



4Q 2016

Agenda

- **Executive Summary**

- Financials

- Operations

- Mobile Advertising

- Closing



Financial Highlights 4Q16 (Continued Operations)

Financial metric	4Q16 (\$m)	4Q15 (\$m)
Total revenue	143.9	155.6
Adj. EBITDA*	17.6	21.7

- Consumer and TV deal both closed in the quarter for combined gross proceeds of \$655 million
- Cash returned to shareholders through dividend and share buybacks
- Challenging quarter for mobile advertising, but revenue in line with updated expectations
- Solid margin and strong cost control lifted Adj. EBITDA above updated expectations

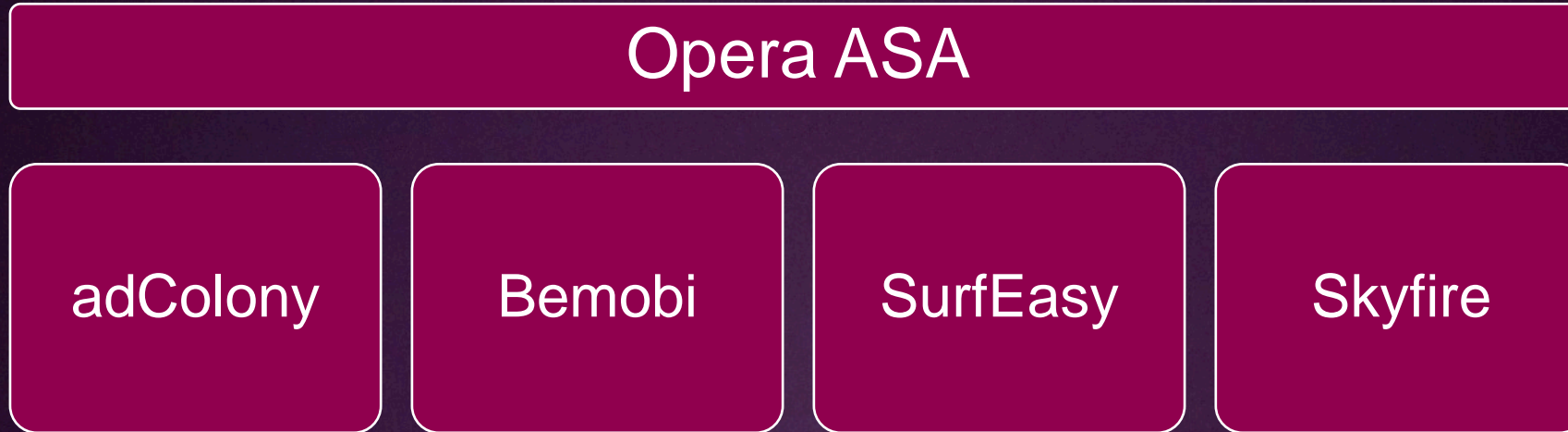


Consumer + TV Transactions closed

- \$655 million Total Gross proceeds
- \$185 million repayment of debt (\$100 million remaining)
- \$260 million dividend (15 nok per share)
- \$7 million of shares bought back (1.4m shares)
- \$120m net cash position end of 2016

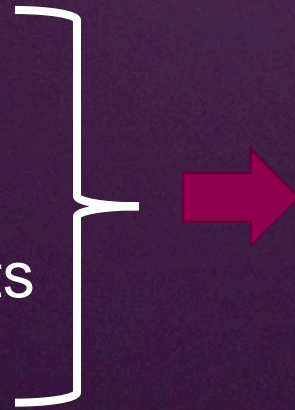


Where we are now



Focus

- Revenue growth
- Increase margins
- Cost control
- Unique & relevant products
- Scalable businesses



Drive shareholder value



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A note from our lawyers

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Financial Highlights 4Q16

Financial metric (Continued operations)	4Q16 (\$m)	4Q15 (\$m)	Guidance***
Total revenue	143.9	155.6	<\$147.2
Adj. EBITDA*	17.6	21.7	<\$13.5
Normalized EBIT**	9.2	17.9	
EBIT	(17.4)	4.8	
OCF	9.9	21.4	

