding Inc.	Entity controlled by former director of Opera and member of key management personnel of Opera's parent.

At the time of the transactions disclosed in this note, Opera's chairman and chief executive officer had control or significant influence over Beijing OFY, Keeneyes Future Holding, Kunlun, OPay, and Star X.

Transactions with Related Parties

On January 12, 2023, Opera entered into a share transfer agreement with Kunlun Tech Limited, a subsidiary of Kunlun, and Keeneyes Future Holding Inc., each a shareholder in Opera, for the sale of marketable securities, which Opera held as part of its investment program discussed in Note 16. The investment program was subsequently terminated. The share transfer agreement granted Opera the right and obligation to sell a variable number of marketable securities on January 31, 2023, to be determined by Opera but subject to an upper limit, for a fixed price per security sold determined as the daily average closing price over the 15 trading days preceding the agreement. As such, Kunlun Tech Limited and Keeneyes Future Holding Inc. were exposed to both upside and downside market price risk as of the date of the agreement. The transaction closed with a sufficient number of securities sold to offset the dividends payable to Kunlun Tech Limited and Keeneyes Future Holding Inc., equal to a total consideration of \$59.0 million determined based on the agreed price per security. At the date of closing, the market value of the shares based on their then-quoted price per share was \$74.0 million. Consequently, during the month of January 2023 Opera recognized \$15.5 million of fair value gain and a partially offsetting loss on disposal of \$15.0 million. The net gain of \$0.5 million on the shares sold was recognized as part of the net gain (loss) on the investment portfolio, specified in Note 16.

On April 21, 2022, Opera sold its 19.4% ownership interest in Star X to Kunlun for a fixed consideration of \$83.5 million in cash. An initial \$28.4 million installment was received in 2022. In mid-2023, as Opera declared the first semi-annual dividend of \$0.40 per ADS under the recurring cash dividend program adopted at the same time, the dividend payable on the ordinary shares held by Kunlun, totaling \$25.1 million, was offset against Opera's Star X receivable. Similarly, of the dividend declared in December 2023, an equal amount was offset against the receivable when the dividend was paid in January 2024. Future dividend payments on Kunlun's ordinary shares in Opera will also be offset until the Star X receivable is fully settled. See Notes 12 and 16 for additional information about the receivable and dividend program, respectively.

Opera entered into a strategic cooperation agreement with nHorizon Infinite under which nHorizon Infinite sources advertising inventory from supply-side platforms and publishers for Opera to sell to its customers. nHorizon Infinite is entitled to 30% of the net revenue Opera generates from the sale of the inventory. At the time the agreement was entered into, nHorizon Infinite was classified as a joint venture, but subsequently the arrangement establishing joint control was terminated.

Opera acquired services from Kunlun, including a lease of office property in Beijing, China, and engineering services. Certain costs that Opera incurred due to being a subsidiary of Kunlun were reimbursed by Kunlun to Opera. Similarly, Opera incurred certain costs related to personnel who were engaged by Star X, which were reimbursed by Star X to Opera. Furthermore, at the end of 2022, Opera sold certain software to Kunlun in exchange for Opera being entitled to 1% of net profits generated from the software, if any, limited to \$5.0 million. The software did not generate any profits in 2023.

In 2022 and 2023, Kunlun granted equity awards involving equity instruments of Kunlun to employees of Opera as compensation for services these employees provide to Opera. Opera does not have any obligation to settle the share-based payment transaction. Opera accounts for the fair value of the grants as a personnel expense over the vesting period with a corresponding increase in equity, effectively an equity contribution from the ultimate parent of Opera. See Note 4 for additional details on Kunlun's share incentive plan.

