



2Q 2016

Agenda

- **Executive Summary**

- Financials

- Advertising

- Consumer

- Closing



Financial Highlights 2Q16

Financial metric	2Q16 (\$m)	2Q15 (\$m)	2Q16 Guidance
Total revenue	162.9	146.2	166-174
Adj. EBITDA*	20.3	29.5	20-24

- Revenue just below range primarily due to timing of Mobile Advertising performance campaigns
- Adj. EBITDA in range due to solid margin and cost control
- YoY profitability down primarily due to fall in Tech licensing revenue



Consumer Transaction

What we are selling	What we are keeping	Price	Timing
-Consumer Business	-Opera Mediaworks -Opera TV -Bemobi -Surfeasy & Skyfire	\$575m	Closing expected end September

Milestones	Status
Signed SPA	July 17
Received first escrow payment (\$100m)	July 18
Kunlun shareholder approval	August 3
Completion of certain reorganisation steps	August 8
Amended terms for the transaction	August 15
Received second escrow payment (\$200m)	August 16/18
Regulatory approval (CFIUS)	Ongoing
Closing and payment of final \$275m	Payment due at closing or on September 30, whichever is first

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A note from our lawyers

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Adj. EBITDA*	20.3	29.5	20-24
OCF	7.3 (18.8 YTD)	31.0 (14.5 YTD)	

*Adj EBITDA, excluding stock-based compensation expenses and one-time costs



2Q16 Financial Review

\$m	2Q16	2Q15	Y on Y
Revenue	162.9	146.2	11%
Publisher and revenue share cost -	75.8	52.2	45%
Payroll and related expenses -	40.7	38.8	5%
Stock-based compensation expenses -	2.5	2.1	18%
Depreciation and amortization -	16.0	12.2	31%
Other operating expenses -	26.1	25.7	2%
Total expenses** =	161.0	131.1	23%
Adjusted EBITDA*	20.3	29.5	-31%
EBIT**	1.8	15.2	
Net Income	(5.3)	(1.3)	
EPS (USD)	(0.037)	(0.009)	
Non - IFRS Net Income	4.8	12.6	
Non – IFRS EPS (USD)	0.033	0.086	

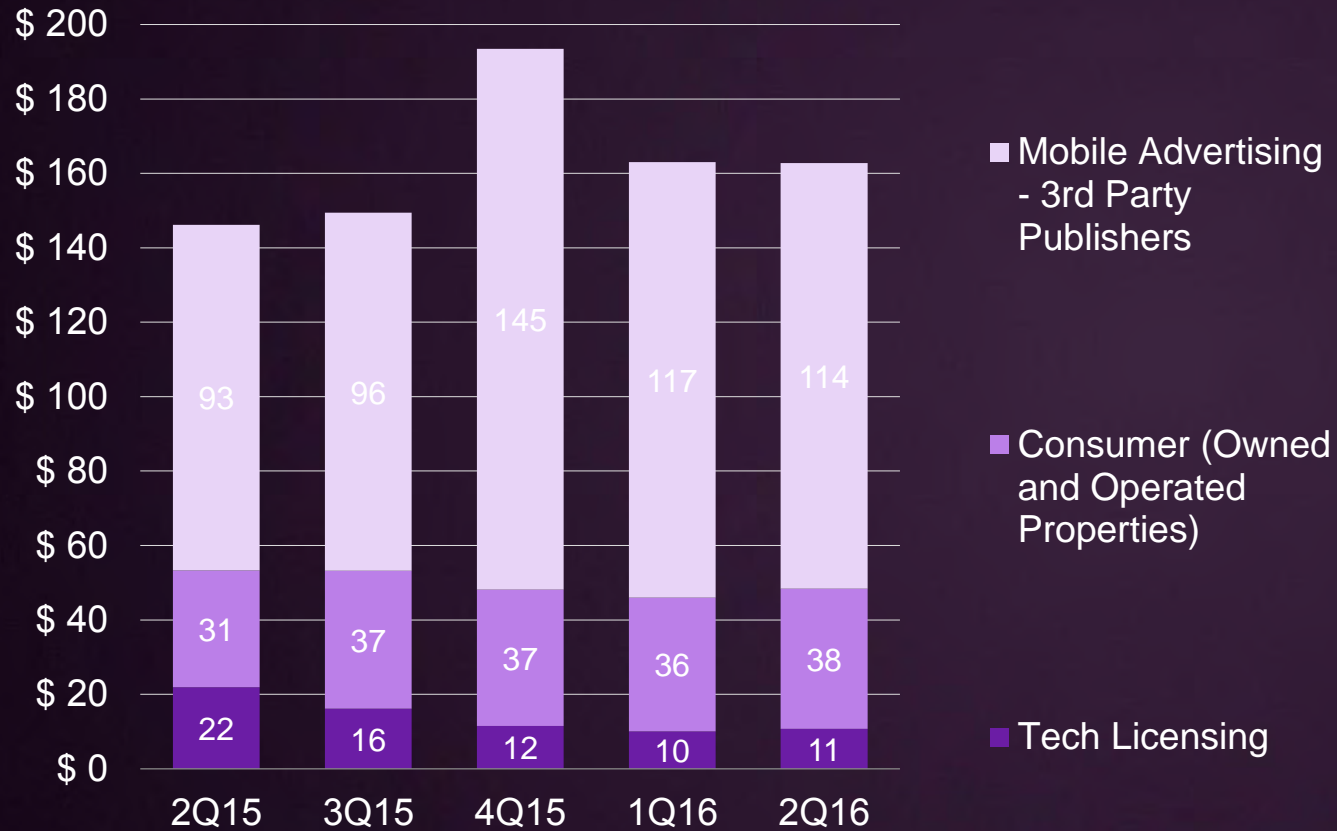
*Adj EBITDA excludes stock-based compensation expenses and one-time costs

** Excludes one-time costs

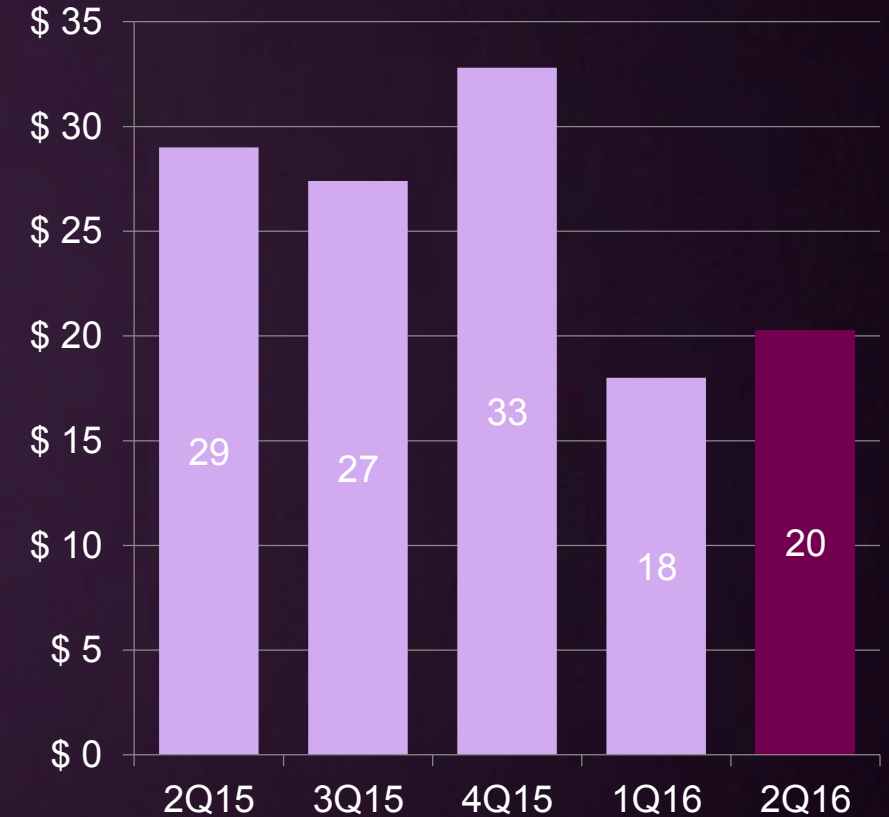


Financial Highlights: 2Q15 – 2Q16

Revenue (\$m)



Adjusted EBITDA* (\$m)