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

** Excluding amortization of acquired intangible assets

***Trading update 20th December 2016



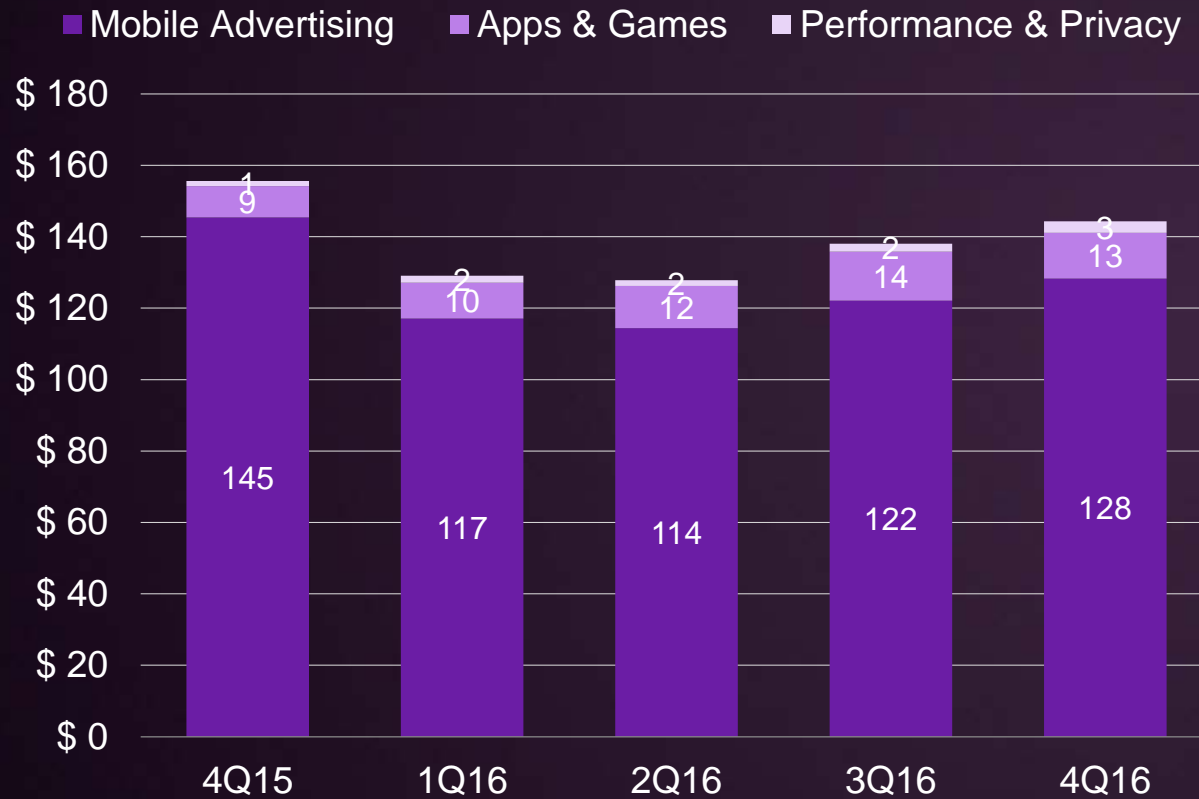
Revenue: Segments 4Q16

Segment	4Q16 (\$m)	Change vs 4Q15	Comments
Mobile Advertising	128.3	-12%	In line with expectations
Apps & Games	12.8	+45%	In line with expectations
Performance & Privacy	3.2	+124%	In line with expectations

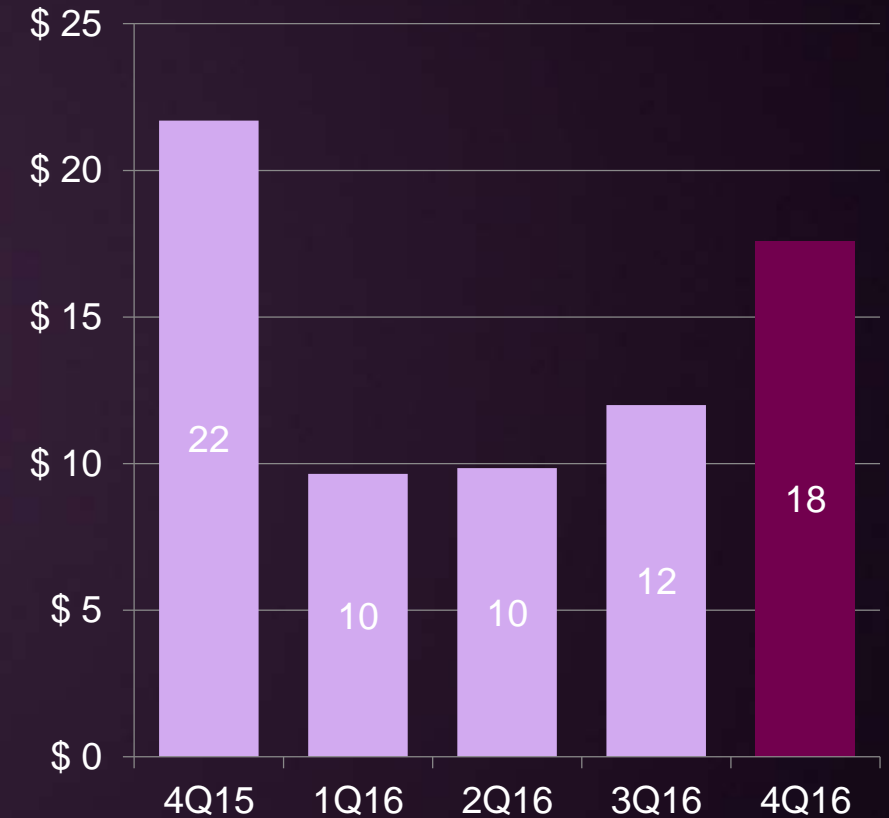


Financial Highlights: 4Q15 – 4Q16

Revenue (\$m)



Adjusted EBITDA* (\$m)



4Q16 Segment P&L

Segment (\$ million)	Mobile Advertising	Apps & Games	Performance & Privacy	Corporate	Total*
Revenue	128.3	12.8	3.2	0	143.9
Gross Profit	48.7	8.4	3.0	0	60.2
Adj. EBITDA	14.0	6.4	(0.8)	(2.0)	17.6
EBITDA	11.8	6.3	(0.7)	(4.5)	12.9
Normalized** EBIT	7.1	5.9	(0.8)	(3.1)	9.2
EBIT	(13.8)	0.4	(1.0)	(5.9)	(17.4)

*Excluding intercompany transactions

** Excluding amortization of acquired intangible assets



Cash position

Gross cash 30.09.2016	\$95m
Operating Cash Flow Continued Operations	\$10m
Operating Cash Flow Discontinued Operations	-\$28m
Gross proceeds from transactions	\$655m
Adjustments, transaction fees, insurance	-\$14m
Balance sheet adjustments (net cash on balance sheet)	-\$22m
Earn out payments	-\$15m
CAPEX & Capitalized R&D	-\$6m
Buyback of shares	-\$7m
Dividend payment (15 Nok per share)	-\$261m
Repayment of loan	-\$186m
Loan to related parties	-\$6m
Finance lease liabilities	-\$1m
Proceeds from SBC programs	\$5m
Gross cash 31-12-2016	\$220m
Net cash 31-12-2016	\$120m



Earn-out overview

Estimated payments (Numbers in \$ million)	AdColony	Bemobi	Individually immaterial	Total
Jan-17	3.1			3.1
Feb-17				
Apr-17		8.9	7.9	16.8
Sep-17		7.8		7.8
Apr-18		12.0	7.2	19.2
Sep-18		9.7		9.7
Apr-19		14.4		14.4
Sep-19		12.3		12.3
Apr-20		16.1		16.1
Total	3.1	81.3	15.1	99.4