The table below summarizes transactions with related parties (in thousands):

	Year ended December 31,		
	2021	2022	2023
Sales of goods and services:			
Beijing OFY	\$ 1,069	\$ 256	\$ -
Kunlun	-	1,055	926
nHorizon Infinite	456	543	42
Purchases of goods and services:			
Kunlun	2,207	5,737	1,361
nHorizon Infinite	-	1,777	2,448
Other transactions:			
Keeneyes Future Holding:			
- Sale of marketable securities (Note 16)	-	-	7,800
Kunlun:			
- Share-based payment expense (Note 4)	-	1,865	6,450
- Sale of shares in Star X (Note 13)	-	83,468	-
- Interest income on receivable from sale of Star X (Note 13)	-	1,285	1,556
- Sale of marketable securities (Note 16)	-	-	51,208
Qifei International Development Co. Ltd.:			
- Repurchase of shares (Note 16)	\$ -	\$ 128,563	\$ -

See Note 4 for details on compensation for key management personnel of Opera.

Balances with Related Parties

Outstanding balances with related parties include trade receivables and payables related to the transactions disclosed above. Outstanding balances also include a receivable due from OPay for development and key management personnel services provided in 2020, and a receivable due from Wisdom Connection III Holding Inc. from a sale of shares in OPay in 2019. The table below specifies outstanding balances as of year-end (in thousands):

	As of December 31, 2022		As of December 31, 2023	
	Receivables	Payables	Receivables	Payables
Kunlun (1)	\$ 57,700	\$ 3,516	\$ 34,098	\$ 372
nHorizon Infinite (2)	32	483	-	-
OPay	589	126	589	111
Wisdom Connection III Holding	500	-	500	-
Total	\$ 58,821	\$ 4,125	\$ 35,187	\$ 483

(1) Of the total amount of receivables due from Kunlun, the receivable from the sale of Star X amounted to \$56.4 million and \$32.8 million as of December 31, 2022 and 2023, respectively.

(2) nHorizon Infinite ceased to be a related party from mid-2023.

As of December 31, 2023, Opera had recognized loss provisions for receivables due from related parties of \$0.3 million (December 31, 2022: \$0.1 million).

Note 18. Events After the Reporting Period

In the beginning of 2024, the estimates for useful lives of servers and network equipment were changed from five to six years due to continuous improvements in hardware, software, and data center designs. Based on the carrying value of servers and network equipment as of December 31, 2023, the effect of this change in estimate is expected to be a reduction in depreciation expense of \$0.3 million for the year ended December 31, 2024.

As a consequence of the dividend declared on December 12, 2023, and distributed on January 9, 2024, non-exercised RSU grants in Opera were adjusted with the dividend yield, resulting in an increase of 59,828 RSUs. Subsequent to February 29, 2024, an exercise period of Opera's equity program took place from which 935,664 ADSs were transferred to employees of Opera.

In March 2024, Opera completed the acquisition of new AI data center infrastructure, an NVIDIA DGX SuperPod, with an acquisition cost of \$18.6 million, paid in cash.

List of Significant Subsidiaries and Consolidated Affiliated Entities as of December 31, 2023

Name of Company	Place of Incorporation
Blueboard Ltd.	Ireland
Kunhoo Software Ltd.	Hong Kong
Opera Brasil Software Ltda.	Brazil
Opera Holding AS	Norway
Opera Hosting Ltd.	Canada
Opera Hosting Iceland ehf.	Iceland
Opera Norway AS	Norway
Opera Services AS	Norway
Opera Software Americas LLC	USA
Opera Software International AS	Norway
Opera Software Ireland Ltd.	Ireland
Opera Software Netherlands B.V.	Netherlands
Opera Software Poland sp. z.o.o.	Poland
Opera Software Spain S.L.U.	Spain
Opera Software Technology (Beijing) Co. Ltd.	China
Opera Sweden AB	Sweden
Opera Tech Singapore Pte. Ltd.	Singapore
Opera Unite Pte. Ltd.	Singapore
Opesa South Africa (Pty) Ltd.	South Africa
O-Play Digital Services Ltd.	Nigeria
O-Play Kenya Ltd.	Kenya
Phonserve Technologies Co. Ltd.	Kenya
YoYo Games Ltd.	United Kingdom



CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Purpose

This Code of Business Conduct and Ethics (this “Code”) applies to the Opera Group of companies.¹ This Code contains general guidelines for conducting the business of the Opera Group, consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to directors, officers, employees, and consultants (collectively “Company Personnel”). We also refer to our chief executive officer, Co-CEO and our chief financial officer as our “executive officers.”

