



Opera

Investor Presentation
December 2018

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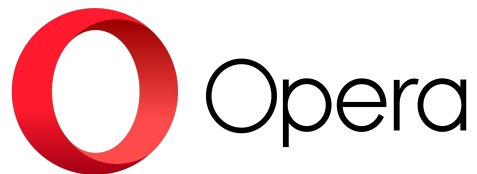
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Our forward-looking statements are not historical facts but instead represent only our belief regarding expected results and events, many of which, by their nature, are inherently uncertain and outside of our control. Our actual results and other circumstances may differ, possibly materially, from the anticipated results and events indicated in these forward- looking statements. Announced results for the third quarter of 2018 are preliminary, unaudited and subject to audit adjustment. In addition, we may not meet our financial outlook as announced in connection with the third quarter of 2018 results and may be unable to grow our business in the manner planned. We may also modify our strategy for growth. In addition, there are other risks and uncertainties that could cause our actual results to differ from what we currently anticipate, including those relating to our goals and strategies; our expected development and launch, and market acceptance, of our products and services; our expectations regarding demand for and market acceptance of our brand, platforms and services; our expectations regarding growth in our user base and level of engagement; its ability to attract, retain and monetize users; its ability to continue to develop new technologies and/or upgrade our existing technologies and quarterly variations in its operating results caused by factors beyond its control and global macroeconomic conditions and our potential impact in the markets it has businesses. For additional information on these and other important factors that could adversely affect our business, financial condition, results of operations, and prospects, please see our filings with the U.S. Securities and Exchange Commission.

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- Founded in 1994 with headquarters in Oslo, Norway
- Main development hubs in Poland, China and Sweden
- Over 320 million monthly active users
- Strong revenue growth combined with attractive profitability
- 2018 projected revenue guidance of \$172-176 million (up 33-37% YoY)
- IPO on July 27, 2018; Nasdaq: **OPRA**

Opera is one of the world's leading browser providers and an influential player in the field of integrated AI-driven digital content discovery and recommendation platforms.



ATTRACTIVE BROWSERS

Browsers with well-demonstrated ability to defend and grow market position.



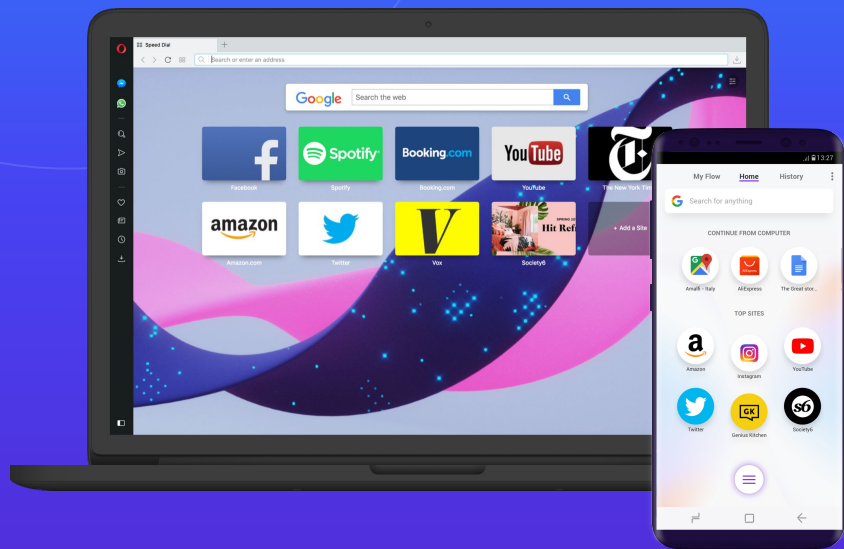
EXPANDING AI-DRIVEN CONTENT PLATFORM

Sophisticated, fast-growing content platform that benefits from massive scale and promises substantial new monetization opportunities.



STRONG FINANCIAL TRAJECTORY

Attractive revenue growth combined with cost advantages and healthy profitability.



Opera browsers

The chosen gateway to the web
for **over 300 million people**.

The browser is the most popular access point to the web

6B

USERS ON THE INTERNET

Today the internet is used by more than 4 billion people on their phones and over 2 billion people on their PCs.

97.3%

USE WEB BROWSERS ON THEIR DEVICES

Near-all internet users are also browser users. On PC the usage is ~100%, while, according to Statista 2018, browsers are used by 97.3% of Americans on their online mobile devices.

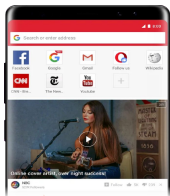
1B+

CHOOSE NON-SYSTEM DEFAULT BROWSERS

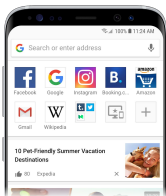
About 20% of internet users choose to use another browser than the system default, creating an addressable market of more than one billion users for an independent player like Opera.

Opera browsers

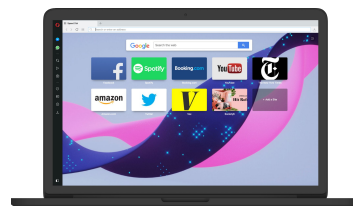
Platform availability and top features




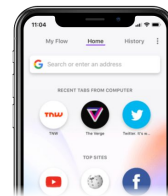
 Opera Mini



 Opera for Android



 Opera for computers



 Opera Touch

**Popular browser in
Africa, South Asia and SEA**

**Feature-rich browser tailored
for high-end Android devices**

**Feature-rich with more
than 70% of users in Europe**

**Award winning, new companion
browser to Opera for computers**

Available On

**Feature Phones
Android
iOS**

**Android Smartphones
Android Tablets**

**Windows
macOS
Linux**

**Android
iOS**

Top Features

**Small Size
Extreme Data Saving**

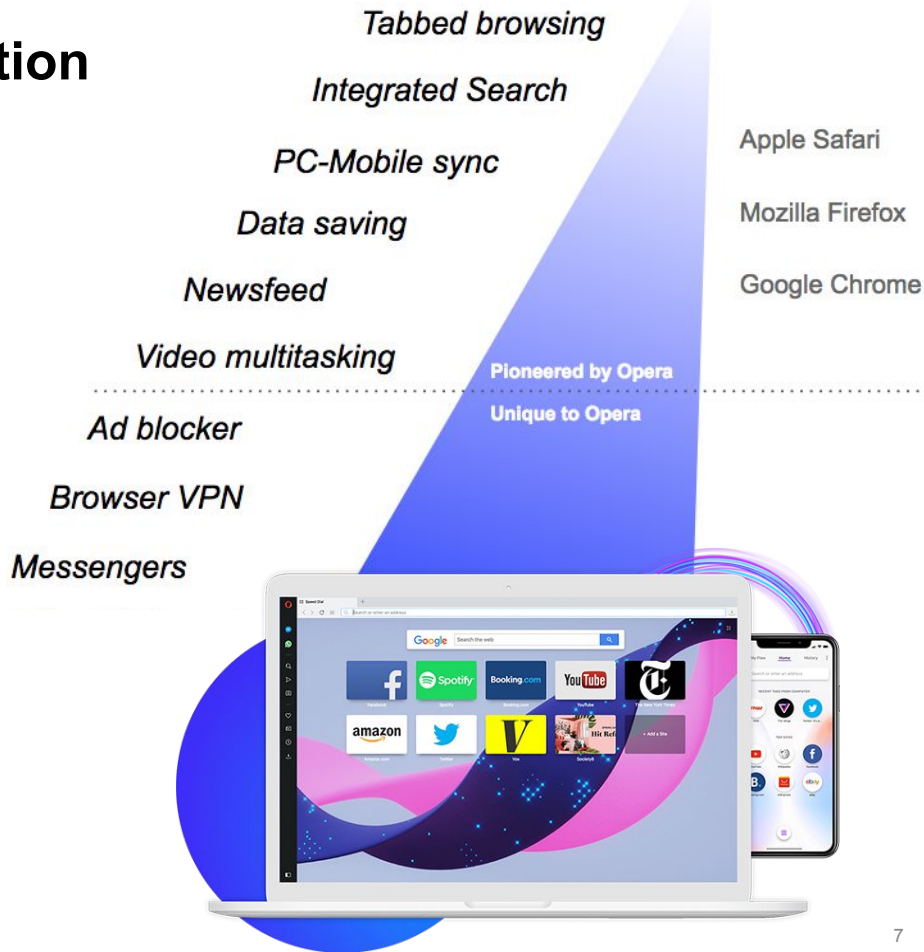
**Ad Blocker
Download Manager
Crypto Wallet**

