



Opera

OPERA SOFTWARE ANNOUNCES THIRD QUARTER RESULTS

Oslo, Norway – November 10, 2016 – Opera Software (OSEBX: OPERA) today reported financial results for the third quarter, which ended September 30, 2016.

Note: As of Q3 2016, Opera reports the Consumer Division as “Discontinued Operations”. This report therefore addresses the remaining business, i.e., Mobile Advertising, Apps & Games, Opera TV and Performance & Privacy.

3Q 2016 financial highlights include:

- Revenue was \$141.8 million in 3Q16, up from \$113.4 million in 3Q15, an increase of 25%.
- Adjusted EBITDA* (excluding one-time costs) of \$14.2 million, up 8% versus 3Q15
- Operating Cash Flow of -\$4.8m

Revenues

Revenue in 3Q16 was \$141.8 million, up 25% from 3Q15, when revenue was \$113.4 million.

Profit

Adjusted EBITDA, excluding stock-based compensation expenses and one-time costs, was \$14.2 million compared with \$13.1 million in 3Q15, up 8%. EBITDA was 8.0 million in 3Q16 compared with \$10.2 million in 3Q15. EBIT was -\$3.6 million in 3Q16 compared to -\$1.3 million in 3Q15.

3Q16 IFRS Net Income was -\$5.2 million compared to -\$29.0 million in 3Q15. Non-IFRS 3Q16 Net Income was \$17.2 million compared to \$9.0 million in 3Q15. The Company’s non-IFRS Net Income in 3Q16 excludes the negative effects of \$3.0 million in non-cash stock-based compensation expenses, \$3.2 million in restructuring costs, \$9.9 million in other FX gains, and a total of \$6.3 million in acquisition related adjustments.

Liquidity and capital resources

Opera’s net cash flow from operating activities was -\$4.8 million in 3Q16. Cash and cash equivalents at the end of 3Q16 were \$73.9 million compared to \$85.0 million in 3Q15.

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 3Q16, \$285 million of this credit facility has been drawn.

Operational Highlights

■ *Mobile Advertising*

- Revenue of \$122.1 million, up 26% vs. 3Q15
- Mobile video advertising revenues comprised 61% of Mobile Advertising revenue in 3Q16 vs. 57% in 3Q15
- Audience reach exceeded 1.46 billion consumers in 3Q16 compared to 1.1 billion in 3Q15
- Launched a £1m Sound & Vision Video Fund for brands

■ *Apps & Games*

- Revenue of \$13.7 million, up 81% vs. 3Q15
- Adj. EBITDA margin of 45%+
- Launched with 43 Operators

■ *Opera TV*

- Revenue of \$5.8 million, down 30% vs. 3Q15, due to non-seasonal quarterly fluctuations
- Adj. EBITDA margin just shy of 40%

■ *Performance & Privacy*

- Revenue of \$2.2 million, up 62% vs. 3Q15
- Continued profitable growth for SurfEasy
- Cost measures underway in Skyfire

Outlook

FY16 Outlook*:**

Revenue: Revenue for the company's full fiscal year 2016 is projected to be in the range of \$570m to \$600m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2016 is projected to be in the range of \$60m to \$70m.

Please find the third quarter report (3Q16.pdf), third quarter press release (3Q16_Press_release.pdf) and third quarter presentation (3Q16_presentation.pdf) attached.

Webcast: <http://www.operasoftware.com/company/investors/webcasts/q32016>

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

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

*** Assumes currency rates as of November 9th, 2016

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.