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Opera Group’s ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Compliance Officer, who is a person appointed by the Board of Directors of the Opera Group. Mr. Aaron McParlan has been appointed by the Board of Directors as the Compliance Officer for the Opera Group. The Opera Group will notify you if the Board of Directors appoints a different Compliance Officer.

The Compliance Officer can be contacted directly. You may also contact the Compliance Officer anonymously via the channel described in the Whistleblower Procedure on the staff wiki. You are not required to reveal your identity in your communication to the Compliance Officer. Please see the Opera Group’s Whistleblower Procedure for additional information.

Reporting Violations of the Code

All Company Personnel have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Opera Group. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the Compliance Officer, who will work with you and your supervisor to investigate the matter. If you do not feel comfortable reporting the matter to your supervisor or you do not get a satisfactory response, you may contact the Compliance Officer directly. Company Personnel making a report need not leave their name or other personal information and reasonable efforts will be used to conduct the investigation that follows from the report in a manner that protects the confidentiality and anonymity of the staff member submitting the report. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Compliance Officer and the Opera Group will protect your confidentiality to the extent possible, consistent with law and the Opera Group’s need to investigate your report.

¹ The “Opera Group” means Opera Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, and its wholly owned subsidiaries including, in particular, Opera Norway AS.

It is Opera Group policy that any staff member who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. A staff member accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Company Personnel who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Opera Group may also face substantial fines and penalties and many incur damage to its reputation and standing in the community. Your conduct as a representative of the Opera Group, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Opera Group.

Policy Against Retaliation

The Opera Group prohibits retaliation against a staff member who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against a staff member because the staff member, in good faith, sought help or filed a report, will result in disciplinary action, including potential termination of employment.

Waivers of the Code

Waivers of this Code for Company Personnel may be made only by an executive officer of the Opera Group or the General Counsel. Any waiver of this Code for our directors, executive officers, General Counsel or other principal finance department personnel may be made only by our Board of Directors or the appropriate committee of our Board of Directors and will be disclosed to the public as required by law or the rules of the NASDAQ Stock Market.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when a staff member's private interest interferes, or appears to interfere, with the interests of the Opera Group as a whole. You should avoid any private interest that influences your ability to act in the interests of the Opera Group or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of potential conflicts of interest:

- Outside Employment. No staff member should be employed by, serve as a director of, or provide any services not in his or her capacity as a Opera Group employee to a company that is a material customer, supplier or competitor of the Opera Group. *If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact the Compliance Officer for assistance.*
- Improper Personal Benefits. No staff member should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Opera Group. Please see “Gifts and Entertainment” below, as well as the Opera Group’s Anti- Corruption Policy, for additional guidelines in this area.
- Financial Interests. No staff member should have a significant financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Opera Group. A “significant financial interest” means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the staff member.
- Loans or Other Financial Transactions. No staff member should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Opera Group. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees. No staff member should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Opera Group.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence a staff member’s objectivity in making decisions on behalf of the Opera Group. For purposes of this Code, “family members” include your spouse or life- partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a “material” customer if that company has made payments to the Opera Group in the past year in excess of US\$100,000 or 10% of the customer’s gross revenues, whichever is greater. A company is a “material” supplier if that company has received payments from the Opera Group in the past year in excess of US\$100,000 or 10% of the supplier’s gross revenues, whichever is greater. A company is a “material” competitor if that company competes in the Opera Group’s line of business and has annual gross revenues from such line of business in excess of US\$500,000. If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact the Compliance Officer for assistance.

Disclosure of Conflicts of Interest

The Opera Group requires that Company Personnel disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the Compliance Officer. Your supervisor and the Compliance Officer will work with you to determine whether you have a conflict of interest and, if so, how best to address it. A supervisor may not authorize or approve conflict of interest matters or make determination as to whether a problematic conflict of interest exists without first providing the Compliance Officer with a written description of the activity and seeking the Compliance Officer's written approval. If the supervisor is himself involved in the potential or actual conflict, the matter should instead be discussed directly to the Compliance Officer.

Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

CORPORATE OPPORTUNITIES

Company Personnel have an obligation to advance the Opera Group's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Opera Group, you should first present the business opportunity to the Opera Group before pursuing the opportunity in your individual capacity. No employee may use Opera Group assets, property, information or his or her position with the Opera Group for personal gain (including gain of friends or family members). In addition, no staff member may compete with the Opera Group.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Compliance Officer and the appropriate management personnel to determine whether the Opera Group wishes to pursue the business opportunity. If the Opera Group waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

Confidential Information and Opera Group Property

Company Personnel have access to a variety of confidential information while employed at the Opera Group. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Opera Group or its customers. Every staff member has a duty to respect and safeguard the confidentiality of the Opera Group's information and the information of our suppliers and customers, except when disclosure is authorized or legally mandated. In addition, you must refrain from using any confidential information from any previous employment if, in doing so, you could reasonably be expected to breach your duty of confidentiality to your former employers. The obligation to protect confidential information continues after Company Personnel leave the Opera Group. Unauthorized disclosure of confidential information could cause competitive harm to the Opera Group or its customers and could result in legal liability to you and the Opera Group.

Company Personnel also have a duty to protect the Opera Group's intellectual property and other business assets. The intellectual property, business systems and the security of the Opera Group property are critical to the Opera Group.

Any questions or concerns regarding whether disclosure of Opera Group information is legally mandated should be promptly referred to the Compliance Officer.

Safeguarding Confidential Information and Opera Group Property

Care must be taken to safeguard and protect confidential information and Opera Group property. Accordingly, the following measures should be adhered to:

- Company Personnel should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects in public places (e.g., airplanes, trains, taxis, buses, etc.) should be conducted so as to prevent overhearing or other access by unauthorized persons.
- Within the Opera Group's offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.
- Confidential matters should not be discussed with other Company Personnel not working on such matters or with friends or relatives including those living in the same household as a staff member.
- Company Personnel are only to access, use and disclose confidential information that is necessary for them to have in the course of performing their duties. They are not to disclose confidential information to other Company Personnel unless it is necessary for those Company Personnel to have such confidential information in the course of their duties.
- The Opera Group's files, personal computers, networks, software, internet access, internet browser programs, emails, voice mails and other business equipment (e.g. desks and cabinets) and resources are provided for business use and they are the exclusive property of the Opera Group. Misuse of such Opera Group property is not tolerated.

For more information, please see the Opera Group’s Security Policy, Acceptable Use Policy and Information Security Standard.

COMPETITION AND FAIR DEALING

All Company Personnel are obligated to deal fairly with fellow Company Personnel and with the Opera Group’s customers, suppliers and competitors. Company Personnel should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. The Opera Group is committed to dealing with customers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Company Personnel should not deliberately misrepresent information to customers.
- Company Personnel should not refuse to sell, service, or maintain products the Opera Group has produced simply because a customer is buying products from another supplier.
- Customer entertainment should not exceed reasonable and customary business practice. Company Personnel should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for customer purchase decisions. Please see “Gifts and Entertainment” below , as well as the Opera Group’s Anti- Corruption Policy, for additional guidelines in this area.

Relationships with Suppliers

The Opera Group deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation, among other factors. Company Personnel dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the supplier’s products and prices. Company Personnel can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see “Gifts and Entertainment” below, as well as the Opera Group’s Anti-Corruption Policy, for additional guidelines in this area.

Relationships with Competitors

The Opera Group is committed to free and open competition in the marketplace. Company Personnel should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/ or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

PROTECTION AND USE OF OPERA GROUP ASSETS

Company Personnel should protect the Opera Group's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Opera Group's profitability. The use of Opera Group funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Opera Group's assets, each staff member should:

- Exercise reasonable care to prevent theft, damage or misuse of Opera Group property.
- Report the actual or suspected theft, damage or misuse of Opera Group property to a supervisor.
- Use the Opera Group's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.
- Use Opera Group property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Company Personnel should be aware that Opera Group property includes all data and communications transmitted or received to or by, or contained in, the Opera Group's electronic or telephonic systems. Opera Group property also includes all written communications. Company Personnel and other users of Opera Group property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Opera Group has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment expenses must comply with the Opera Group's Anti-Corruption Policy. The Anti-Corruption Policy requires that such expenses be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
 - The items are of reasonable value;
 - The purpose of the meeting or attendance at the event is business related; and
 - The expenses would be paid by the the Opera Group as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See "The Foreign Corrupt Practices Act" below, as well as the Opera Group's Anti-Corruption Policy, for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the Compliance Officer for additional guidance.