**Browser VPN
Ad Blocker
Messengers**

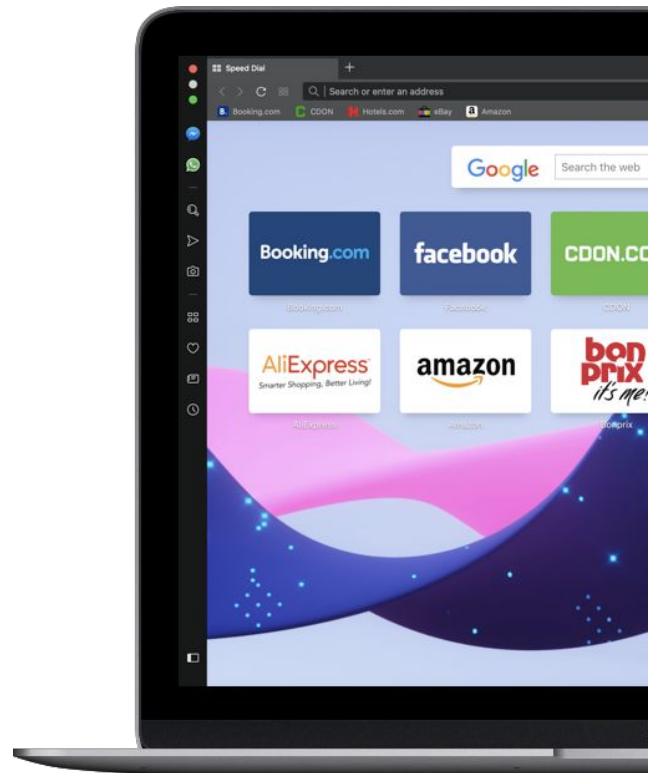
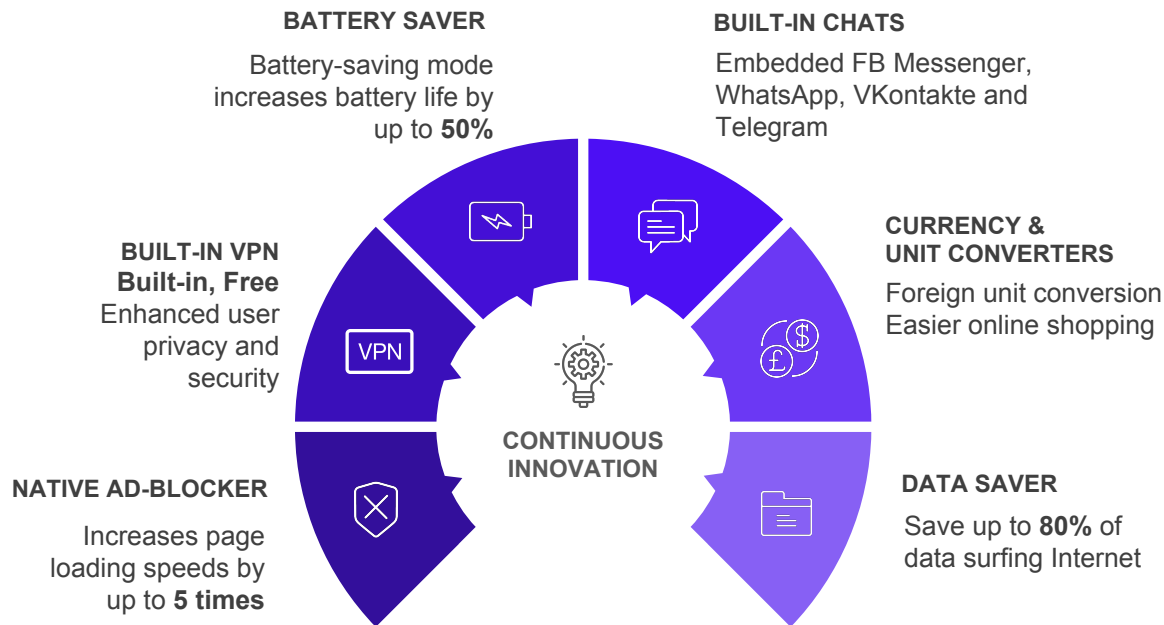
**Flow
Continue from Desktop**

A history of continuous innovation

- The web is continuously evolving with increasing demands for web browser functionality.
- Opera has pioneered most concepts found in the major browsers today, and we continue to introduce unique features, often several years ahead of the competition.
- Providing unique and tailored functionality for various markets and segments delivers strong organic distribution and brand equity.



Examples: Differentiating features in Opera for Computers



Established global internet brand

Massive and engaged audience

- More than **50% brand awareness** among smartphone users in SEA and Africa
- Among top **30** publishers globally on Google Play in terms of app downloads last three years.
- **17.3m** followers across social media channels, such as Twitter and Facebook as of October 2018.
- **29,600** news articles from independent media globally about Opera in 2017
















“Browser company Opera is back doing what it does best, offering you beautifully designed alternatives to the stock browsers from the likes of Google and Apple.”