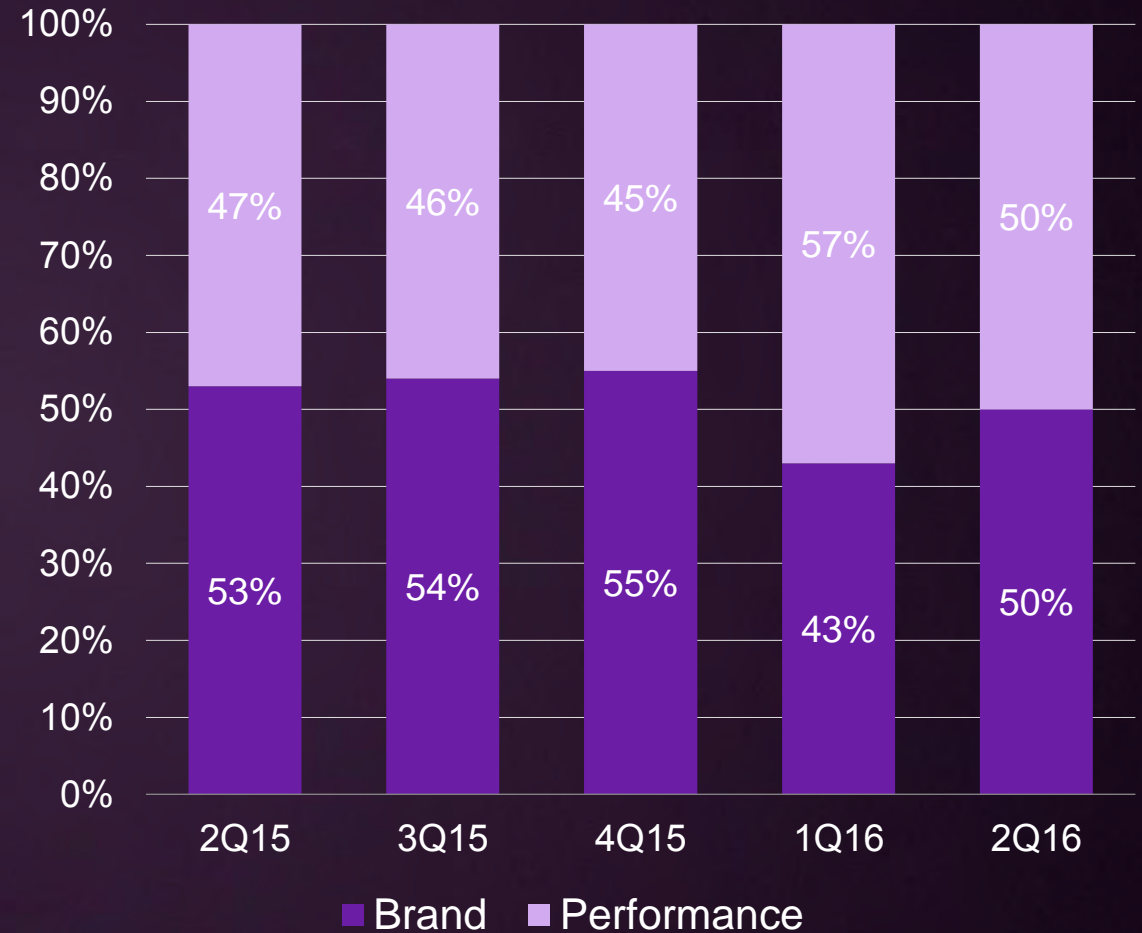
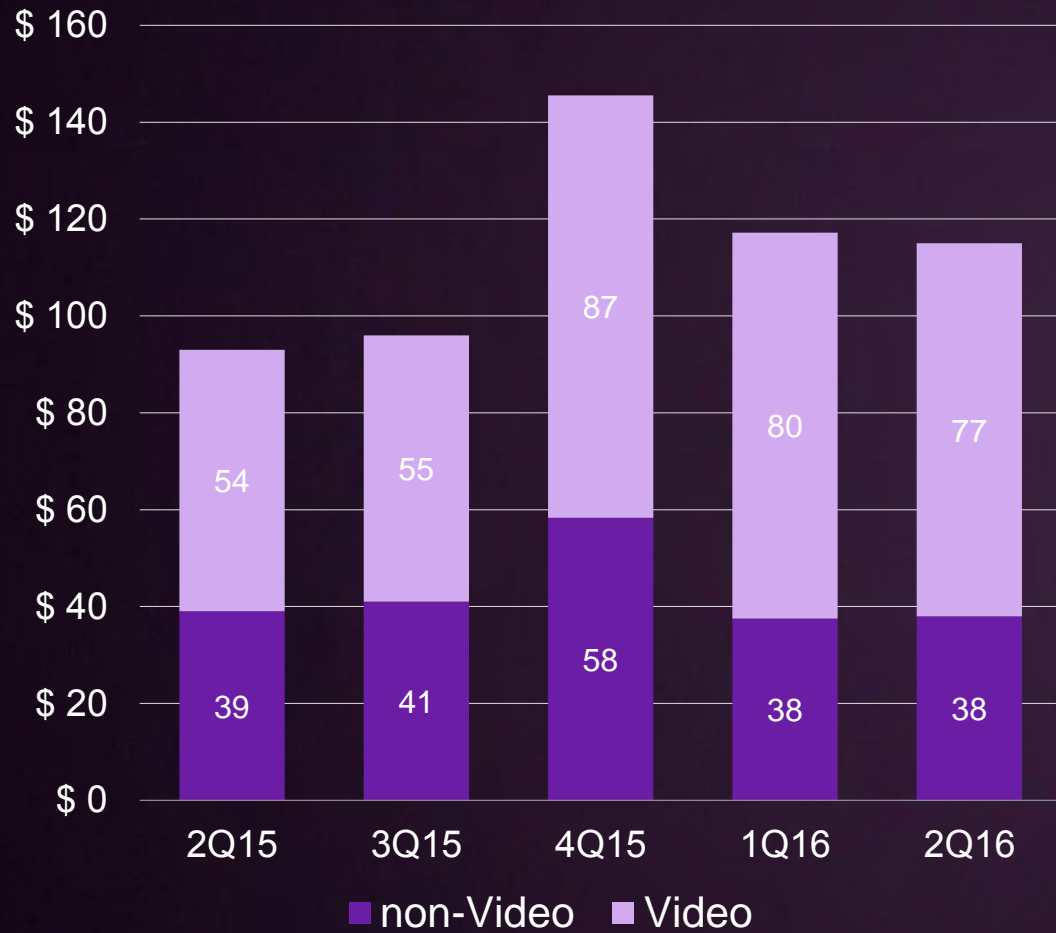


Revenue: Customer Type 2Q16

Customer Type	2Q16 (\$m)	Change vs 2Q15	Comments
Mobile Advertising - 3rd Party Publishers	114.4	+23%	Slightly below expectations
Consumer (Owned and Operated Properties)	37.7	+20%	In line with expectations
Tech Licensing	10.7	-51%	In line with expectations



Mobile Advertising - 3rd Party Publishers



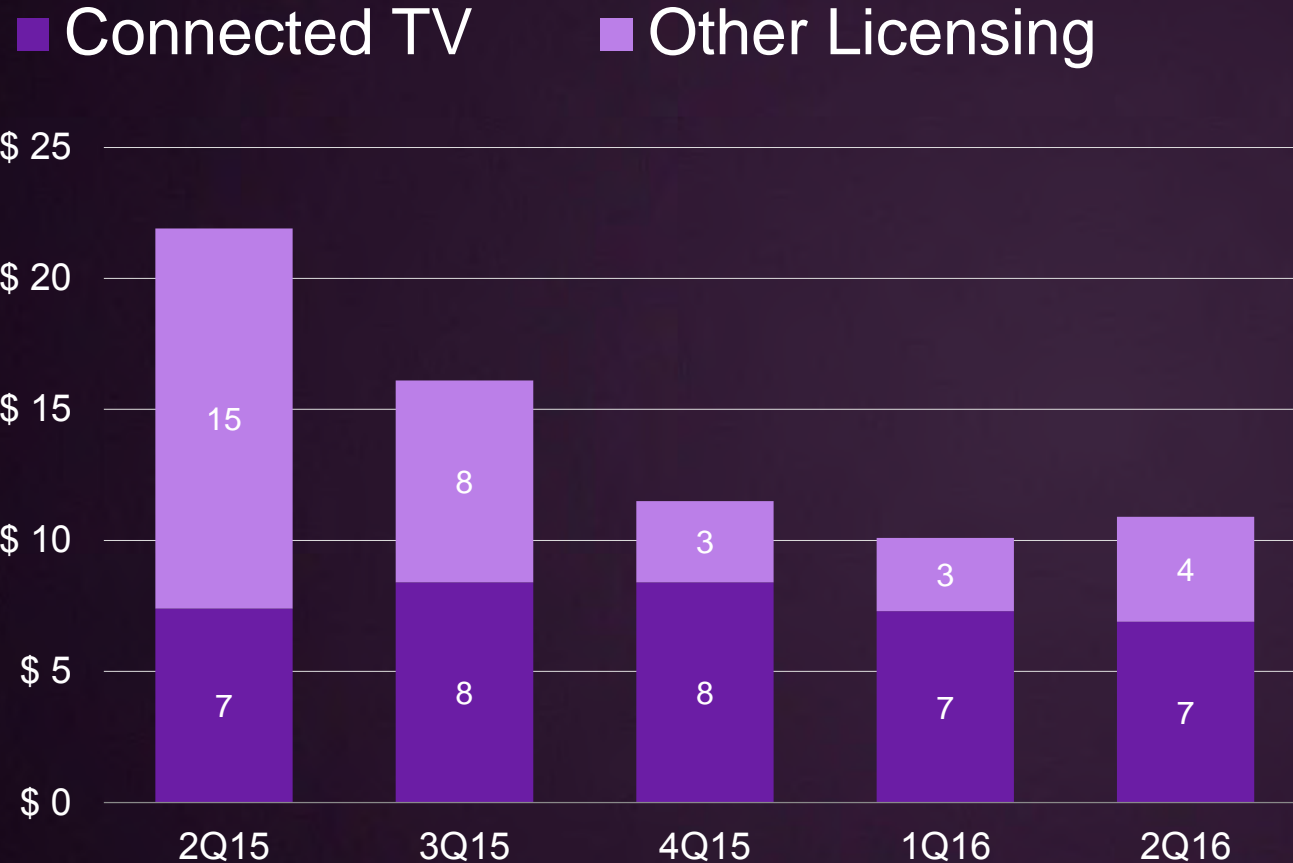
Revenue: Consumer - Owned and Operated Properties

Customer Type	2Q16 (\$m)	2Q15 (\$m)	% Growth	Comments
Mobile Browser	8.6	9.4	-9%	Revenue transition, impacted by prior period adjustments
Apps and Games*	11.7	1.1	1 164%	Bemobi + strong organic revenues
Performance and Privacy Apps	1.2	0.7	71%	SurfEasy + new organic revenues
Operator Co-brand Solutions	2.4	8.1	-70%	Expected decline
Desktop Browser	13.8	12.0	15%	Strong ARPU driven by search
Total Consumer (O&O)	37.7	31.4	20%	Solid growth

