

OPERA SOFTWARE ANNOUNCES SECOND QUARTER RESULTS

Oslo, Norway – August 31, 2016 – Opera Software (OSEBX: OPERA) today reported financial results for the second quarter, which ended June 30, 2016.

2Q 2016 financial highlights include:

- Revenue was \$162.9 million in 2Q16, up from \$146.2 million in 2Q15, an increase of 11%.
- Adjusted EBITDA* (excluding one-time costs) of \$20.3 million, down 31% versus 2Q15
- Operating Cash Flow of \$7.3m versus \$31.0m in 2Q15
- Free Cash Flow** of \$0.3m versus \$25.5m in 2Q15

Revenues

Revenue in 2Q16 was \$162.9 million, up 11% from 2Q15, when revenue was \$146.2 million. Overall, revenues came in slightly below Opera's guidance range for the quarter.

Profit

EBITDA, excluding stock-based compensation expenses and one-time costs, was \$20.3 million compared with \$29.5 million in 2Q15, down 31%. EBITDA (excluding one-time costs) was \$17.8 million in 2Q16 compared with \$27.4 million in 2Q15. EBIT (excluding one-time costs) was \$1.8 million in 2Q16 compared to \$15.2 million in 2Q15. Overall, Adjusted EBITDA came in at the low end of Opera's guidance range for the quarter.

2Q16 IFRS Net Income was -\$5.3 million compared to -\$1.3 million in 2Q15. Non-IFRS 2Q16 Net Income was \$4.8 million compared to \$12.6 million in 2Q15.

Liquidity and capital resources

Opera's net cash flow from operating activities was \$7.3 million in 2Q16 compared to \$31.0 million in 2Q15. Cash and cash equivalents at the end of 2Q16 were \$117.3 million compared to \$133.7 million in 2Q15. In 1Q16, Opera signed an agreement with DNB Bank ASA to increase the size of its secured credit facility to \$285 million from \$250 million. As of the end of 2Q16, \$285 million of this credit facility has been drawn.

Opera's total cash balance was impacted positively by net cash flow from operating activities, and negatively by cash outlays related to acquisitions, investments in research and development and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were \$1.9 million in 2Q16 versus \$2.2 million in 2Q15. Capitalized R&D costs were \$5.1 million in 2Q16 versus \$3.3 million in 2Q15. Cash flow related to acquisitions was \$6.6 million in 2Q16.

Operational Highlights

■ *Mobile Advertising (3rd Party Publishers)*

- Revenue of \$114.4 million, up 23% vs. 2Q15
- Mobile video advertising revenues comprised 67% of Mobile Advertising revenue in 2Q16 vs. 58% in 2Q15
- Audience reach (3rd Party Publishers) exceeded 1.4 billion consumers in 2Q16 compared to 1 billion in 2Q15 (including Opera's O&O audience, audience reach exceeded 1.6 billion in 2Q16 vs 1.3 billion in 2Q15)
- AT&T AdWorks Announced Results of Cross-screen Addressable Advertising Trials with Advertisers

■ **Consumers (Owned and Operated Properties)**

- Revenue of \$37.7 million, up 20% vs. 2Q15
- Opera's Android monthly browser users reached 142 million at the end of 2Q16, up 2% versus the end of 2Q15
- Total Opera mobile consumer browser users was 262 million at the end of 2Q16, down 10% versus the end of 2Q15
- Opera became first major tech company to launch free VPN app for iOS.
- Opera launched ad blocker on all mobile platforms, powering faster browsing on Android, iOS and Windows Phone
- Desktop users reached 55 million by the end of 2Q16, up 4% versus the end of 2Q15

■ **Tech Licensing**

- Revenue of \$10.7 million, down 51% vs. 2Q15
- Opera TV and Vestel partnered to deliver next-generation entertainment and interactive television experiences to European audiences

Outlook

FY16 Outlook*:**

Revenue: Revenue for the company's full fiscal year 2016 is projected to be in the range of \$690m to \$740m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2016 is projected to be in the range of \$100m to \$125m.

FY16 Outlook (excluding Consumer Business)*/***

Revenue: Revenue for the company's full fiscal year 2016 is projected to be in the range of \$570m to \$605m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2016 is projected to be in the range of \$75m to \$90m.

Please find the second quarter report (2Q16.pdf), second quarter press release (2Q16_Press_release.pdf) and second quarter presentation (2Q16_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q22016>

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*"Adjusted EBITDA", or Non- IFRS EBITDA, refers to EBITDA excluding stock-based compensation expenses and one-time costs.

**Operating Cash Flow less capital expenditures and capitalized R&D costs

*** Assumes currency rates as of August 30th, 2016

**** Outlook for OMW + Opera TV + Apps&Games

This Press Release contains forward-looking statements. These statements include, among other things, statements regarding future operations and business strategies and future financial condition and prospects. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences are covered in the Opera Software FY 2015 Annual Report under the heading "Risk Factors." We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

About Opera Software ASA

Opera enables 350 million internet consumers worldwide to connect with the content and services that matter most to them. Opera also helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 1 billion.