- Jon Russel, TechCrunch Oct 2018



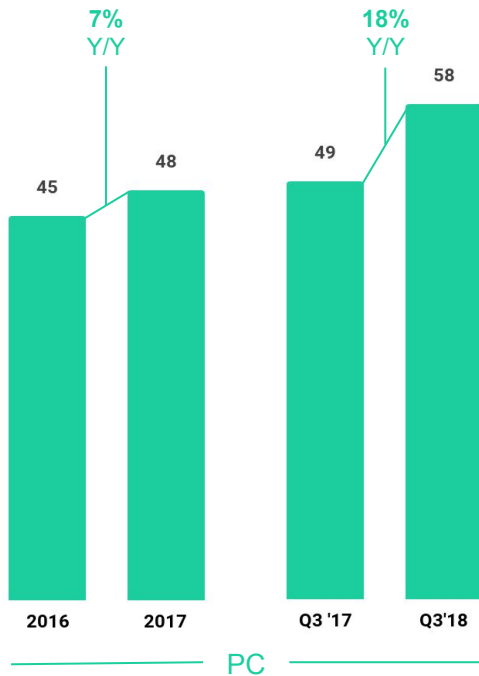
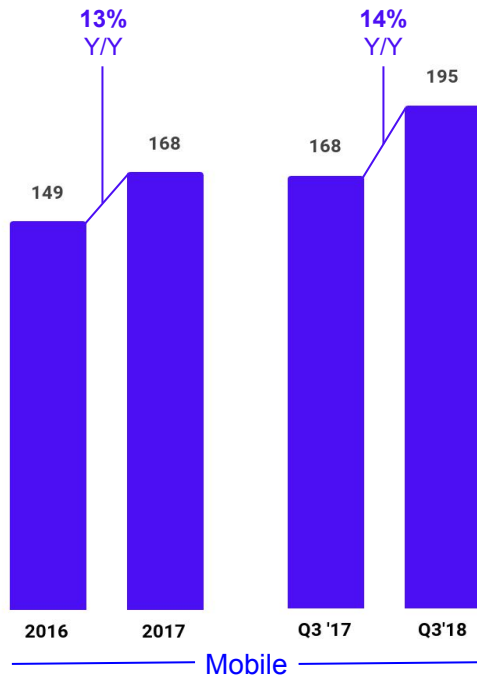
Healthy user growth

Fueled by product innovation and a strong brand, paired with close OEM relationships

	TRAFFIC ACQUISITION CHANNELS	TRAFFIC CONTRIBUTION (%)	COST OF ACQUISITION
Organic	  	62% New smartphone users	None
Mobile device manufacturers	    	31% New smartphone users	Scalable business model based on activation of pre-installed apps
Paid online promotions	  	7% New smartphone users	High brand awareness  High conversion  Low CPIs

Continued growth of smartphone and PC users

Period average Monthly Active Users; millions

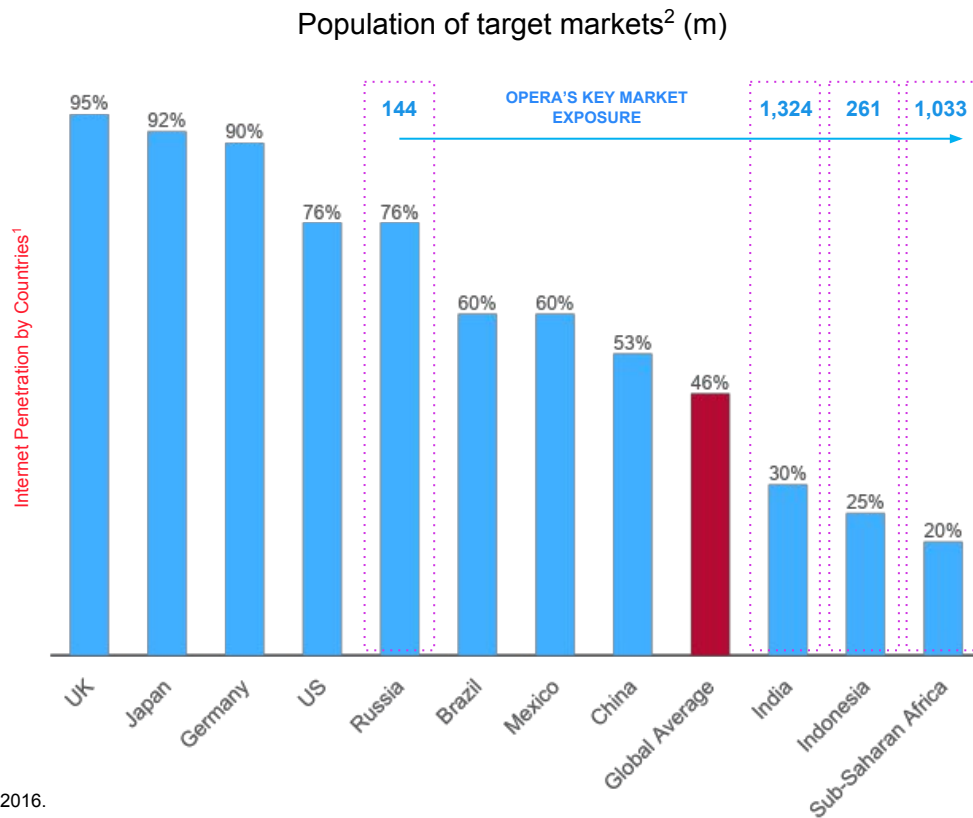


Opera is substantially outgrowing the market on PC with 18% growth over the past year, including high value markets such as:

- Germany (+13%)
- United States (+13%)
- France (+19%)

As the emerging mobile-first markets of Africa and South / South East Asia matures, Opera continues to add smartphone users while the market share of native OS browsers is normalizing

Attractive growth in Opera's key mobile markets



Source: World Bank

1. Individuals using the internet % of population as of 2016.

2. Population as of 2016.

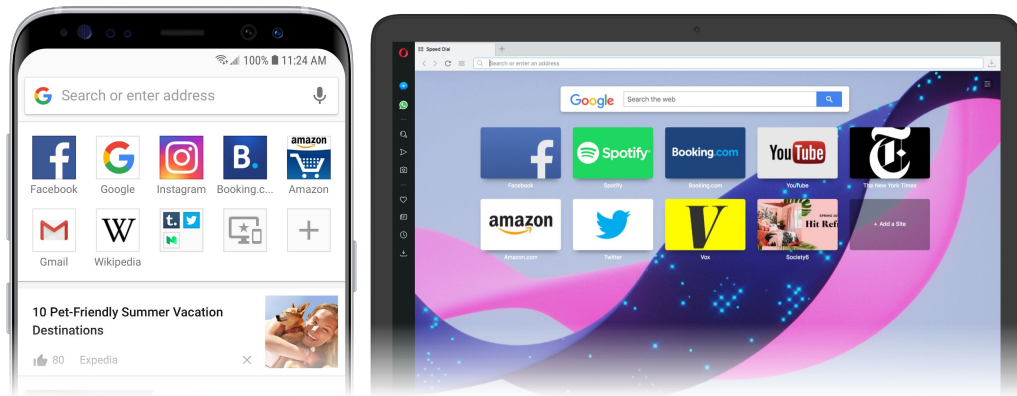
3. Population for selected Sub-Saharan Africa countries: Nigeria 186m, South Africa 56m, Tanzania 56m, Ghana 28m.

Monetizing a browser

Proven and fully scalable user-monetization model

Search: Directing search queries initiated from the URL-bar or designated search boxes to our search partners that in turn share a portion of their monetization.

Advertising: Within the 'classic' browser functionality, based on promoting partners' websites in exchange for a revenue share, CPC or fixed pricing model.



Strong partner framework

SEARCH & SOCIAL

Google
Yandex

facebook



Bing

YAHOO!