* Revenue from Bemobi was \$9.5 million in 2Q16



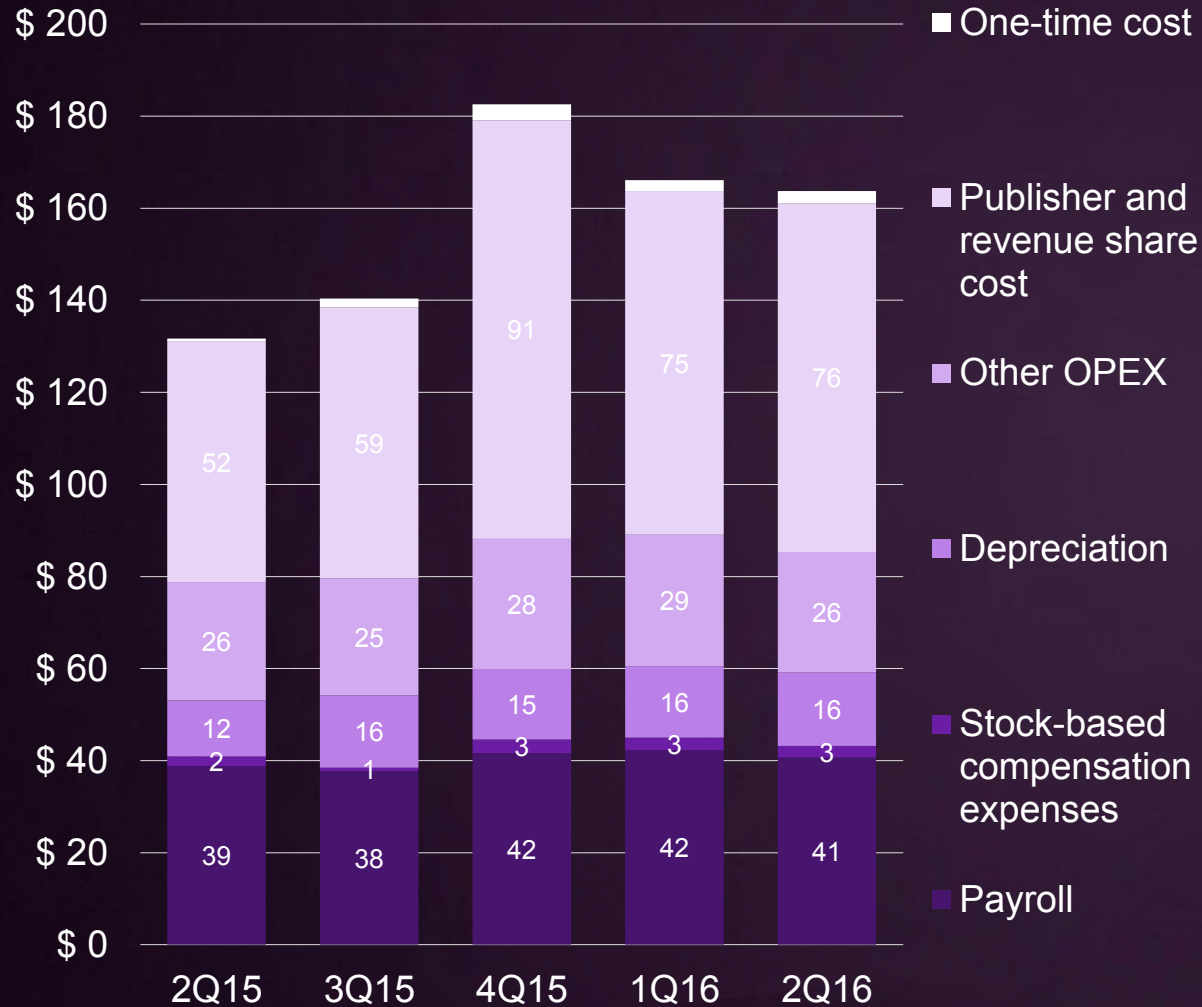
Tech Licensing



- Other Tech Licensing volatile with limited predictability
- Connected TV revenue stable and predictable



OPEX Development (\$m)



Cost line	2Q16 vs. 2Q15*	Comments
Payroll	5%	Headcount up 4%
Publisher and revenue share cost	45%	Driven by growth in Mobile Advertising - 3rd Party Publishers and \$4.3 million related to Revenue Share Cost from Consumers (Owned and Operated Properties).
Other OPEX	2%	Marketing and hosting expenses key drivers
Depreciation & Amortization	31%	Higher investments in Opera server infrastructure and depreciation on intangible assets related to acquisitions.
Stock-based compensation expenses	18%	Grant of new RSU's
Total Expenses*	23%	

*Excludes one time cost



Unchanged overall outlook for 2016

Opera

Metric	2016 Outlook
Revenue*	\$690 - 740m
Adj. EBITDA**	\$100 - 125m

OMW + TV + Apps & Games

Metric	2016 Outlook
Revenue*	\$570 - 605m
Adj. EBITDA**	\$75 - 90m

* Assumes FX rates as of August 30th 2016

**Adj EBITDA, excluding stock-based compensation expenses and one-time costs



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Executive Summary – Q2 2016

- For 1H 2016, Opera Mediaworks delivered \$232M in Revenues (+32% vs. 1H'15) and we continue perform in line with our annual operating plan
- In Q2, we delivered \$114.4M in Revenues (+23% growth vs Q2'15)
 - Sales were \$2m lower than last quarter, but Q1 was above plan due to strong, above plan post-holiday spending in January
- Q2 highlights include:
 - Record Q2 for both Brand and Performance Revenue businesses
 - SDK footprint growth
 - Record number of creative awards and nominations across all regions
 - Completed development of new products: programmatic, compass, new 3.0 SDK
 - One Platform initiative – active development; unifies platform in 2017



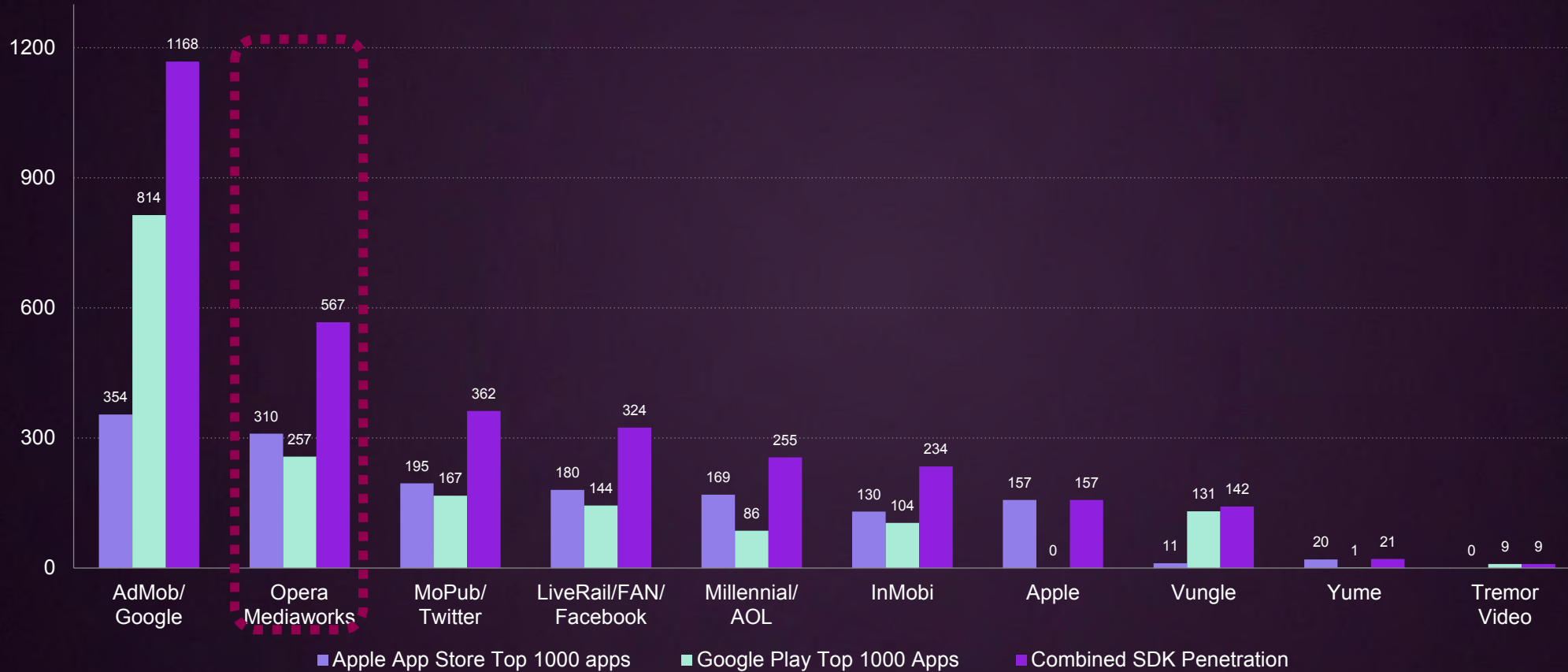
Q2 2016 Growth Drivers

Key Drivers	Growth	Details
PERFORMANCE	33%	<ul style="list-style-type: none">• Largest Q2 to-date, with growth driven by:<ul style="list-style-type: none">• Continued international expansion• Demand for differentiated in-app Instant-Play™ video• Growth of key performance advertiser accounts
BRAND	15%	<ul style="list-style-type: none">• Instant-Play™ video a standout, growing 40% YoY• Continued investment in Brand Performance campaigns• Campaign creativity & innovation are driving dollars & garnering global recognition