Limited cash impact



Impairment charges

(Numbers in \$ million)

Goodwill in the non-US part of the Mobile Advertising segment

Intangible assets in the non-US part of the Mobile Advertising segment

Goodwill in the Apps & Games segment (non-Bemobi)

**Impairment
loss**

14.5

1.4

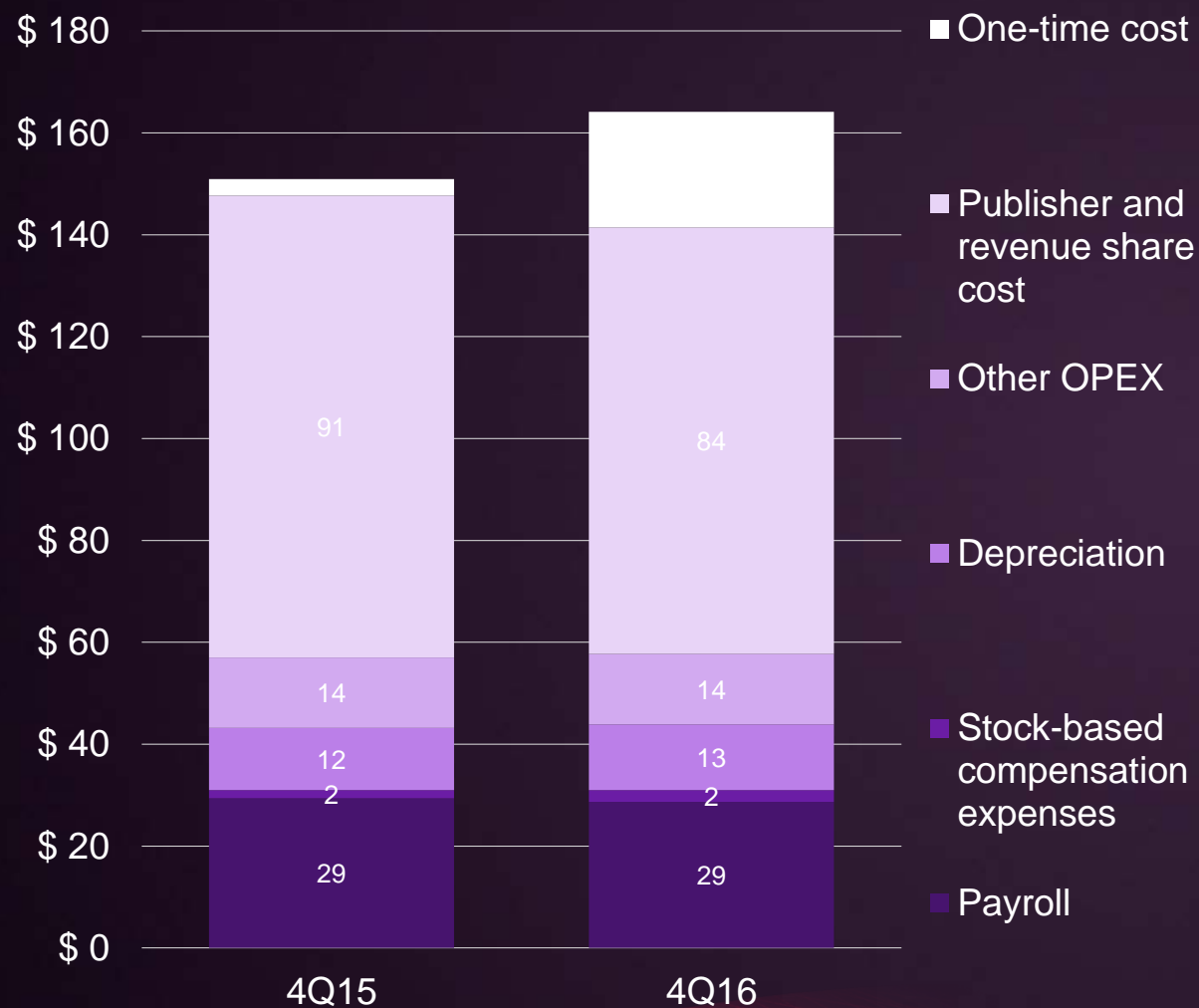
3.1

Total

19.0



OPEX Development (\$m)



Cost line	4Q16 vs. 4Q15*
Payroll	-2%
Publisher and revenue share cost	-8%
Other OPEX	0%
Depreciation & Amortization	6%
Stock-based compensation expenses	50%
Total Expenses*	-4%

*Excludes one time cost



2016 Review

Segment (\$ million)	Mobile Advertising	Apps & Games	Performance & Privacy	Corporate	Total*
Revenue	484.2	48.2	9.2	0	536.7
Gross Profit	185.8	31.6	8.3	0	225.6
Adj. EBITDA	40.4	22.5	(7.2)	(6.5)	49.1
EBITDA	28.3	22.0	(7.7)	(13.0)	29.7
Normalized** EBIT	23.3	18.9	(9.0)	(7.6)	25.5
EBIT	(16.4)	6.1	(13.6)	(14.5)	(38.4)

*Excluding intercompany transactions

** Excluding amortization of acquired intangible assets



2017 Outlook

• AdColony

- Revenue growth
- Soft 1H, YoY growth from 3Q17 with impact from product launches
- Gross margins down slightly due to revenue shifting to programmatic
- Adj. EBITDA margin comparable to 2016

• Apps & Games

- Solid revenue growth
- Next growth leg to come from international markets
- Somewhat lower Adj. EBITDA margin as we expand globally

• Performance & Privacy

- Revenue growth
- Adj. EBITDA around breakeven as we invest for long term growth