AD NETWORKS


Google AdSense


AdMob by Google

 Audience
Network

Baidu 百度

Batmobi

E-COMMERCE & TRAVEL

Booking.com

amazon.com

ebay

AliExpress

Flipkart 

LAZADA
Effortless Shopping

tokopedia

CONTENT

 YouTube

ESPN
cricinfo

 hungama

 GENESIS

KWESÉ ESPN

 clip

 voot
VIBCOM LTD

cricbuzz

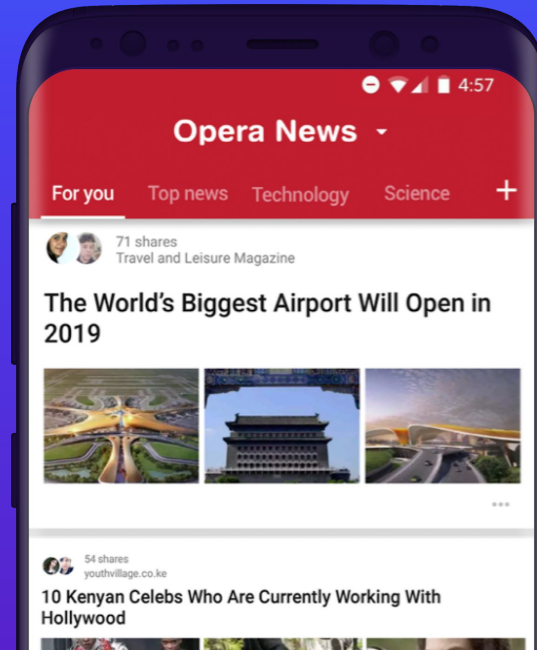
 Nazara™

The Indian
EXPRESS
JOURNALISM OF COURAGE

 bemobi

Opera News

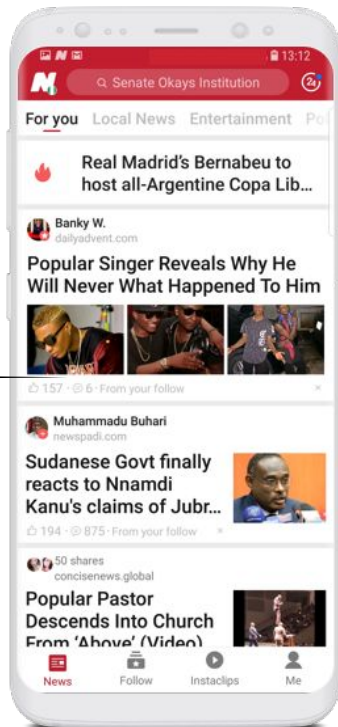
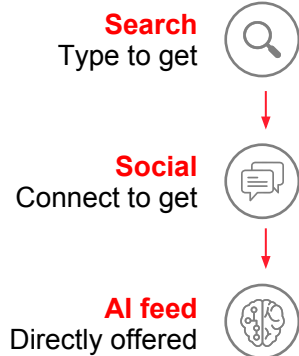
A leading AI-driven
content platform



Opera News: An AI-powered content distribution platform

Enables global internet users to discover and access digital content in an extremely easy and personalized manner

The evolution of content discovery



User profiling

AI enables more accurate user profiling from processing big data



Personalized content

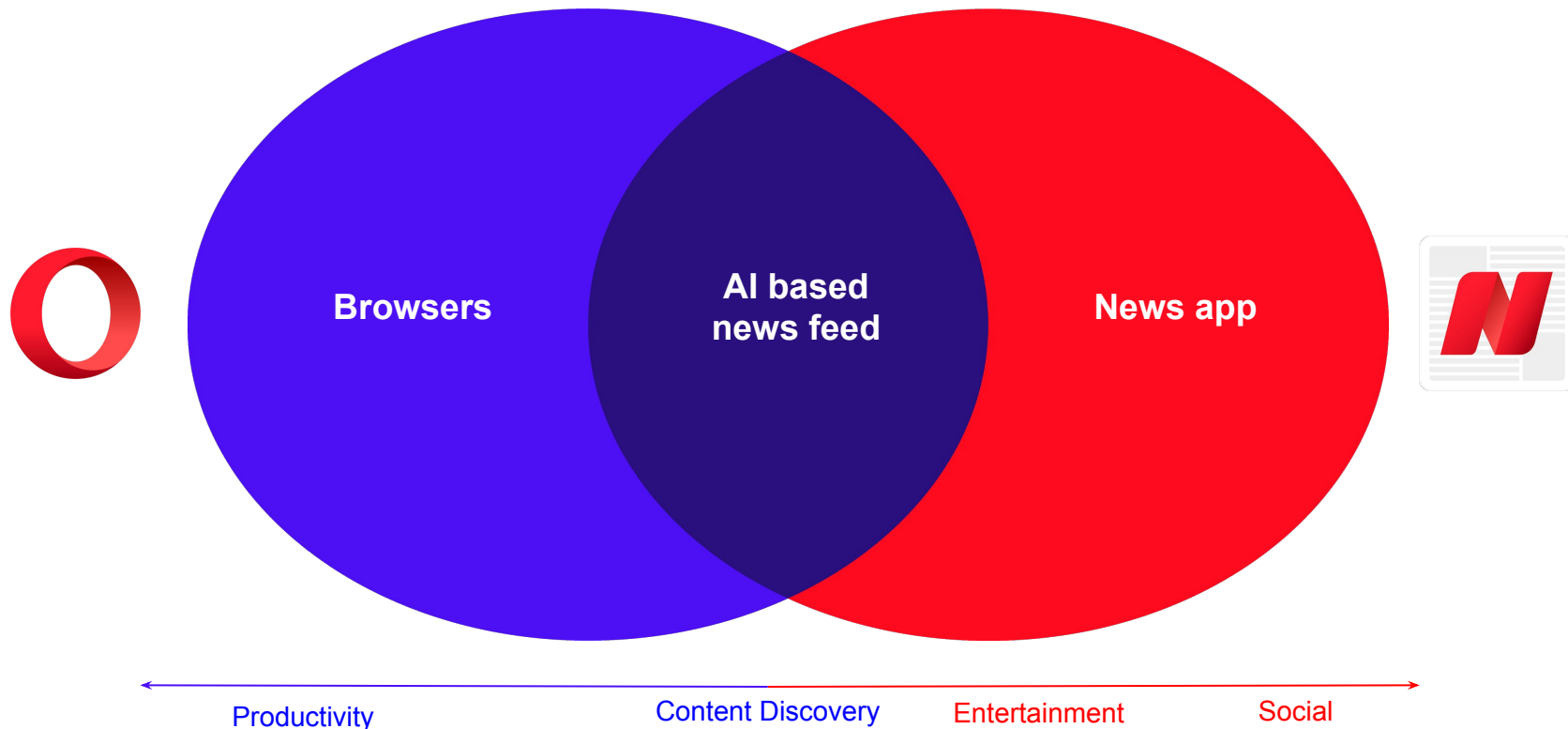
Leveraging AI technology to provide highly curated content that is customized to each user's own interests