OPERA GROUP RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Opera Group records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Opera Group records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor if you have any questions.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company we are subject to various securities laws, regulations and reporting obligations. These laws, regulations and obligations and our policies require the disclosure of accurate and complete information regarding the Opera Group's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Opera Group and result in legal liability.

It is essential that the Opera Group's financial records, including all filings with the Securities and Exchange Commission ("SEC") be accurate and timely. Accordingly, in addition to adhering to the conflict of interest policy and other policies and guidelines in this Code, the executive officers and other senior finance department personnel must take special care to exhibit integrity at all times and to instill this value within their organizations. In particular, these senior officers must ensure their conduct is honest and ethical that they abide by all public disclosure requirements by providing full, fair, accurate, timely and understandable disclosures, and that they comply with all other applicable laws and regulations. These senior officers must also understand and strictly comply with generally accepted accounting principles in the U.S. and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, U.S. federal securities law requires the Opera Group to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Opera Group's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

COMPLIANCE WITH LAWS AND REGULATIONS

Company Personnel have an obligation to comply with all laws, rules and regulations applicable to the Opera Group's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the Compliance Officer.

COMPLIANCE WITH INSIDER TRADING LAWS

The Opera Group has an insider trading policy posted on the staff wiki. The following is a summary of some of the general principles relevant to insider trading, and should be read in conjunction with the aforementioned specific policy.

Company Personnel are prohibited from trading in shares or other securities of the Opera Group while in possession of material, nonpublic information about the Opera Group. In addition, Company Personnel are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell shares or other securities of the Opera Group on the basis of material, nonpublic information. Company Personnel who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the shares or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Opera Group, up to and including termination of employment.

Information is "non-public" if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is "material" if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb, any information that would affect the value of stock or other securities should be considered material. Examples of information that is generally considered "material" include:

- Financial results or forecasts, or any information that indicates the Opera Group's financial results may exceed or fall short of forecasts or expectations;
- Important new products or services;

- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Possible management changes or changes of control;
- Pending or contemplated public or private sales of debt or equity securities;
- Acquisition or loss of a significant customer or contract;
- Significant write-offs;
- Initiation or settlement of significant litigation; and
- Changes in the Opera Group’s auditors or a notification from its auditors that the Opera Group may no longer rely on the auditor’s report.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Opera Group’s securities should be promptly brought to the attention of the Compliance Officer.

PUBLIC COMMUNICATIONS AND PREVENTION OF SELECTIVE DISCLOSURE

Public Communications Generally

The Opera Group places a high value on its credibility and reputation in the community. What is written or said about the Opera Group in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Opera Group should be directed to the Opera Group’s Public Relations Department. The Public Relations Department will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Prevention of Selective Disclosure

Preventing selective disclosure is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Opera Group as well as that of all persons affiliated with it. “Selective disclosure” occurs when any person provides potentially market-moving information to selected persons before the news is available to the investing public generally. Selective disclosure is a crime under United States law and the penalties for violating the law are severe.

The following guidelines have been established to avoid improper selective disclosure. Every employee is required to follow these procedures:

- All contact by the Opera Group with investment analysts, the press and/or members of the media shall be made through the chief executive officer, chief financial officer or persons designated by them (collectively, the “**Media Contacts**”).
- Other than the Media Contacts, no officer, director or employee shall provide any information regarding the Opera Group or its business to any investment analyst or member of the press or media.
- All inquiries from third parties, such as industry analysts or members of the media, about the Opera Group or its business should be directed to a Media Contact or other appropriate persons designated by them. All presentations to the investment community regarding the Opera Group will be made by us under the direction of a Media Contact.
- Other than the Media Contacts, any employee who is asked a question regarding the Opera Group or its business by a member of the press or media shall respond with “No comment” and forward the inquiry to a Media Contact.