Largest ad SDK footprint in mobile after Google

Ahead of Twitter (MoPub), Facebook, AOL (Millennial) & InMobi

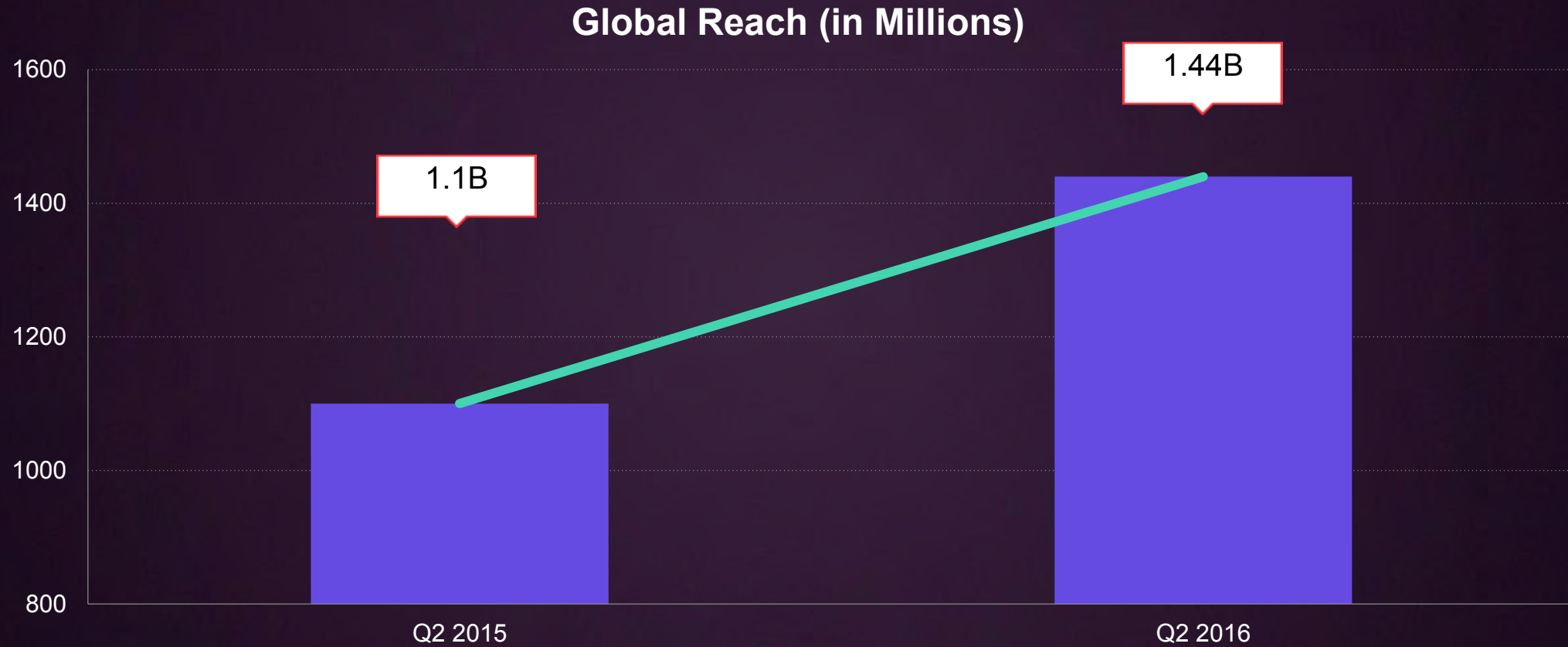


Source: MixRank, Q2 2016

SDK penetration within Top 1000 apps per MixRank rankings



30.9% YOY Growth – Platform Reach



Highest Quality Publisher Growth

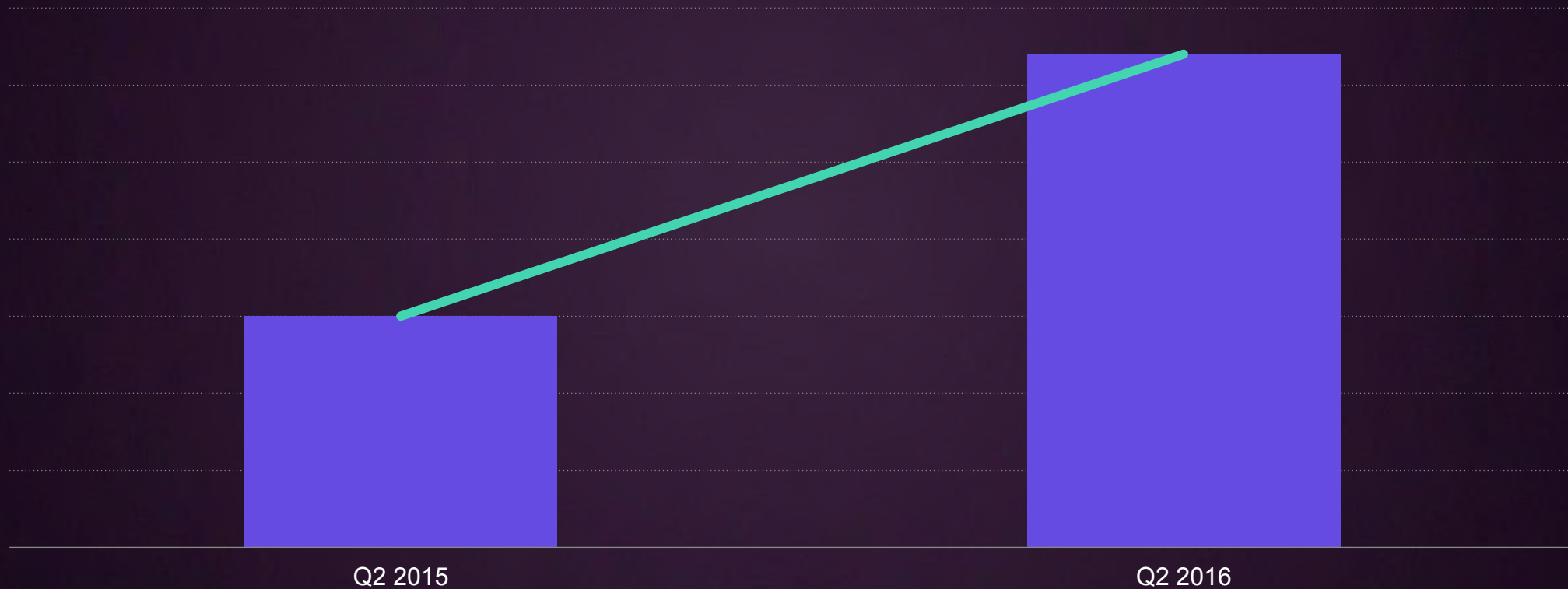
New publisher relationships in Q2 drove access & reach in the most popular, mobile-first apps worldwide.



113%+ YOY Growth in \$1MM+ Publishers

Creating meaningful value for the mobile publisher ecosystem

Publishers w/ \$1MM+ Earnings Run Rate



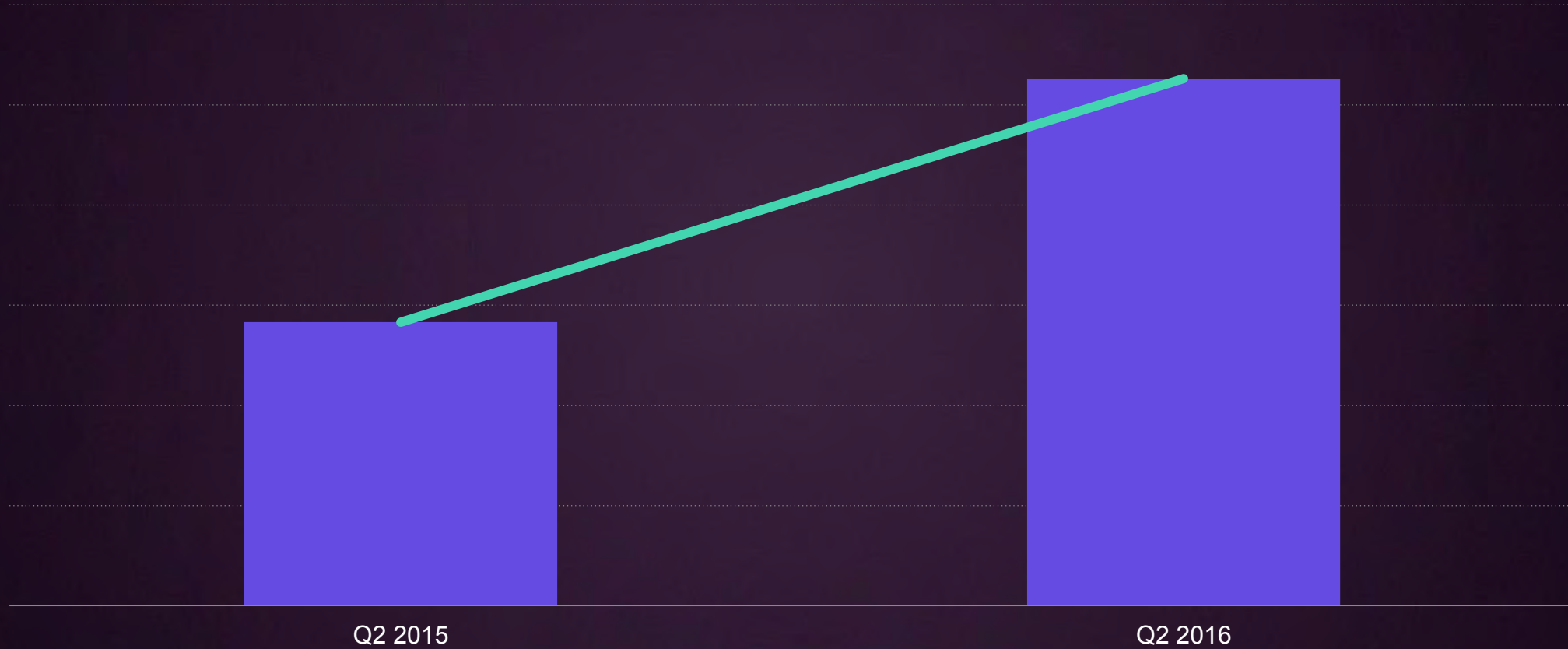
Revenue Shift Towards Video Continues

YOY Share of OMW Revenue, Video vs. Non-Video (Actuals)