Community & social network

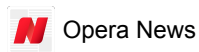
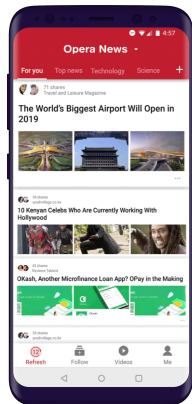
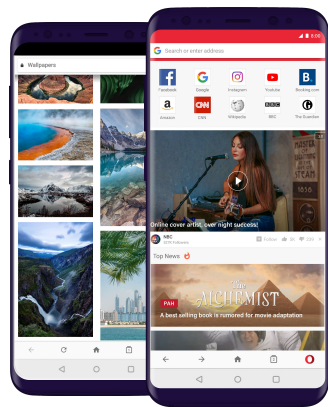
Form user communities and establish social connections based on common interests

Expansion into content discovery, entertainment & social media

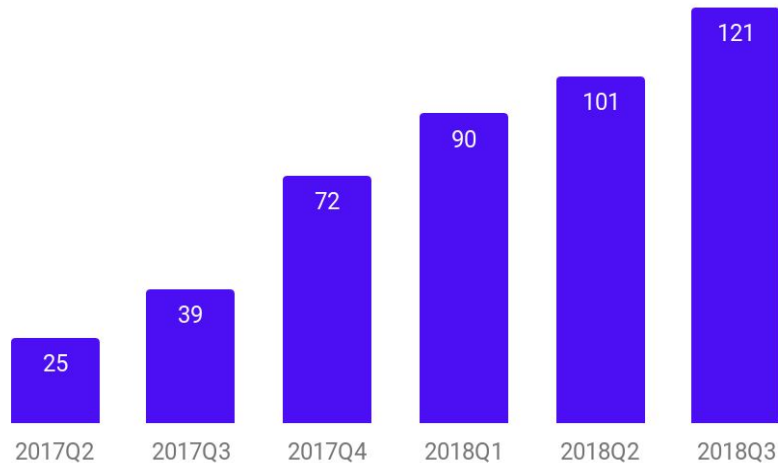


Launched in Q1'17, Opera News currently exceeds 120 million users

Strong user growth supported by both adoption among browser users and dedicated app



Opera News quarter-average MAUs; millions



Opera News

Focused in massive, complex & underserved markets

1 Focus on
Sub-Saharan Africa



2 SEA & South Asia



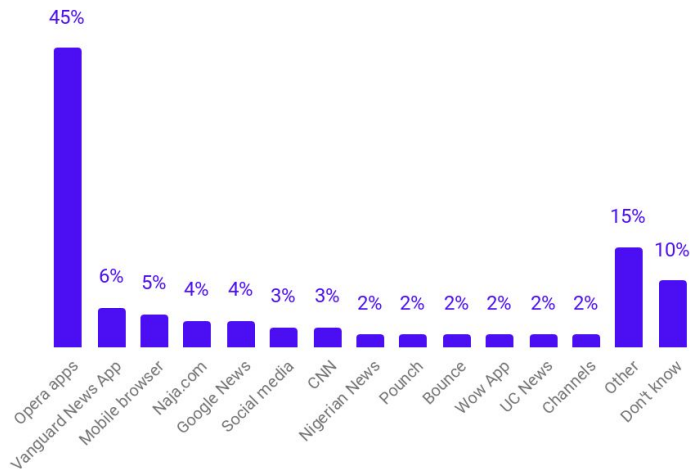
3 Rest of
EMEA Markets



#1 News App in 10 African countries
including Nigeria, Kenya, South Africa,
Ghana and Tanzania. Ranked top #5
in 32 markets

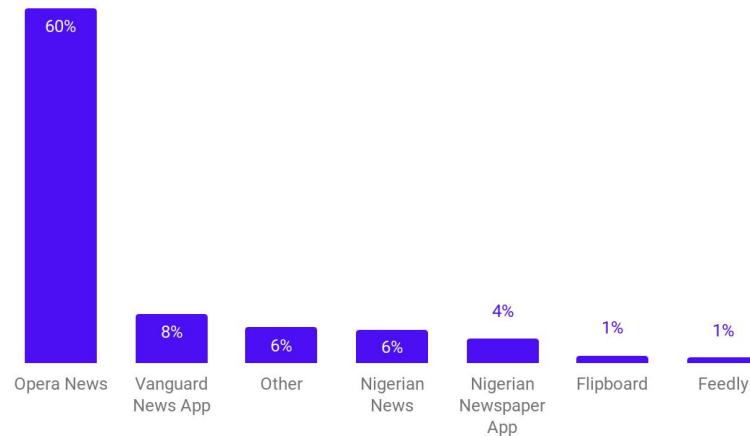
Deep dive: Opera News is the most popular and widely used news app in Nigeria

Unaided brand recognition Nigeria



When you think of news apps, which news apps come to mind?

Most often used news app in Nigeria



Which news app do you most often use on your phone?