Outlook for 2017

Metric	2017 Outlook
Revenue*	\$550 - 650m
Adj. EBITDA**	\$50 - 70m

* Assumes FX rates as of February 27th 2017

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



Capital Markets Day

March 30th 2017

Oslo, Norway

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Executive Summary – Core Opera

Segment	Revenue 2016	2016 Adj. EBITDA	2017 strategy
MOBILE ADVERTISING	\$484.2m	\$40.4m	<ul style="list-style-type: none"> • Product launches • Prove scalability in 2H
APPS & GAMES	\$48.2m	\$22.5m	<ul style="list-style-type: none"> • Cement Latin American market • International growth
PERFORMANCE & PRIVACY	\$9.2m	(\$7.2m)	<ul style="list-style-type: none"> • Revenue growth and tight cost control



Mobile Advertising

Revenue Growth	4Q Highlights	Focus Areas
-12%	<ul style="list-style-type: none">• Market – Fewer global app launches (Performance); Brand advertising softness in Q4• Integration/Apollo – Largely underestimated the time/costs of re-organization and tech integration work• Late execution/Q4 – We were late to market with new 3.0 SDK and our CORE v2 algorithms that resulted in a lack of competitiveness, impacted us in Q4 with a halo effect to our run rate in the first half of 2017	<ul style="list-style-type: none">• New SDK (Aurora) and Core• Apollo 7-11 product launches• Cost efficiency opportunities



Mobile Advertising

2016

- 12 different companies, all acquired
- 12 different management teams and cultures incentivized by their own earn-outs
- 5 Different platforms
- Commercial decisions made at company-level, not always optimized for the adColony group

2017

- 1 Company (adColony)
- 1 Company culture, earn-outs ending
- 1 Platform/SDK
- Employee compensation linked to adColony revenue and profit as well as Opera shareprice
- Apollo 7-9 to drive revenue
- Apollo 10-11 to drive automation/operational efficiencies



Apps & Games

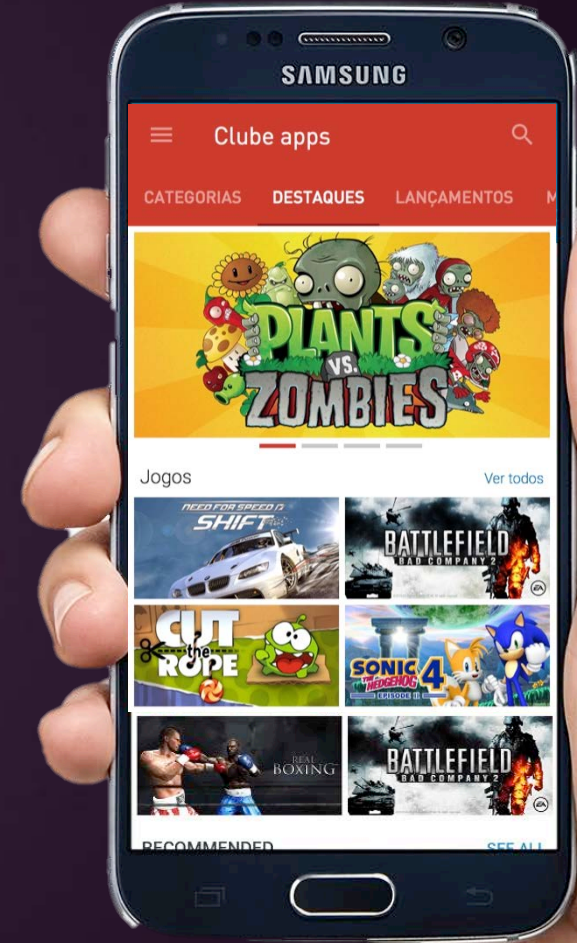
Revenue Growth	4Q Highlights	Focus Areas
45%	<ul style="list-style-type: none">• Very strong revenue growth• Adj. EBITDA margin of 50%• 6 Operator launches in 4Q16	<ul style="list-style-type: none">• International growth (just ~12% of revenue today is outside Latam)• Leverage Operator relationships





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

- 13.9M subscribers in Latam and 3.1 M AppsClub subscribers in RoW (12% QoQ growth)
- \$12.8 million in 4Q16 Revenue (total Apps & Games)
- New launches during 4Q16
 - Reliance – India
 - Life – Belarus
 - Megafon – Russia
 - Smartfren – Indonesia
 - Vodafone – India
 - Vodacom TZ and Mobilink





Success in Brazil => Now Global Footprint

• 2017 outlook

- New Apps Club launches planned with leading mobile carriers in India and Russia expecting to reach close to 100% country coverage
- Improvement in most operational metrics (subscriber acquisition and monetization) across regions
- NDNC Captive Portal launches expected in CIS, South Asia and South Eastern Asia
- Bemobi digital services are being incorporated into services bundles in most top carriers in Brazil. First bundles should be live in Q1



Performance & Privacy

Revenue Growth	4Q Highlights	Focus Areas
124%	<ul style="list-style-type: none">• SurfEasy growth continues• Simplifying Skyfire portfolio (Rocket), \$5m+ in annualized cost cuts in executed in Skyfire organization	<ul style="list-style-type: none">• Surfeasy to continue growth• Lean organization and single product creates foundation for profitability



Growth in Rocket Platform Business

What Rocket does:

- Reduce bandwidth and Improves user experience by reducing start time and stall time
- Cloud based technology, enables rapid deployment and scale in / scale out
- Handle encrypted data and enforces Operator policies measures

Current development:

- Live with operators in US and Asia, several trials ongoing
- Initial Huawei customer deployments and proven solution are increasing pipeline and wins.
- New key win in Asia with Tier 1 group operator –full deployment being kicked off in 2nd half 2017.