These procedures do not apply to the routine process of making previously released information regarding the Opera Group available upon inquiries made by investors, investment analysts and members of the media.

Selective disclosure is a topic of intense focus with the SEC following the release of SEC Regulation FD (selective disclosure). Although foreign private issuers, such as the Opera Group, are exempt from Regulation FD, the Opera Group remains liable for selective disclosure. Please contact the Compliance Officer if you have any questions about the scope or application of the Opera Group’s policies regarding selective disclosure.

THE FOREIGN CORRUPT PRACTICES ACT

The Opera Group has an Anti-Corruption Policy, which is posted on the staff wiki. In general, the Opera Group will not tolerate bribery or corruption of any kind, including kickbacks, facilitation payment and trading in influence, directly or through third parties.

The Foreign Corrupt Practices Act (the “**FCPA**”), for example, prohibits the Opera Group and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Opera Group, up to and including termination of employment.

Certain small facilitation payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is “routine” if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, “routine” functions would include setting up a telephone line or expediting a shipment through customs.

To ensure legal compliance, all facilitation payments must comply with the Anti- Corruption Policy which requires that such payments receive prior written approval from the Compliance Officer and that they must be clearly and accurately reported as a business expense.

ENVIRONMENT, HEALTH AND SAFETY

The Opera Group is committed to providing a safe and healthy working environment for Company Personnel and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company Personnel must comply with all applicable environmental, health and safety laws, regulations and Opera Group standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against you and the Opera Group, as well as disciplinary action by the Opera Group, up to and including termination of employment. You should contact the Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

All Company Personnel should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws.

The Opera Group is committed not only to complying with all relevant health and safety laws, but also to conducting business in a manner that protects the safety of Company Personnel. Company Personnel are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the Human Resources Department.

EMPLOYMENT PRACTICES & WORKING CONDITIONS

The Opera Group pursues fair employment and procurement practices in every aspect of its business. The Opera Group is, in particular, committed to upholding human rights and promoting decent working conditions in accordance with international standards such as the UN Convention on Economic, Social, and Cultural Rights from 1966, the UN Convention on Civil and Political Rights from 1966, and the International Labour Organization's core conventions on fundamental rights and principles in working life. The Opera Group recognizes the importance of identifying, preventing, and addressing potential negative impacts on human rights and working conditions across the organization and its supply chain. This commitment is aligned with Opera Group's dedication to corporate responsibility and sustainable business practices.

The following is intended to be a summary of our general global employment and procurement policies and procedures. Copies of our detailed and location specific policies are available from the Human Resources Department. Company Personnel must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Opera Group, as well as disciplinary action by the Opera Group, up to and including termination of employment. You should contact the Human Resources Department if you have any questions about the laws, regulations and policies that apply to you.

Diversity, Inclusion & Equal Opportunity

The Opera Group places great importance on fostering a diverse and inclusive workplace environment, as well as providing equal opportunities for all Company Personnel, ensuring that hiring and development processes are based on the competence, experience, achievements, and potential of each individual. The Opera Group is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.

Harassment and Discrimination

The Opera Group prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the Human Resources Department. All complaints will be treated with sensitivity and discretion. Your supervisor, the Human Resources Department and the Opera Group will protect your confidentiality to the extent possible, consistent with law and the Opera Group's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Opera Group, up to and including, termination of employment. The Opera Group strictly prohibits retaliation against Company Personnel who, in good faith, file a complaint.

Any member of management who has reason to believe that a staff member has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the Human Resources Department immediately. Modern Slavery

Opera Group unequivocally condemns all forms of human trafficking and any form of involuntary or forced labor within our value chain, as defined by the International Labour Organization (ILO).

Equal Pay and Working Hours

Opera Group is committed to ensuring fair compensation for all Company Personnel irrespective of personal beliefs or individual characteristics. Compensation is determined based on factors such as position, performance, and competence, while adhering to national minimum wage requirements. Moreover, Opera Group complies with international and national laws concerning working hours and rest periods.