Opera News

Supported by sophisticated and proprietary AI technology



AI Platform



Content analysis



**Recommendation engine
(20+bn feature set)**



Crawling



Image
recognition



Computer
visioning



Natural language
processing and
semantic understanding



Gradient boosting
decision trees



Large-scale logistic
regression model

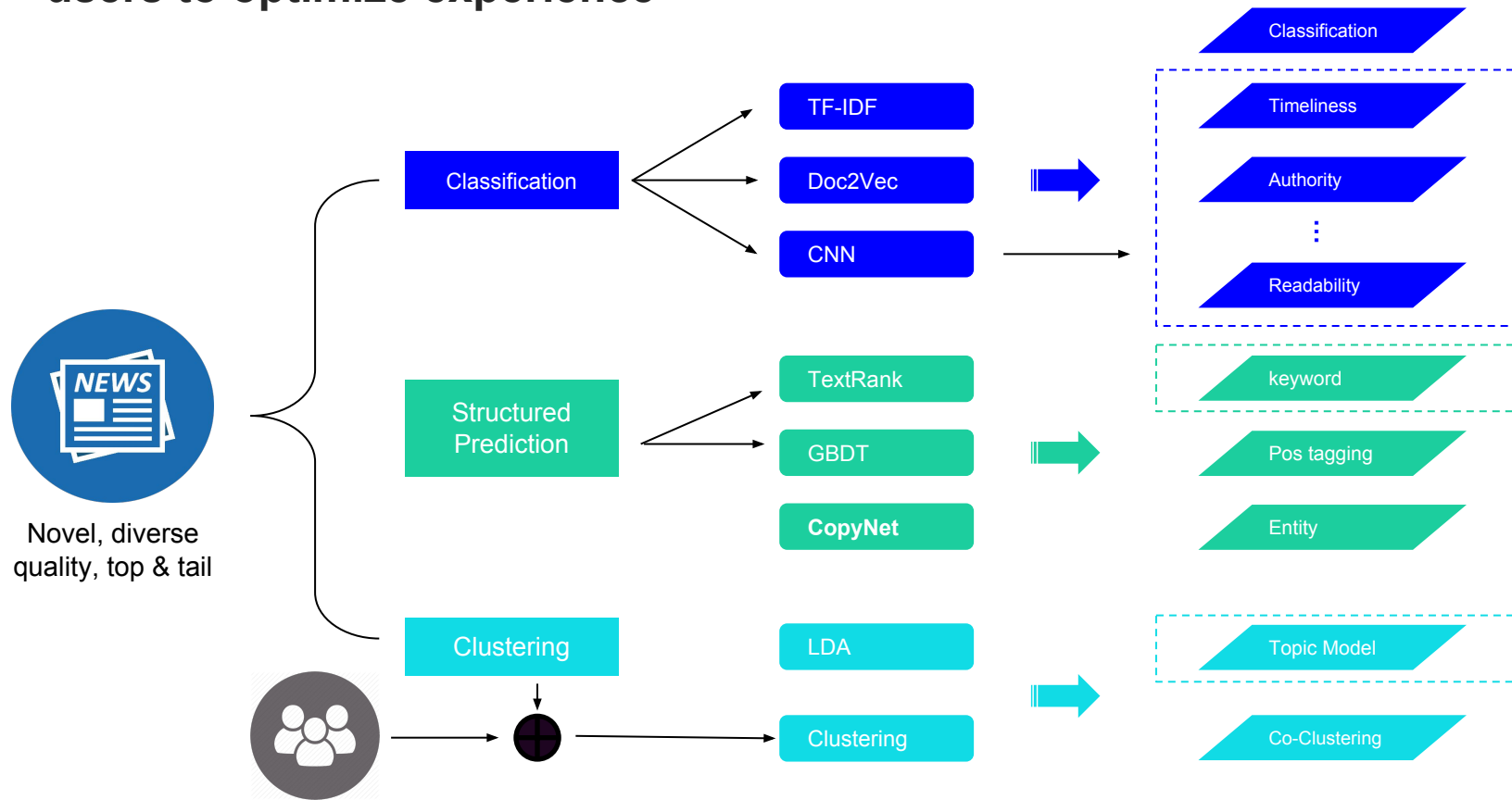


Deep learning:
Multiple neural
networks

Analyze, sort, extract, classify, process and better understand news content across relevant local languages

Predict clicks of a user to a certain news article to decide the ranking of news article recommendations for such user

Case Study: Pairing a semantic understanding of content and users to optimize experience

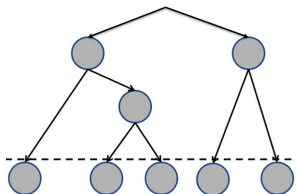


Algorithm complexity

25B LR/FM/DNN Model

Dense features

GBDT model

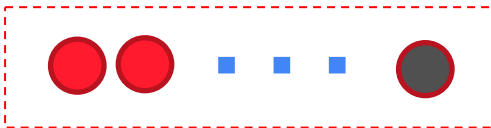


2nd : Large Scale LR

- Training data : 30+ Billion
- Input features : 25 Billion

Large Scale Discrete LR Model (20B)

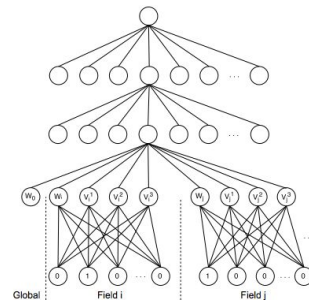
1st generation: GBDT



3rd : FM/DNN

- Raw user behavior
- Learned embedding

FM + DNN model

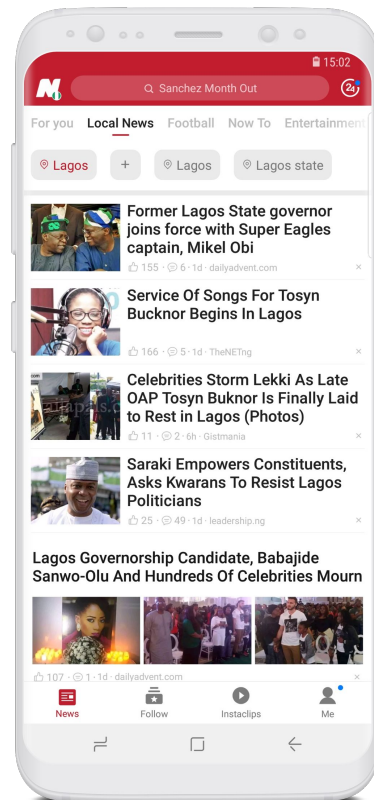
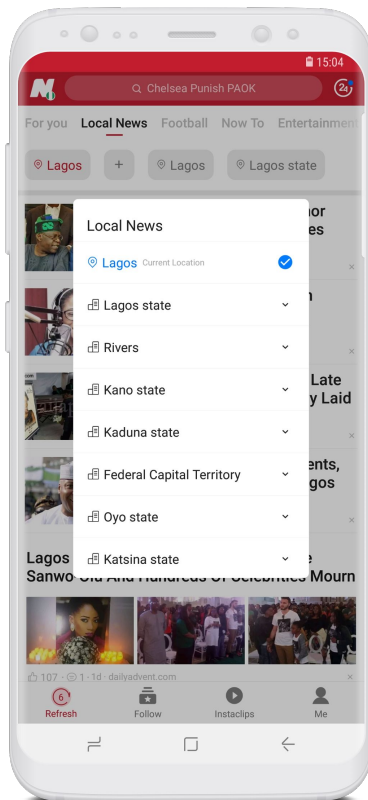


Prediction Score Ensemble

Strengthening algorithms with supervised learning

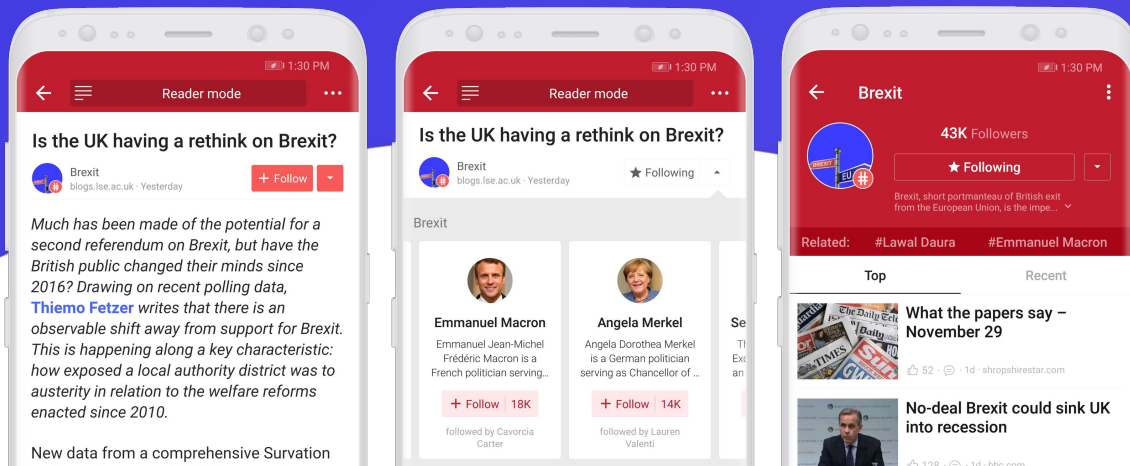
Increasing quality of local content discovery

- Establishing «AI supervision teams» in key markets to further strengthen local competitiveness
- AI training in local language (supervised learning based algorithm)
- Machine-assisted article creation to summarize trending topics
- New-user flow to optimize first experience and accelerate learning