86% YOY Growth in Programmatic Sales

Adoption of automated buying continues across regions



Performance Advertising

Largest Q2 ever for global Performance advertising business (+33% vs Q2'15)

- **International growth:** EMEA and APAC expansion drove +111% and +135% growth respectively vs. Q2'15
- **Key accounts:** Grew number of performance advertisers by +67% vs. Q2'15 with continued growth in overall campaign IO size as well
- **Video:** Doubled number of Instant-Play™ performance impressions; grew number of Instant-Play™ app installs & total engagements
- **Brand Performance:** Brands becoming more attribution focused, look to us for return on ad spend through performance campaigns
- **Programmatic:** Further expanded Performance business by adding Programmatic demand



Brand Advertising

Key Brand Highlights

- **Average deal size**: Deal sizes increasing, especially for video campaigns, as we are seeing larger budgets from key customers.
- **Top verticals**: CPG, Entertainment, Restaurants, Retail & Finance
- **Key global wins**:
 - EMEA – Samsung, Bose, eBay, Turkish Airlines. Signed LinkedIn & FourSquare partnerships.
 - APAC – J&J, Pepsi, P&G, Samsung India, Cadburys
 - Americas – Verizon, Google, Unilever, Coca Cola, P&G
- **Programmatic momentum**: 86% growth in programmatic sales YoY. Live with growing number of DSPs & strong interest in in-app Instant-Play™ video inventory
- **Creative recognition**: 15 global industry award nominations across regions for high-impact brand creative & results



Innovation & Outcomes

Case Study: Hilton 360° Video

An Immersive 360 Experience

- HD Mobile Video & Dynamic End Card
- 360° Tilt to View
- End card linked to reservations site

Real Results

“The theme of the campaign is Our Stage. Your Story...these virtual reality moments are what drive travelers to book their dream vacation, right then and there.”

Kyle Zvacek, Global Account Director,
OMD



Awards

Q2 2016 Global Award Wins & Nominations

APAC



*4 Wins in Creativity, Use of
Technology & Effectiveness*

EMEA



*Nominated for Best Use of
Technology, Most Innovative
Use of Mobile & Best Use of
Video & Rich Media*

U.S.



Nominated for Partner of the Year

EMEA



Nominated for 6 Campaigns



Q2 2016 Takeaways

On track for company's first \$500M+ year

- Core focus areas for 2016
 - Growth – Performance, Video, Programmatic
 - New products – 2 of 3 launched w/new SDK on track to launch in September
 - One Platform – Unifying our technology platform for greater scale & efficiency
- New products that deliver true “brand experiences” continue to drive differentiation
 - Our ability to combine creativity powered by technological innovation that can't be done elsewhere continues to drive advertiser interest & industry recognition
- Platform is expanding
 - Our SDK penetration is a competitive advantage and provides us with strong data signals and the ability to deliver high quality brand experiences in the most popular apps in the world.



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Consumer Overview

**Mobile
Browser**

**Desktop
Browser**

**Privacy &
Performance**

**Apps &
Games**

**TV & Tech
Licensing**

MOBILE BROWSER

Execution areas

ACQUISITION / CONVERSION

- Organic traffic
- OEM
- User onboarding

RETENTION

- Product features
- User settings/data (login)