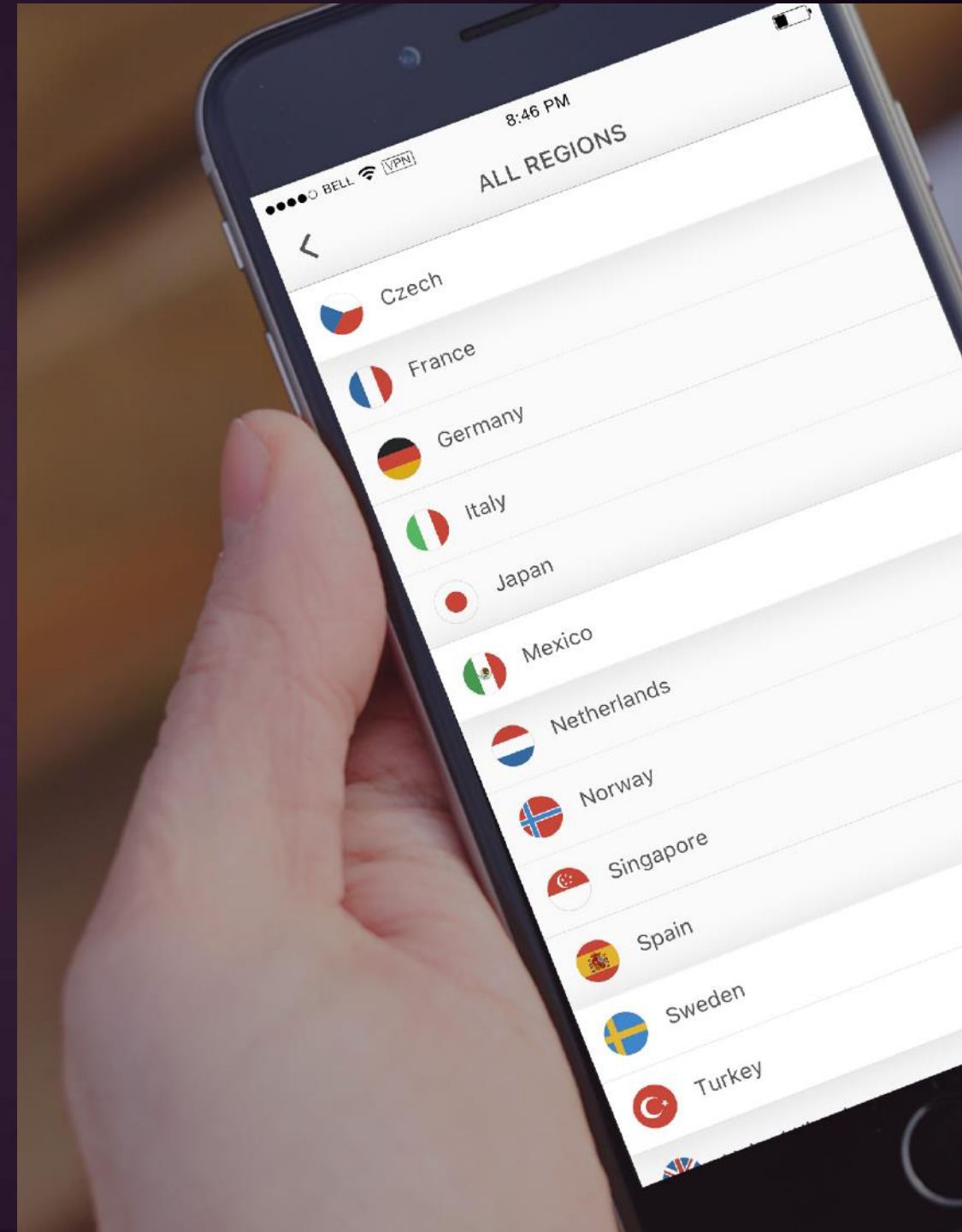




SurfEasy

VPN update

- SurfEasy Direct and Partners paying subscriber base grew 32% during Q4.
- Strong growth came from both direct to consumer business as well as our partners platform which powers VPN's for third party brands.
- During Q4 we developed new products for one of our partners which we expect will drive further subscriber growth through 2017.



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- Full Year 2016 Recap
- Q4 2016 Results
- 2017 Trending / Q1 Progress

Full Year 2016 Recap



Summary of Results – Full Year 2016

- Full year 2016 revenue: \$484.2MM
- Growth vs. FY 2015: +15.3% actual
 - **Brand:** +10.7% annual growth vs. full year 2015. Driven by strong 1st 9 months (+16.5%) but offset by soft Q4'16 (-8.1% vs. Q4'15)
 - **Performance:** +20.6% growth vs. full year 2015. Driven by strong 1st 9 months (+38.8%) but offset by soft Q4'16 (-16.5% vs. Q4'15)
- Despite delivering slightly below our Revenue expectation, we only delivered \$40M in EBITDA which was significantly below plan.