Investing in enhanced user profiling

Platform identifies context and allows user interest input



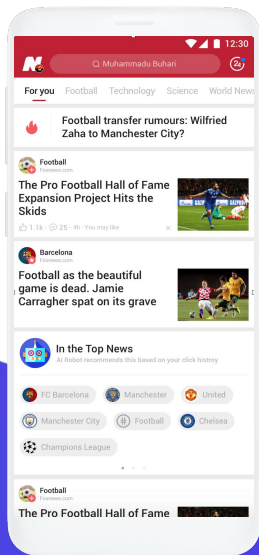
AI-produced hashtag hierarchies associated with articles

Machine interpretation of related hashtags are displayed and allows user drilling down to specific interests

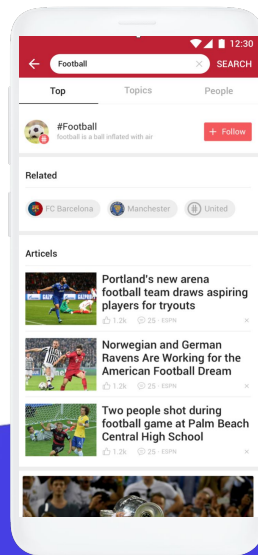
Benefits continuous learning for the AI engine and accelerates quality for new users

Collected user interest points have increased by ~50%

Users directly manage topics of interest

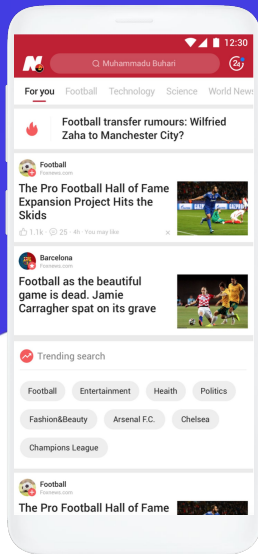


Topic recommendations
in the front page

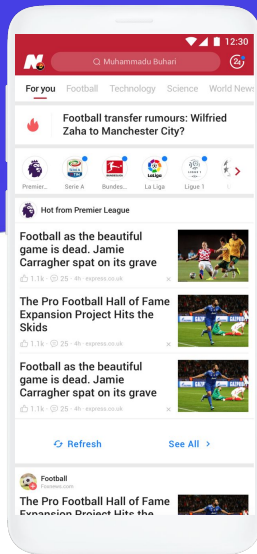


Enable topic in search
result

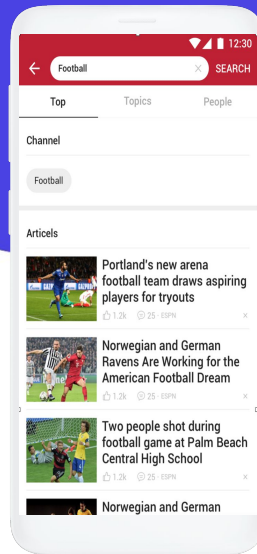
Encouraging users to dive deeper on topics of interest



Trending Search

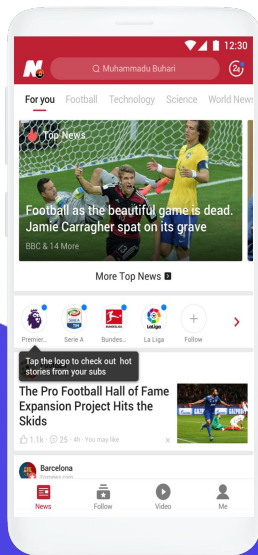


Similar search result prompt

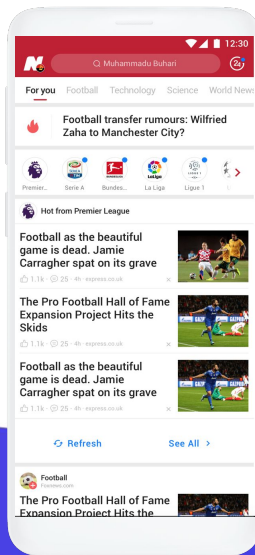


Channel distribution embedded

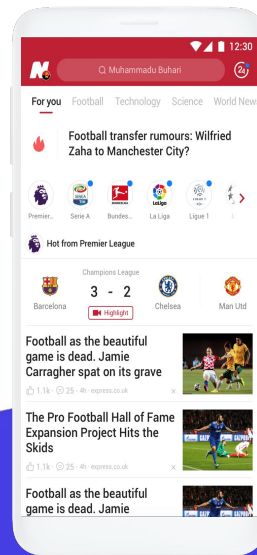
Other product features enhancing user engagement



Prompt to user to add interest



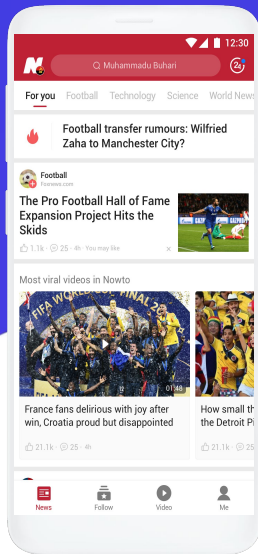
Refresh inside feed for continuous updates on subscribed content



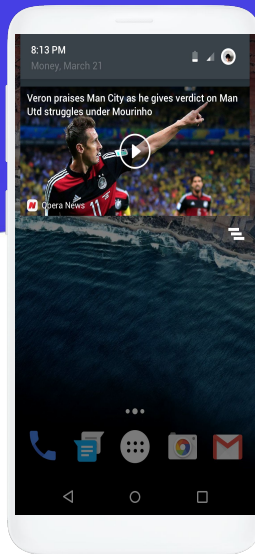
Score notifications tied with subscriptions

Video as engagement driver

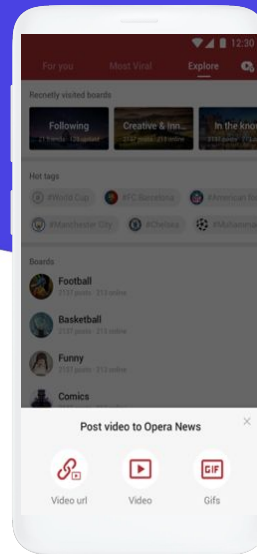
Short-form video fully launched within fourth quarter



Short-form video integrated in the feed and on device's home page



Deeply connected with user interests and broader content library

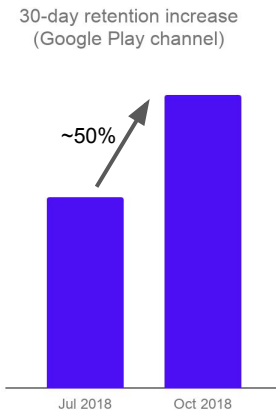


Paired with viral trends and expansion of social dimension

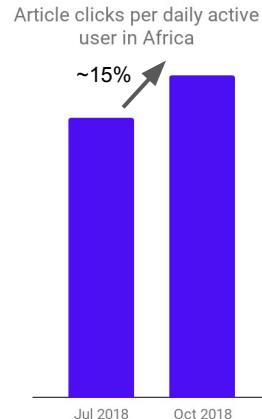
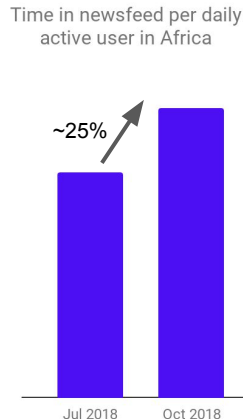
KPIs quantify favorable reception of product investments

Continued strengthening of retention and engagement

Strong correlation between product improvements and retention



Increasing engagement



Dedicated Opera News app demonstrating additional strength

Nigeria example: Opera News app users view 64% more article summary impressions, and click 100% more articles versus News users within browsers.