ENGAGEMENT

- Home Page
- Content Discovery
- Notifications

TIME SPENT ON O & O

- Localization
- Content verticals
- Content partners

MONETIZATION ENGINE

- Search, affiliates and advertising
- Instrumentation and ad partners

DISTRIBUTION &
RETENTION

+

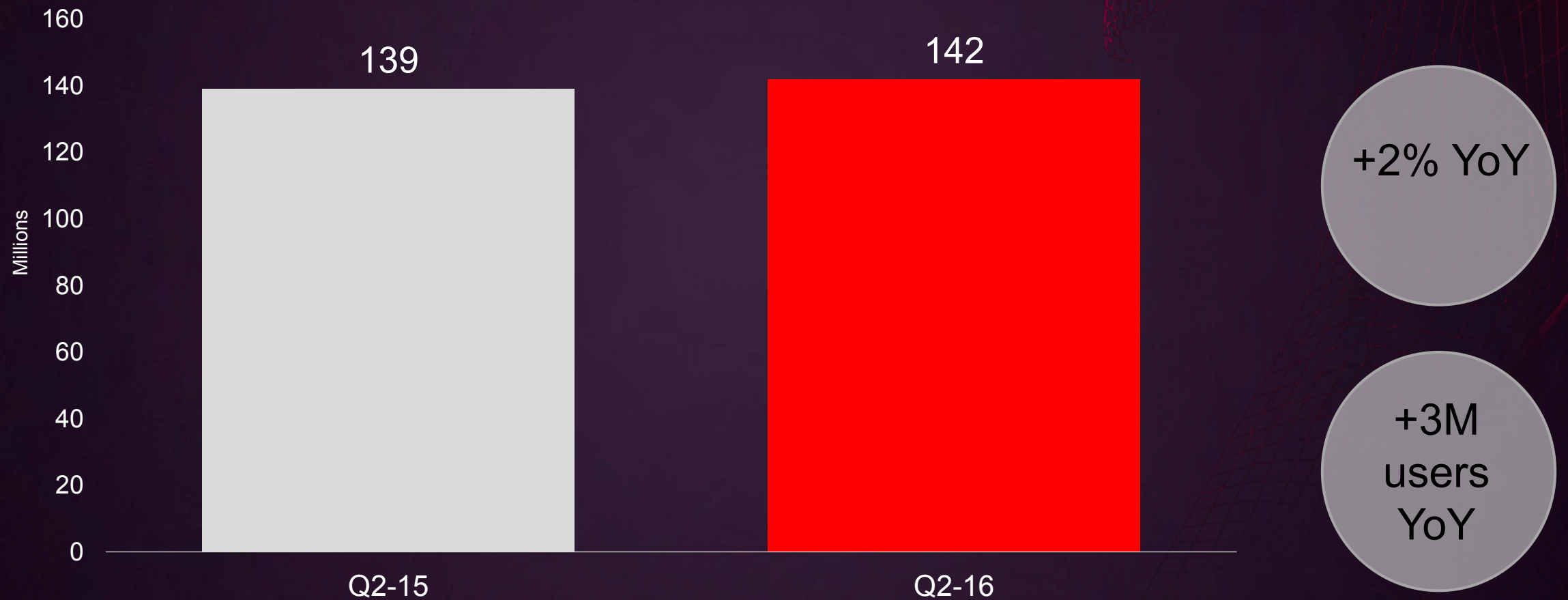
ENGAGEMENT
& TIME SPENT

=

SCALABLE
MONETIZATION



Android: 142M MAU end of 2Q16



Opera Mini Native: strong growth year to date with improved retention rates



48m MAUs

DAU/MAU: 26%

January 2016

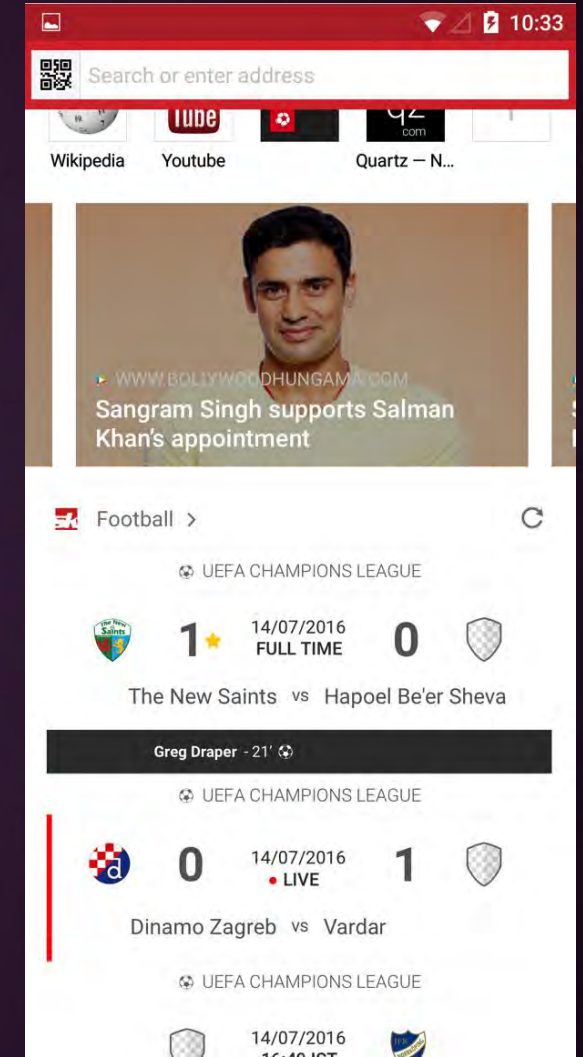
**64m MAUs (up 33%
ytd)**

DAU/MAU: 29%

July 2016

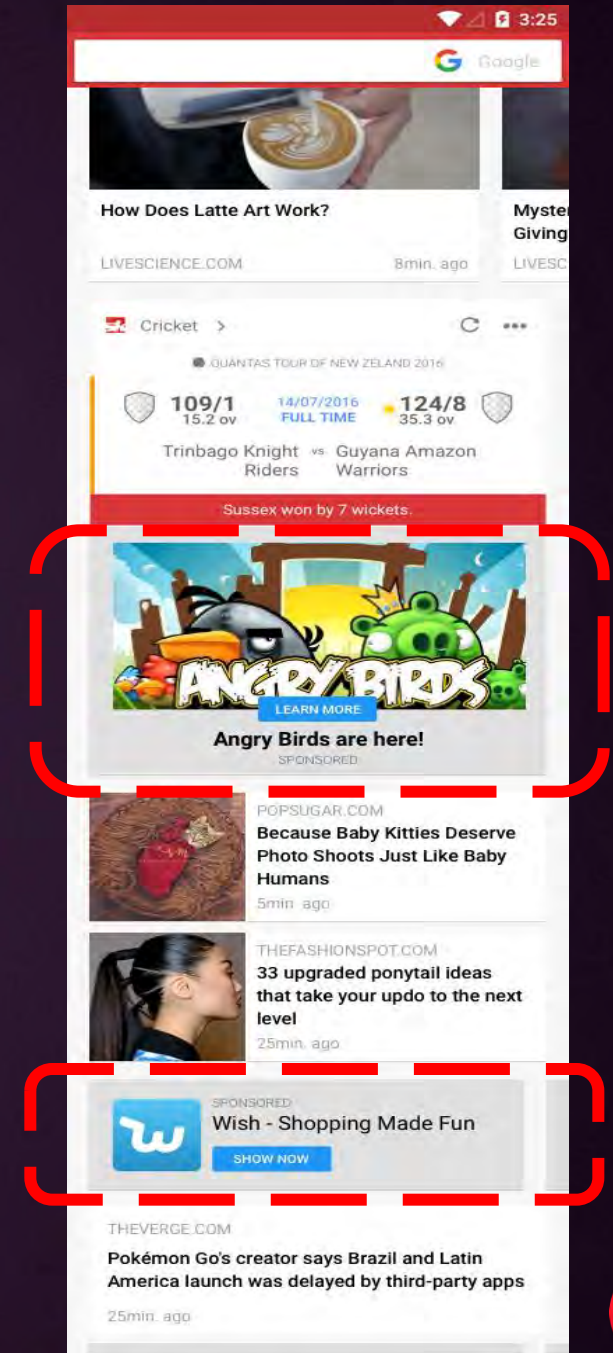
New Home page

- Focus on driving engagement and increasing the time spent on the browser
- Content cards that enable localization of content per market
- Launched local content cards in India with Hungama (Bollywood) and Sportkeeda (cricket)
- New markets to be launched in Q3 and Q4 2016



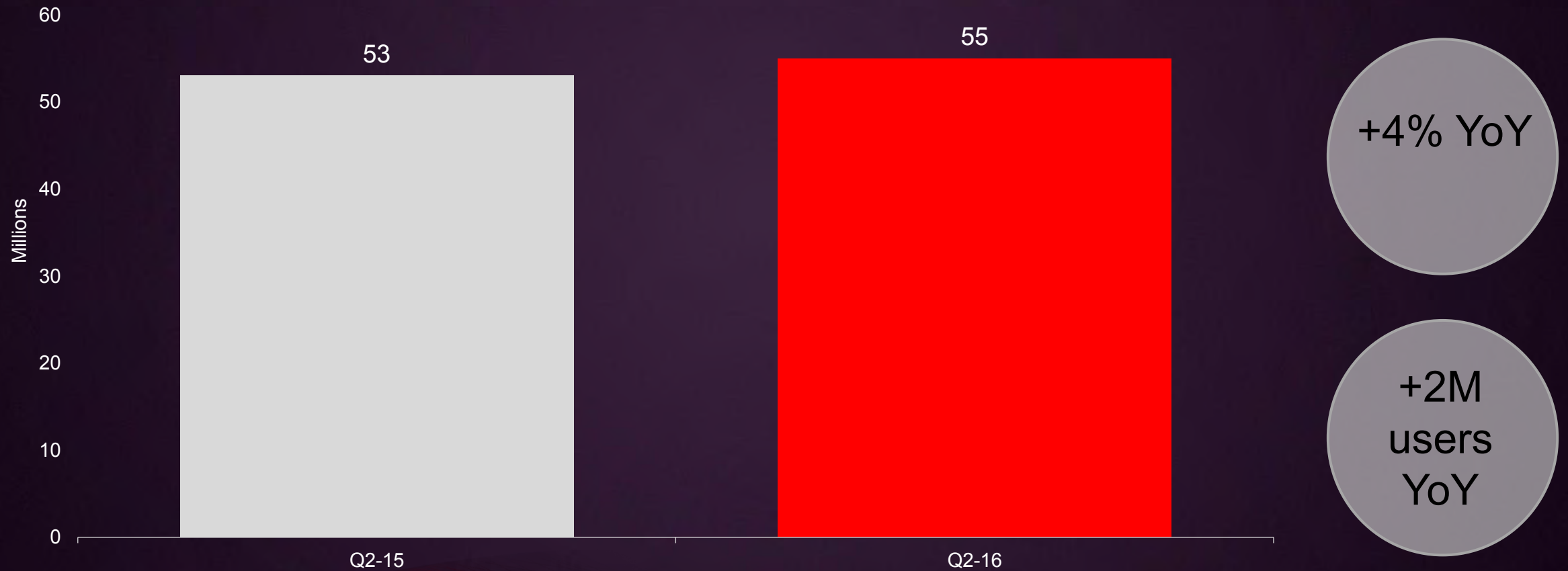
Building on native advertising

- Focus on developing native advertising ad formats to monetize higher engagement times in the browser
- Multiple ad providers (Mediaworks, Facebook, Google) will set the ground for scalable ad monetization