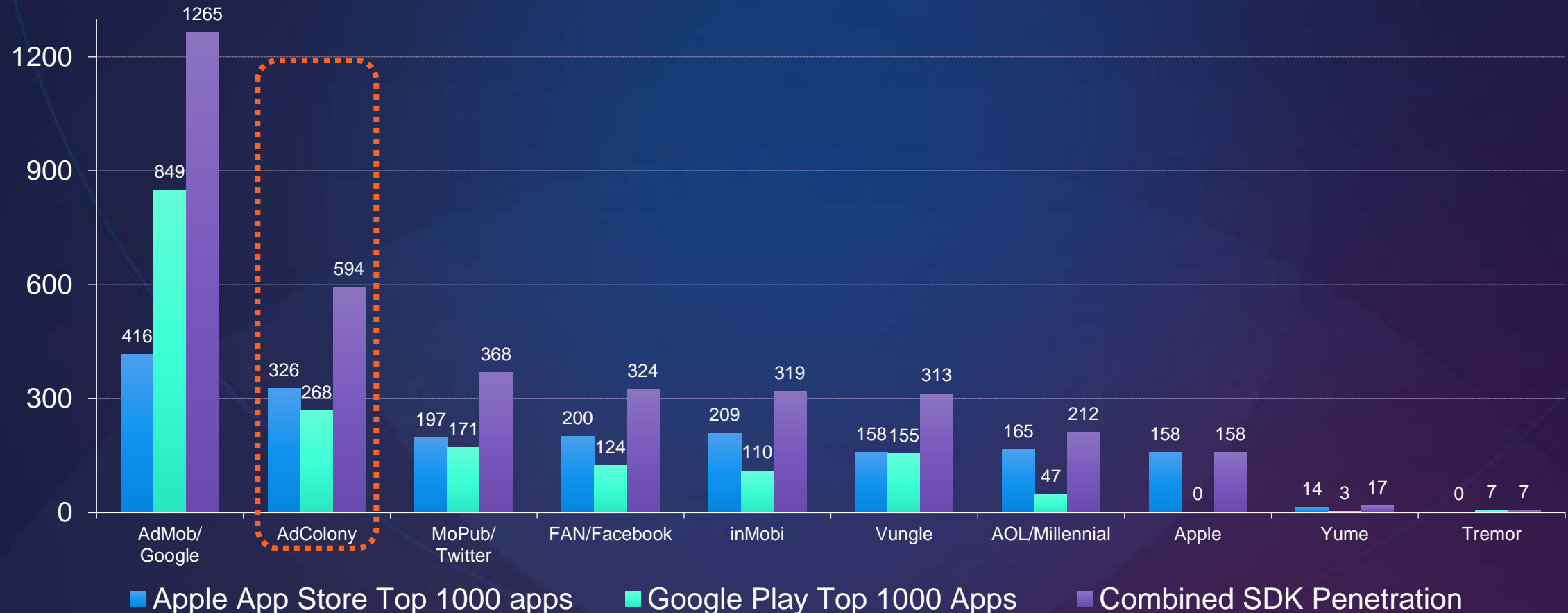
Summary of Results – Full Year 2016

- The EBITDA miss for the year, and Q4, was driven by two key factors:
 1. Gross Margin - Decline from 43% to 38% Y-Y as the business shifted away from older business models (standard display, SSP) towards transparent, programmatic and longer term sustainable business models.
 2. Revenue decline in Q4 fueled by the following:
 - Market – Fewer global app launches (Performance); Brand advertising softness in Q4
 - Integration/Apollo – Largely underestimated the time/costs of re-organization and tech integration work
 - Late execution/Q4 – We were late to market with new 3.0 SDK and our CORE v2 algorithms that resulted in a lack of competitiveness, impacted us in Q4 with a halo effect to our run rate in the first half of 2017
- Despite our product delays, today we have clear line of sight to new revenue generating products that launch in Q1, ramp up and scale in Q2, positioning us for growth in the H2 2017 and beyond.