Freedom of Association and Right to Collective Bargaining

Opera Group recognizes and respects the right to freedom of association and the right to engage in collective bargaining.

Business Partners

The Opera Group's Supplier Code of Conduct delineates the minimum expectations we have for all suppliers or business partners concerning human rights and business ethics. The Opera Group conducts comprehensive due diligence assessments where appropriate to identify and evaluate actual or potential negative impacts on human rights and working conditions within our operations and supply chain. The Opera Group will proactively engage with suppliers and business partners to ensure their commitment to responsible practices that respect human rights and promote decent working conditions.

Transparency and Reporting:

To ensure legal compliance with the Norwegian Transparency Act, the Opera Group's Norwegian subsidiaries publish an annual statement describing the method, findings, and measures taken to address human rights and working conditions. In accordance with the requirements of the Norwegian Transparency Act, the Opera Group's Norwegian subsidiaries will also provide information and respond to requests from stakeholders regarding the efforts to manage human rights and working conditions, ensuring transparency and accountability.

REPORTING AND ENFORCEMENT

Reporting and Investigation of Violations

Actions prohibited by the Code involving directors or executive officers must be reported to the Audit Committee.

Actions prohibited by the Code involving anyone other than a director or executive officer must be reported to the reporting person's supervisor and the Compliance Officer.

After receiving a report of an alleged prohibited action, the Audit Committee, the relevant supervisors or the Compliance Officer must promptly take all appropriate actions necessary to investigate. All Company Personnel are expected to cooperate in any internal investigation of misconduct.

Enforcement

The Opera Group must ensure prompt and consistent action against violations of the Code.

If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of the Code has occurred, the Audit Committee will report such determination to the Board of Directors.

If, after investigating a report of an alleged prohibited action by any other person, the supervisor or the Compliance Officer determines that a violation of the Code has occurred, the supervisor or the Compliance Officer will report such determination to the Board of Directors

Upon receipt of a determination that there has been a violation of the Code, the Board of Directors will take such preventative or disciplinary action as it deems appropriate, including reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate government authorities.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Opera Group consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the Compliance Officer. We expect all Company Personnel to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to Opera Limited's principal financial officers, shall be Opera Limited's "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Opera Group policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

Adopted: July 13, 2018
Revised: August 18, 2023

**Certification by the Chief Executive Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, James Yahui, Zhou, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2023 of Opera Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 24, 2024

By: /s/ James Yahui Zhou
Name: James Yahui Zhou
Title: Chairman & Chief Executive Officer

**Certification by the Chief Financial Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Frode Jacobsen, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2023 of Opera Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 24, 2024

By: /s/ Frode Jacobsen
Name: Frode Jacobsen
Title: Chief Financial Officer

**Certification by the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Opera Limited (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Yahui Zhou, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 24, 2024

By: /s/ James Yahui Zhou
Name: James Yahui Zhou
Title: Chief Executive Officer

Certification by the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Opera Limited (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frode Jacobsen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 24, 2024

By: /s/ Frode Jacobsen
Name: Frode Jacobsen
Title: Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-229285) on Form S-8 and (No. 333-273242) on Form F-3 of our reports dated April 24, 2024, with respect to the consolidated financial statements of Opera Limited and the effectiveness of internal control over financial reporting.

/s/ KPMG AS

Oslo, Norway
April 24, 2024



CLAWBACK POLICY
of
OPERA LIMITED
(the “Company”)
Effective Date: October 2, 2023

In accordance with Rule 5608 of the Nasdaq listing rules and Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended, the Board of Directors of the Company has adopted this Clawback Policy to provide for the recovery of erroneously awarded incentive-based compensation from executive officers of the Company.

1. DEFINITIONS

For purposes of this Clawback Policy:

“Committee” means the Company’s Compensation Committee (if composed entirely of independent directors), or in the absence of such a committee, a majority of independent directors serving on the Board of Directors.

“Executive Officer(s)” means each individual who is or was during the Recovery Period designated by the Board of Directors (or an applicable committee thereof) to constitute an “executive officer” of the Company, as defined in Nasdaq listing Rule 5608(d).

