



Opera

OPERA SOFTWARE ANNOUNCES FOURTH QUARTER RESULTS

Oslo, Norway – February 28, 2017 – Opera Software (OSEBX: OPERA) today reported financial results for the fourth quarter, which ended December 31, 2016.

Note: As of 4Q 2016, Opera reports the TV business Division as “Discontinued Operations”. This report therefore addresses the remaining business, i.e., Mobile Advertising, Apps & Games, Opera TV and Performance & Privacy. Revenue is therefore restated for prior quarters.

4Q 2016 financial highlights include:

- Revenue of \$143.9 million in 4Q16, down from \$155.6 million in 4Q15, a decrease of 7%.
- Adjusted EBITDA* (excluding one-time costs) of \$17.6 million, down 19% versus 4Q15
- Operating Cash Flow of \$9.9 million, compared to \$21.4 million in 4Q15

Revenues

Revenue in 4Q16 was \$144.0 million, down 7% from 4Q15, when revenue was \$155.6 million. In 4Q16, Opera executed the sale of the Consumer and TV business for net proceeds of \$618.1 million, adjusted for transaction cost and balance sheet adjustments.

Profit

Adjusted EBITDA, excluding stock-based compensation expenses and one-time costs, was \$17.6 million compared with \$21.7 million in 4Q15, down 19%. EBITDA was 14.5 million in 4Q16 compared with \$16.9 million in 4Q15. Normalized EBIT was \$9.2 million in 4Q16 compared to \$17.9 million in 4Q15. EBIT was -\$17.4 million in 4Q16 compared to \$4.8 million in 4Q15.

4Q16 IFRS Net Income was -\$30.9 million compared to \$4.5 million in 4Q15. Non-IFRS 4Q16 Net Income was \$8.3 million compared to \$14.3 million in 4Q15. The Company’s non-IFRS Net Income in 4Q16 excludes the negative effects of \$2.3 million in non-cash stock-based compensation expenses, \$19.8 million in restructuring costs, \$18.3 million in other FX gains and a total of \$35.3 million in acquisition related adjustments.

Liquidity and capital resources

Opera’s net cash flow from operating activities was \$9.9 million in 4Q16. Cash and cash equivalents at the end of 4Q16 were \$219.5 million compared to \$85.0 million in 4Q15.

In 4Q16, Opera signed an agreement with DNB Bank ASA to decrease the size of its secured credit facility to \$150 million from \$285 million. As of the end of 4Q16, \$100 million of this credit facility has been drawn.

Operational Highlights

■ *Mobile Advertising*

- Revenue of \$128.3 million, down 12% vs. 4Q15
- Audience reach exceeded 1.5 billion consumers in 4Q16 compared to 1.1 billion in 4Q15

■ *Apps & Games*

- Revenue of \$12.8 million, up 45% vs. 4Q15
- Adj. EBITDA margin of 50%
- Launched with 6 Operators in 4Q16

■ *Performance & Privacy*

- Revenue of \$3.2 million, up 124% vs. 4Q15
- Continued profitable growth for SurfEasy
- Rocket (Skyfire) cost base streamlined

Outlook

FY17 Outlook***:

Revenue: Revenue for the company's full fiscal year 2017 is projected to be in the range of \$550m to \$650m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2017 is projected to be in the range of \$50m to \$70m.

Please find the fourth quarter report (4Q16.pdf), fourth quarter press release (4Q16_Press_release.pdf) and fourth quarter presentation (4Q16_presentation.pdf) attached.

Webcast: <http://www.operasoftware.com/company/investors/webcasts/q42016>

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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 February 27th, 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.