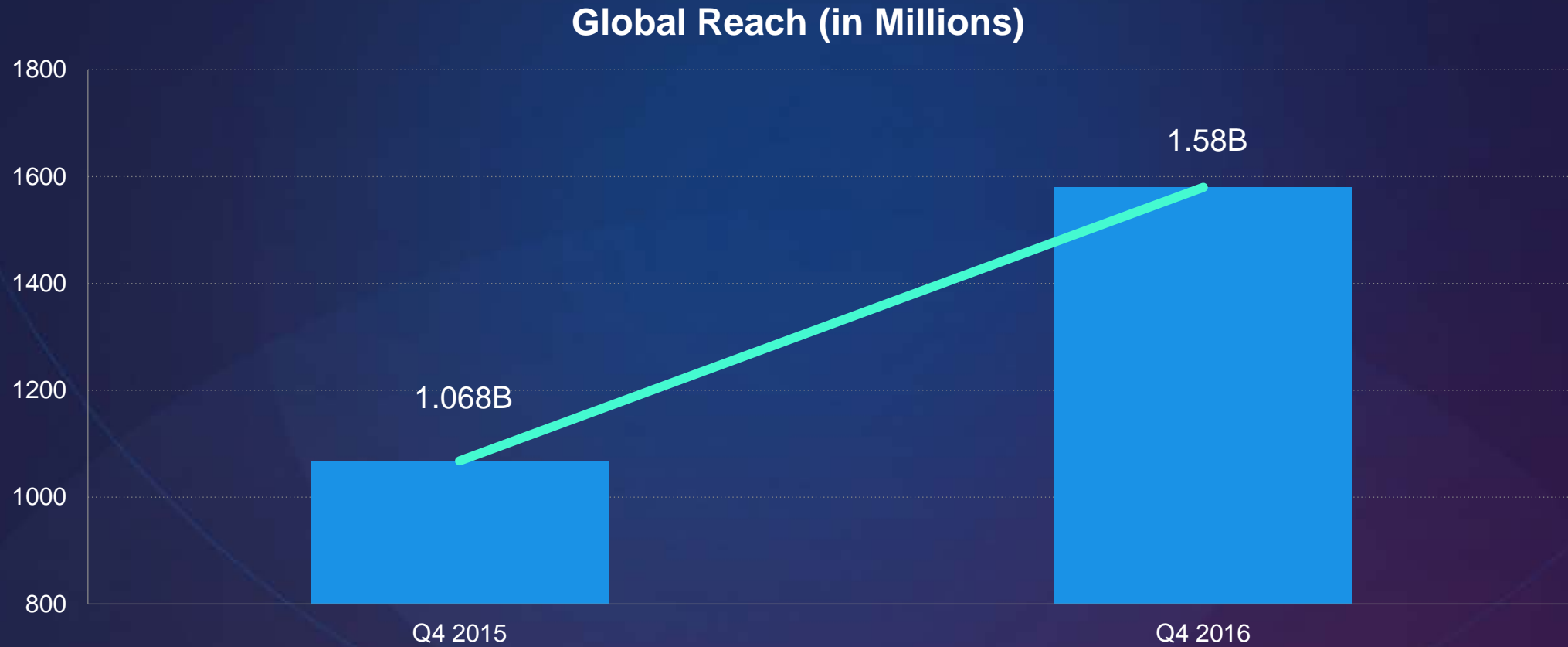


Largest ad SDK footprint in Top 1000, 2nd only to Google

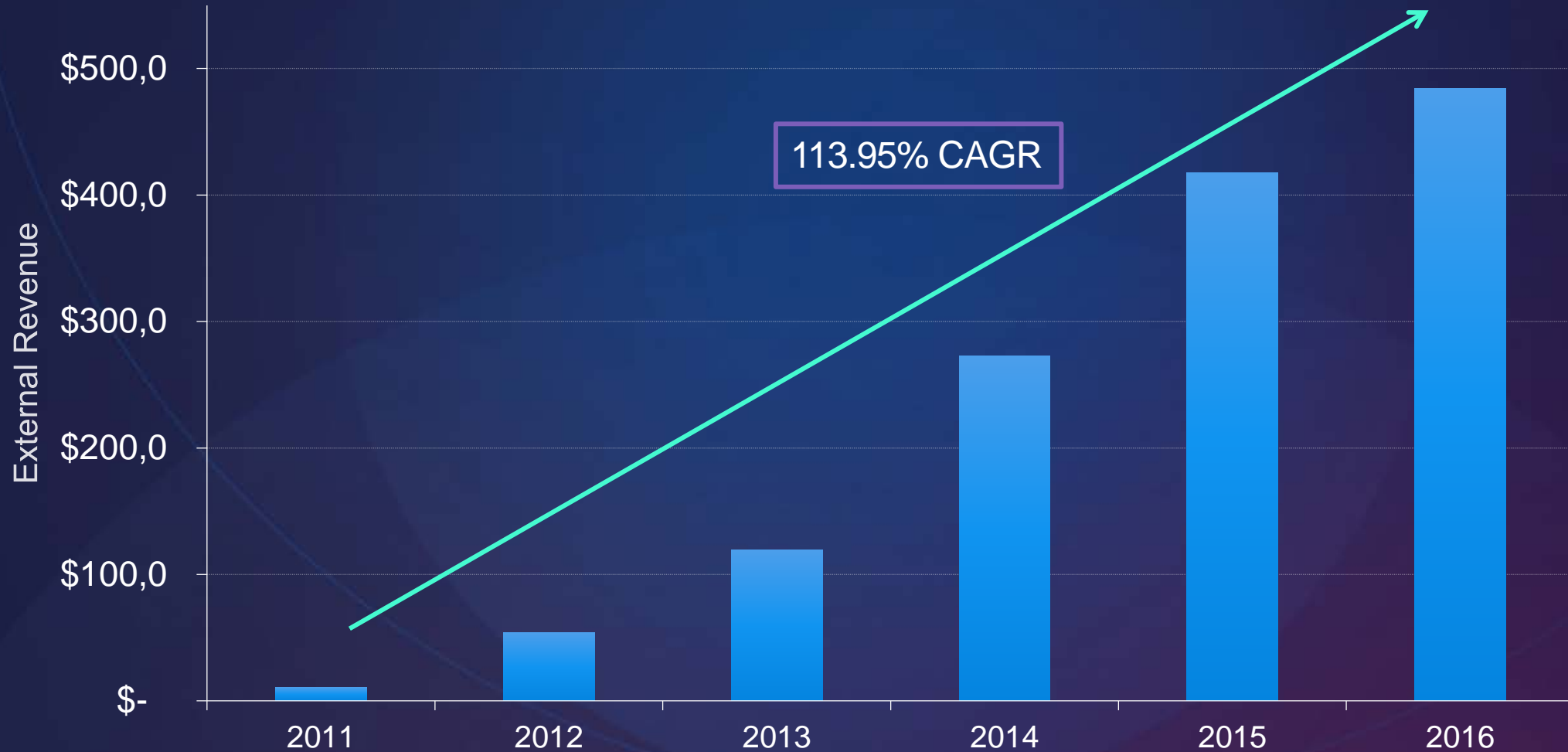
Continue to be ahead of key independents & platforms in the Top 1,000 in 2016; also +87% increase in apps actively using the AdColony SDK vs. 2015



47.9% YOY Growth – Platform Reach



Annual Revenue Growth 2011-2016





Industry Recognition

Accolades for creativity + results

76 Awards for Mobile Creative in 2016

Global recognition with world's biggest brands



Consistently Top-Ranked For Performance

#2 to Facebook in driving ROI & performance





2016 Integration & Migration to One Platform

- 2016 was a year of balancing **growth** with our **long term vision** to align all our acquisitions under one strategy, one aligned leadership team & one platform
- While we achieved revenue growth across the company, including over \$300M in Video revenues (Performance + Brand Video), we saw -10% decay in Brand Display.
- Apollo is a programmatic buying platform (on par w/leading mobile DSPs), support all new revenue products, unlock operational efficiencies through unification of supply and demand, and leverage data science and AI to automate ad serving optimization.

Q4 2016 Results



Q4 2016: Detailed results

- Q4 2016 revenue: \$128.3MM (-12% vs. Q4'15) but grew +6% over Q3'16
- Performance generated \$53.4M in revenues, down 16.5% vs. prior year
 - Fewer AAA global launches vs. 2015, with no new titles entering the top 10 of the App Store
 - Delays in Core™ v2 and LTV optimization algorithms put us at a disadvantage vs. key competitors who offered higher pricing to publishers
- Brand business generated \$74.9M in revenues, down 8% vs. prior year
 - Advertiser apprehension/tentativeness due in part to US elections and political uncertainty (Turkey)
 - International Brand revenue was down in most regions, except for Germany and Nordics
 - Our Brand Display/SSP business was down Y-Y, which is heavily reliant standard display ad units as these dollars are shifting to programmatic.
 - Programmatic buying increased 122%, and is now on a \$50M+/year run rate
 - Brand Performance grew 6%, fueled by key advertisers like Starbucks, Intuit and Nissan



Performance Advertising

Summary: Q4 2016 Performance revenues = \$53.4M (-16.5% vs Q4'15)

Highlights/Key Stats Q4 2016

Investments in AI (Core™), though activated late in quarter, reversed trend of declining install rates

Growth in # of advertisers & campaigns

- Performance advertisers +33% with growth across APAC & EMEA; # of campaigns up +39% vs 2015

Clear line of sight to global launches from key AAA developers in 2017; interest in new ad formats activated by Aurora SDK & optimized by Core™



Brand Advertising

Q4 2016 Brand revenues = \$74.9M (-8% vs Q4'15)

Highlights/Key Stats Q4 2016

2X+ growth in Programmatic, now on \$50M+ annual run rate. U.S.