“Erroneous Incentive Compensation” means, as determined on a pre-tax basis, that difference between (i) the amount of Incentive Compensation that was received by the Executive Officer during the Recovery Period, based on the incorrectly reported financial results of the Company, and (ii) the Incentive Compensation that would have been received by the Executive Officer if such amount(s) had been determined based on the financial results of the Company set forth or reflected in the Restatement. If the relevant Incentive Compensation was based on stock price or total shareholder return and consequently, not subject to mathematical recalculation directly from the information in a Restatement, the Committee shall make its determination based on a reasonable estimate of the effect of the Restatement on the Company. The Company shall maintain documentation of the determination of the reasonable estimate and provide such documentation to Nasdaq.

“Financial Reporting Measures” means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are financial reporting measures for purposes of this Clawback Policy. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

“Incentive Compensation” means compensation received on or after October 2, 2023 that is granted, earned, or vested, wholly or in part, based upon the attainment of one or more Financial Reporting Measures as specified in the relevant award.

“Restatement” means an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error was not corrected in the current period or left uncorrected in the current period.

“Restatement Determination” means the earlier to occur of (i) the date the Board of Directors, the Committee and/or management concludes (or reasonably should have concluded) that a Restatement is required, or (ii) the date a regulator, court or other legally authorized entity directs the Company to prepare a Restatement of a previously issued financial statement.



“Recovery Period” means the three completed fiscal years immediately preceding a Restatement Determination.

2. RECOVERY

In the event of a Restatement, the Committee shall require a current or former Executive Officer to repay, forfeit or otherwise reimburse any Erroneous Incentive Compensation received by such Executive Officer at any time during the relevant Recovery Period. For purposes of this Clawback Policy, Incentive Compensation is deemed “received” during the Company’s fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

In the event of a Restatement, the Committee shall reasonably promptly determine the amount of any Erroneous Incentive Compensation for each Executive Officer in connection with such Restatement and shall reasonably promptly thereafter provide each Executive Officer with a written notice containing the amount of Erroneous Incentive Compensation, and a demand for repayment. The Committee shall have discretion to determine the appropriate means of recovery of Erroneous Incentive Compensation based on all applicable facts and circumstances. The right to collect recovery under this Clawback Policy can be enforced by the Company and its subsidiaries.

3. ADMINISTRATION

Administration of this Clawback Policy is incumbent on the Committee. The Committee is authorized on behalf of the Company to interpret and construe this Clawback Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Clawback Policy and for the Company’s compliance with Nasdaq listing rules, applicable law, or interpretation of the SEC or Nasdaq promulgated or issued in connection therewith.

Notwithstanding anything set forth herein to the contrary, the Company shall not seek recovery of compensation under this Clawback Policy:

- (i) if the Committee reasonably determines that the direct expenses to be paid to a third party to recover the Erroneous Incentive Compensation would exceed the amount of the compensation to be recovered, making recovery impracticable, and provides all required information to Nasdaq,
- (ii) if recovery would be in violation of any home country law applicable to the Company or an Executive Officer which law was adopted prior to November 28, 2022, *provided that*, before determining that it would be impracticable to recover any amount of Erroneous Incentive Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq, or
- (iii) to the extent applicable, if recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

In connection with the foregoing, the Committee must also make a determination that, as a result of any or all of the foregoing, recovery under this Clawback Policy would be impracticable.

6. NO INDEMNIFICATION

None of the Company or any of its subsidiaries shall be permitted to indemnify or insure any Executive Officer against the loss of any Erroneous Incentive Compensation.



7. RECOVERY RIGHTS

This Clawback Policy shall be binding and enforceable against all Executive Officers.

Any employment agreement, bonus agreement, equity award agreement or other compensatory plans with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Clawback Policy.

8. EFFECTIVENESS

This Clawback Policy will become effective on the effective date specified above and will thereafter remain in effect for an indefinite period of time, provided, however, that this Clawback Policy may be suspended, modified or terminated by the Board of Directors or the Committee at any time.

Adopted: November 23, 2023