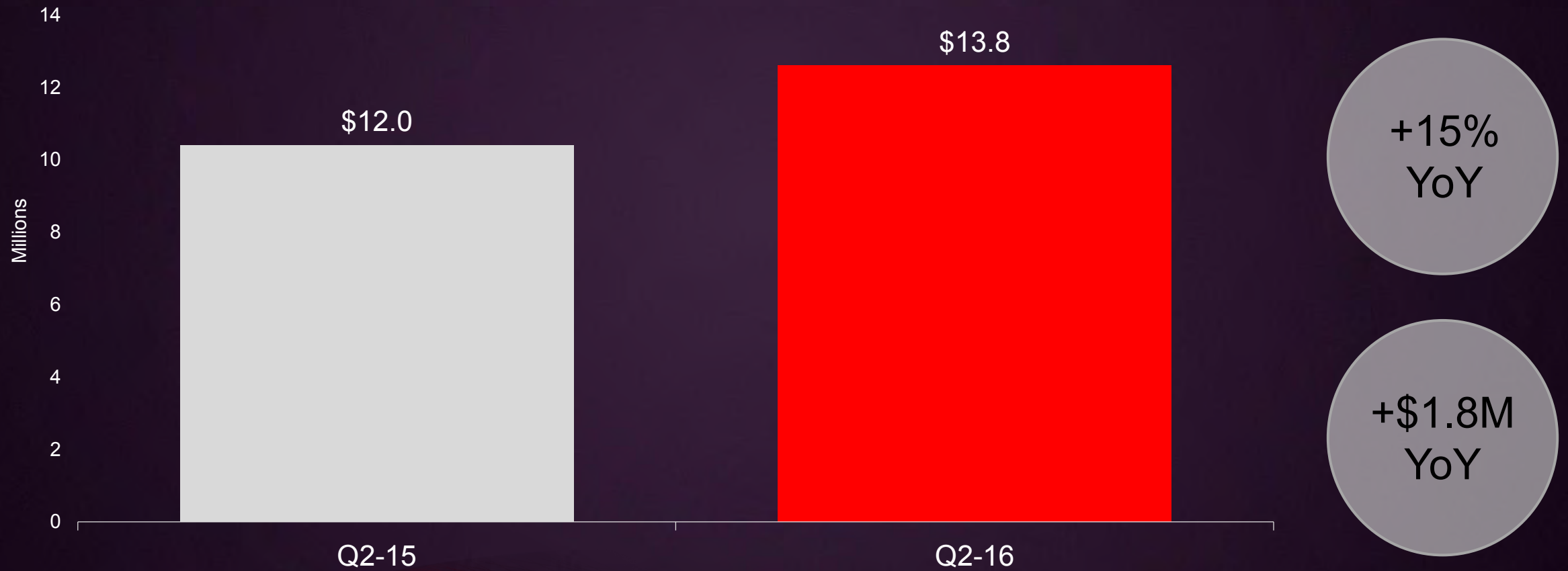


DESKTOP BROWSER

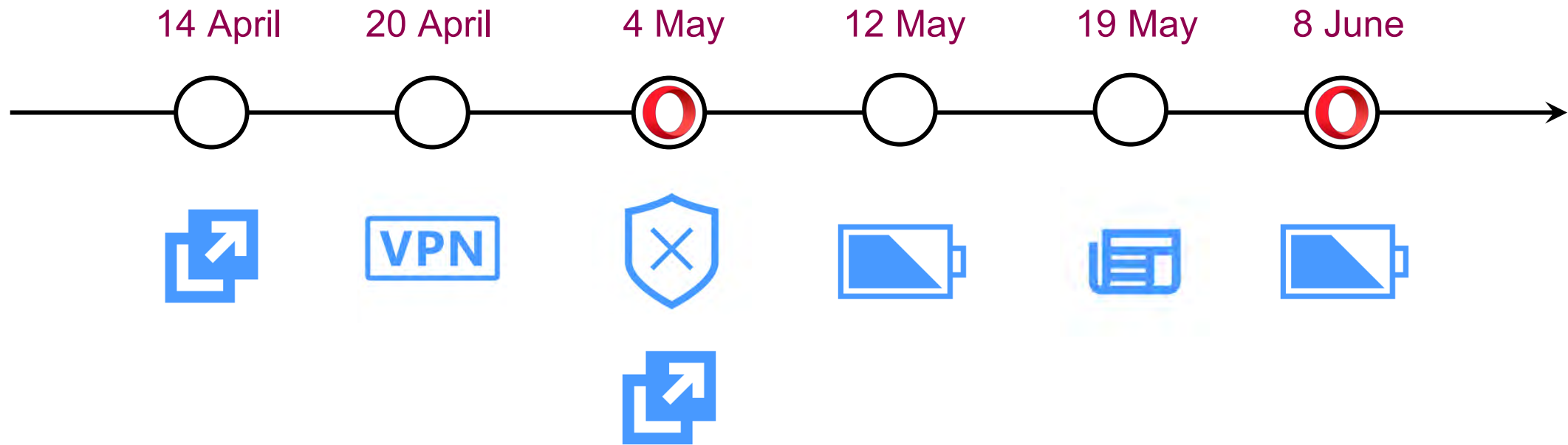
Desktop 55M MAU in 2Q16



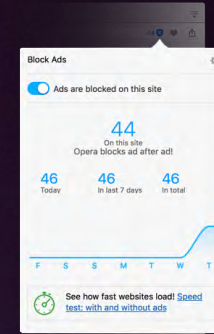
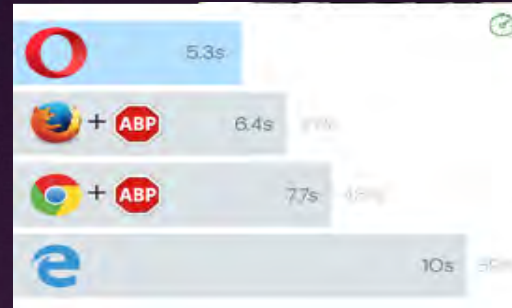
Desktop Revenue



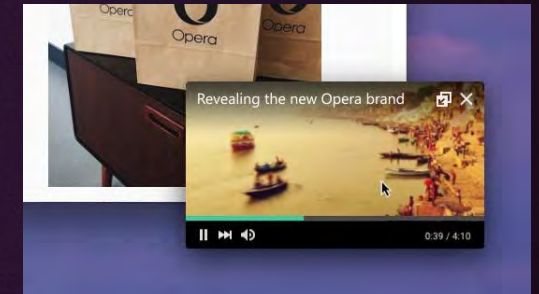
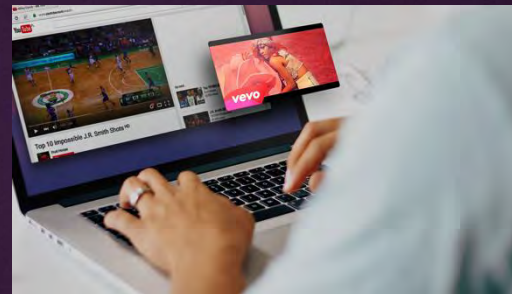
Busy quarter with lots of releases and innovations coming to the desktop browser



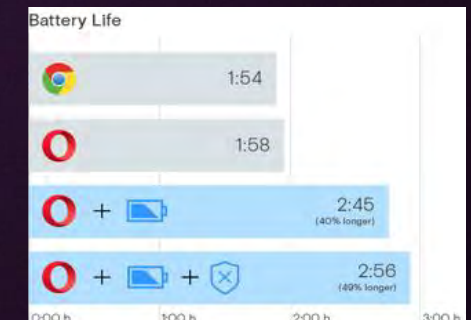
➤ Native Adblocker



➤ Video popout



➤ Battery Saving



OPERA HAS RETAKEN POSITION AS INNOVATION LEADER



Opera, the first major browser with native adblock



Opera saves more battery than Edge and Chrome



"Opera is setting the trend and brings a killer feature while other browsers like Firefox & Chrome are still sleeping"



PERFORMANCE & PRIVACY

Opera Max

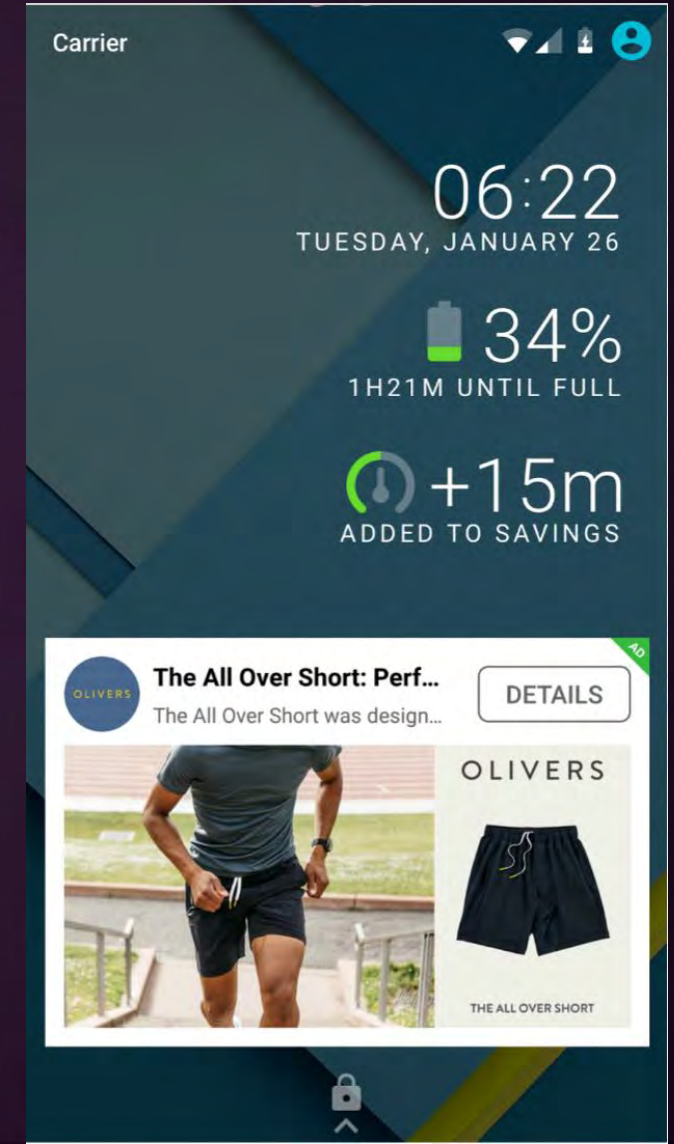
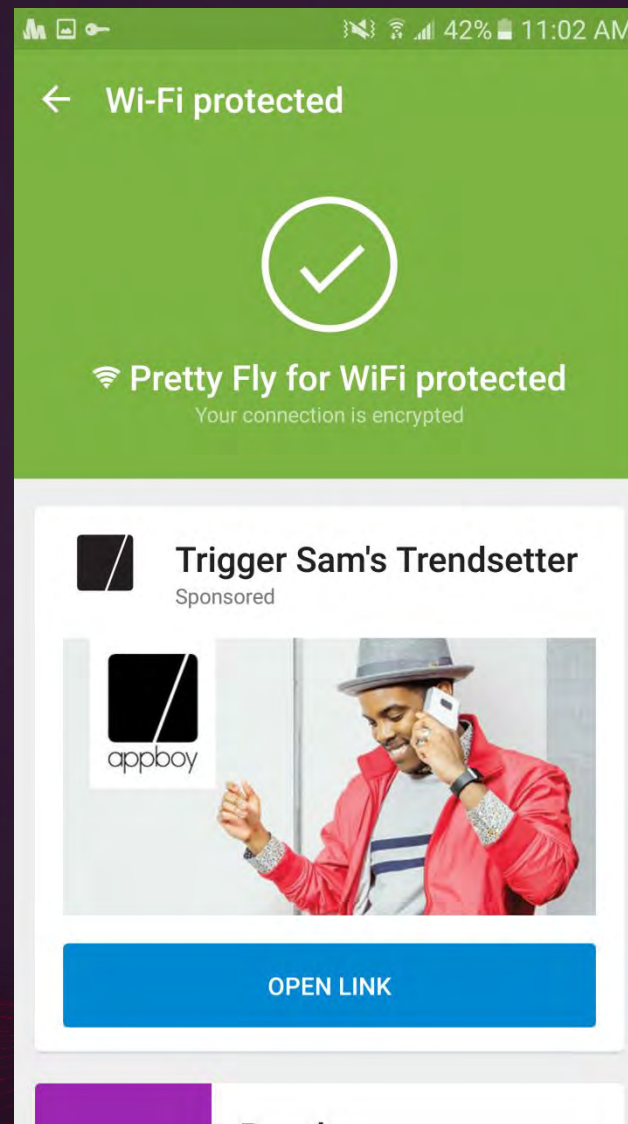
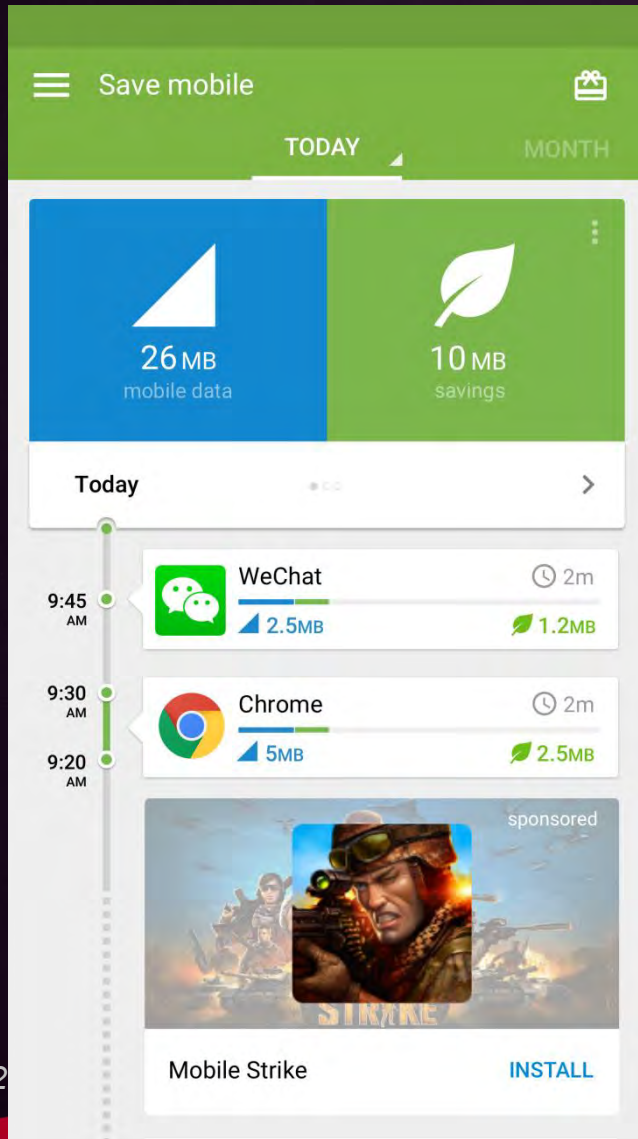
CROSSING 30,000,000
USERS IN AUGUST