Private Marketplace revenue now over \$2M per quarter which represents +450% vs. Q4'15; Number of live deals +1,000%

Brand Performance continues to grow fueled by brands like Starbucks, Intuit and Nissan investing in outcome-driven campaigns

Despite delays in new products/formats, avg. deal size continues to increase for video: +27% y/y. Key wins:

- US: Capital One, McDonalds, Unilever, Shell
- EMEA: Kellogg's, Sony Pictures, Microsoft
- LATAM: AirBNB, Bayer, GM, Western Union
- APAC: Microsoft, Sony, Pictures, Pepsi, Coca Cola

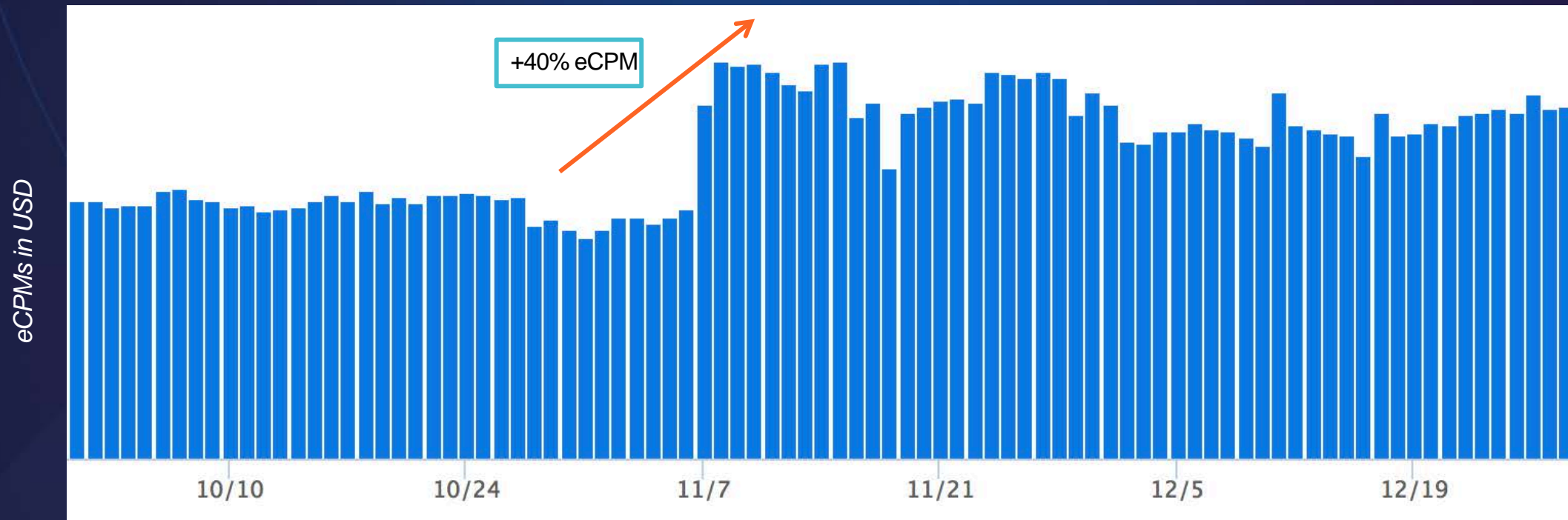
2017 Trending

Core™ Improvements



Improvements to AI optimization engine/machine learning algorithms showed ~40% improvement in publisher eCPMs upon rollout & testing (ongoing) which started in Nov. 2016

Publisher eCPMs Q4'16



Next Generation SDK

Driving adoption of 3.0 SDK to enable next-generation ad formats (Vertical Video, Interactive Video, Playables, Next Gen Interstitials)



Apollo Launch Phases

“One Platform” Project



Revenue-Generating Components

Automation/Operational Efficiencies



Apollo VII

Core™-based bidding
for Performance
across external
exchanges



Apollo VIII

Competing for every
impression, bidding
into waterfalls



Apollo IX

Dynamic End Cards as
full screen interstitials in
apps using SDK; Next-
gen Playables



Apollo X

All demand trafficking
on single platform;
Apollo DMP;
operational efficiencies
possible



Apollo XI

Single SDK for all
formats; one unified
portal

2016 Takeaways



- We delivered another record revenue year - our 6th consecutive year of growth and today are among the largest independent advertising platforms in the world as measured by revenues & profitability
- Our Advertising SDK Penetration in the top 1000 apps is 2nd only to Google worldwide, giving us a powerful market position. This position expanded dramatically in 2016 behind 87% growth of the SDK and 48% growth in unique reach to over 1.5B devices
- Despite missing our EBITDA goal, we invested \$10 million+ in Apollo – our next generation ad platform that enables new revenue products and will drive operational efficiencies. This new platform is what will position us for growth and EBITDA yield for many years into the future.
 - The first stage of Apollo launched last week – BIG MILESTONE ACHIEVED!
 - The SDK Gold Master is in March with plans to ramp up in Q2
 - Core™ v2 with LTV optimization to release by the end of Q1
- Capital Markets Day – Look forward to coming to Oslo on March 30th with my executive leadership team to share with you all more details on Apollo and our vision for the future

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Q&A