240% GROWTH IN Q2

SECOND BIGGEST APP
IN OPERA



Launching Ads in September



Rocket Optimizer

- New WIN with operator in the UK, second win in UK this year
- New Win with operator in Egypt
- Rocket platform went live in Ooredoo Kuwait



Optimization of encrypted Videos is getting strong market traction

- Rocket Has a market leading support for optimization of encrypted videos, YouTube, Netflix and others
- Proven in trials and live deployments
- Many Tenders/RFPs ongoing
- Deal with tier 1 US operator targeted to close in q3





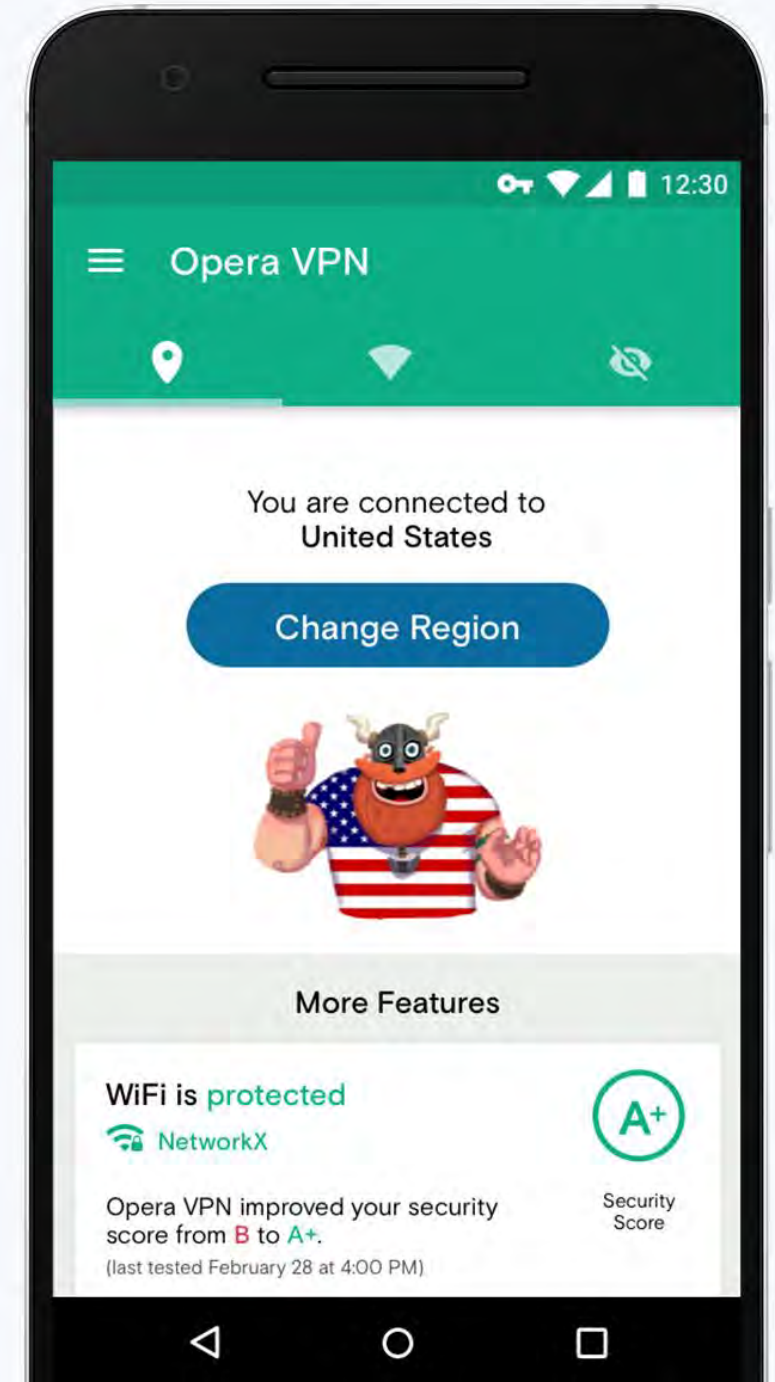
SurfEasy

VPN update

- Opera VPN for Android launched Aug 23 with over 100k downloads in first 48 hours
- 4M Opera VPN user registrations since launch across all platforms
- SurfEasy owned and operated paying base grew 14% in Q2 and 16% during the first half of Q3.

"I just deleted half of my iPhone app- you should too... I erased four VPN apps, but kept a fifth, SurfEasy VPN"

Walt Mossberg

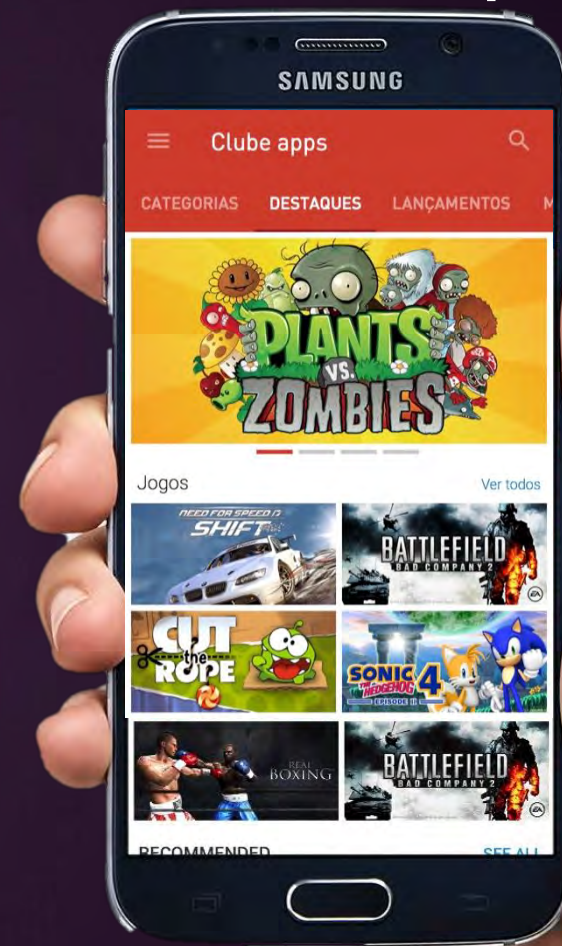


APPS AND GAMES



One year after Bemobi's acquisition, globalization of Opera's AppsClub is at full speed

- 2.3 million paying AppsClub subscribers
- \$9.5 million in 2Q16 Revenue (total Bemobi)
- New launches during Q216
 - Tata DoCoMo - India
 - MTS - Belarus
 - Hutchison - Indonesia
 - MTS - Ukraine
 - Banglalink - Bangladesh
 - Vinaphone - Vietnam





Success in Brazil => Now Global Footprint

- **Apps Club service:**
 - 38 Carriers
 - 20 of the largest emerging countries
- **3Q16 outlook**
 - New launches planned with leading mobile carriers
 - Significant improvement in most operational metrics (subscriber acquisition and monetization) across regions



TV AND TECH LICENSING

Opera TV announced renewal of agreement with leading customer

AT THE FOREFRONT

- This agreement extends on the established 4 year old strategic partnership
- Vestel, is the largest TV manufacturer in Europe, already shipping millions of TVs each year with Opera TV
- Opera TV will continue to supply its latest range of products which include the Opera SDK, TV Store and HbbTV solutions

The Vestel logo is displayed in a large, bold, red, sans-serif font. It is centered horizontally and appears to be floating above a faint, light-colored grid pattern that recedes into the background.

Opera TV Snap 3.0 launched

Empowering content providers and broadcasters to reach new audiences

- Opera TV Snap maintains its position as the industry's quickest way to launch an attractive OTT service
- Expanding to include support for more online video platforms (JWPlayer, Ooyala and Zype)
- Designed to meet the complex needs of broadcasters to combine; live broadcast, on-demand content and full episodic content in one single app with multi-tier navigation



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Q&A