Substantial monetization opportunities with introduction of content and native advertising units



Massive addition of new inventory



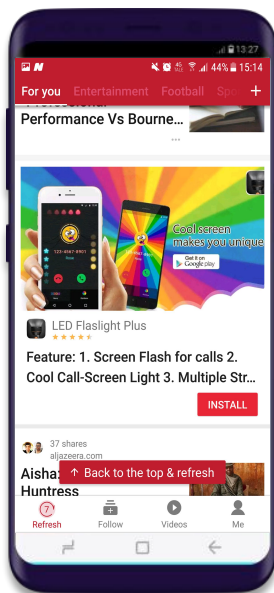
Access to broadened set of advertising partners



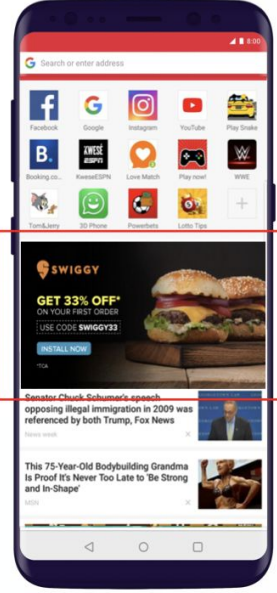
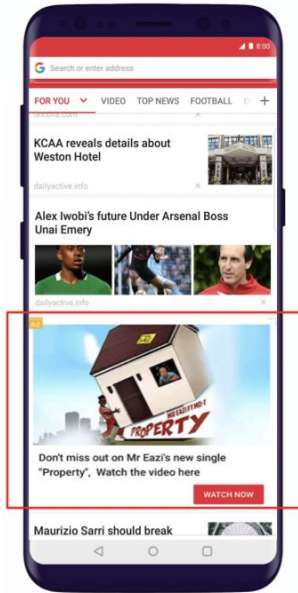
Longer time spent on our platform



Individual targeting



In-feed native ads



Roadblocks



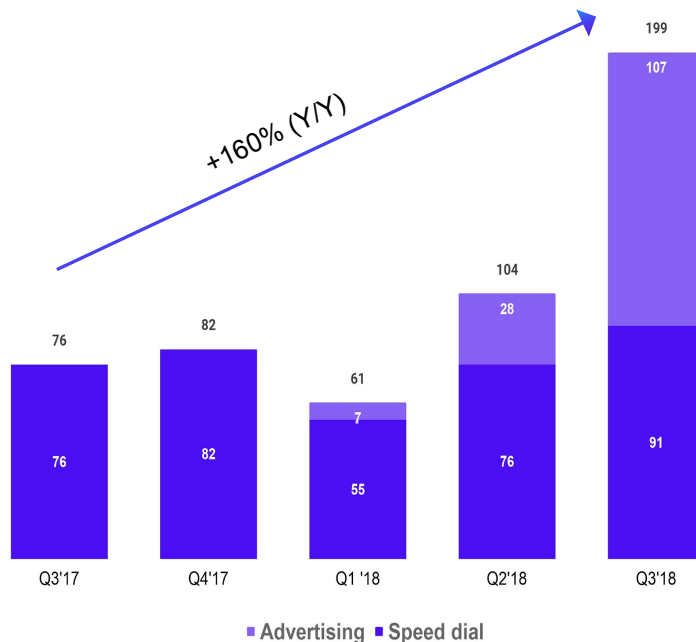
Interstitals

Impact of new inventory

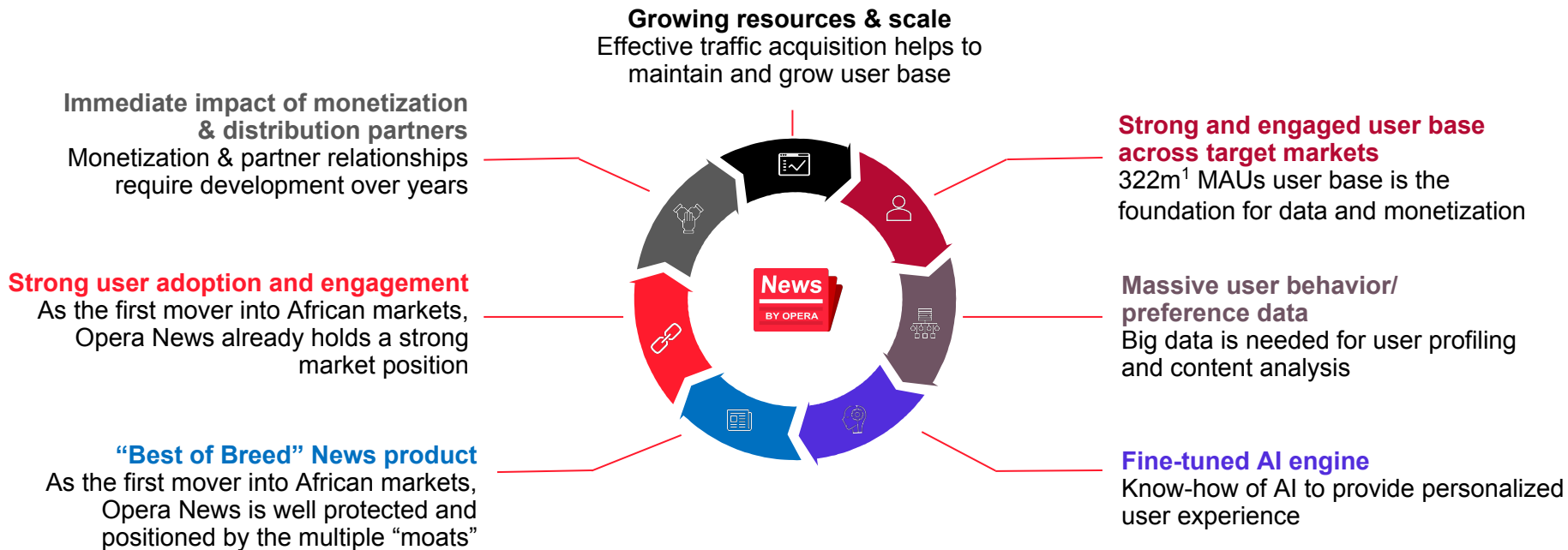
Case study: Indonesian e-commerce partner

- Ability to serve native ads in content feed, combined with browser-integrated access points, is highly attractive to e-commerce partners
- Case impact: 160% YoY revenue increase following introduction of new advertising inventory

QUARTERLY REVENUE FROM SELECT PARTNER; USD THOUSANDS



Strong content platform positioning with multiple competitive advantages



Financial Overview

Revenue growth driven by advertising and search

Advertising

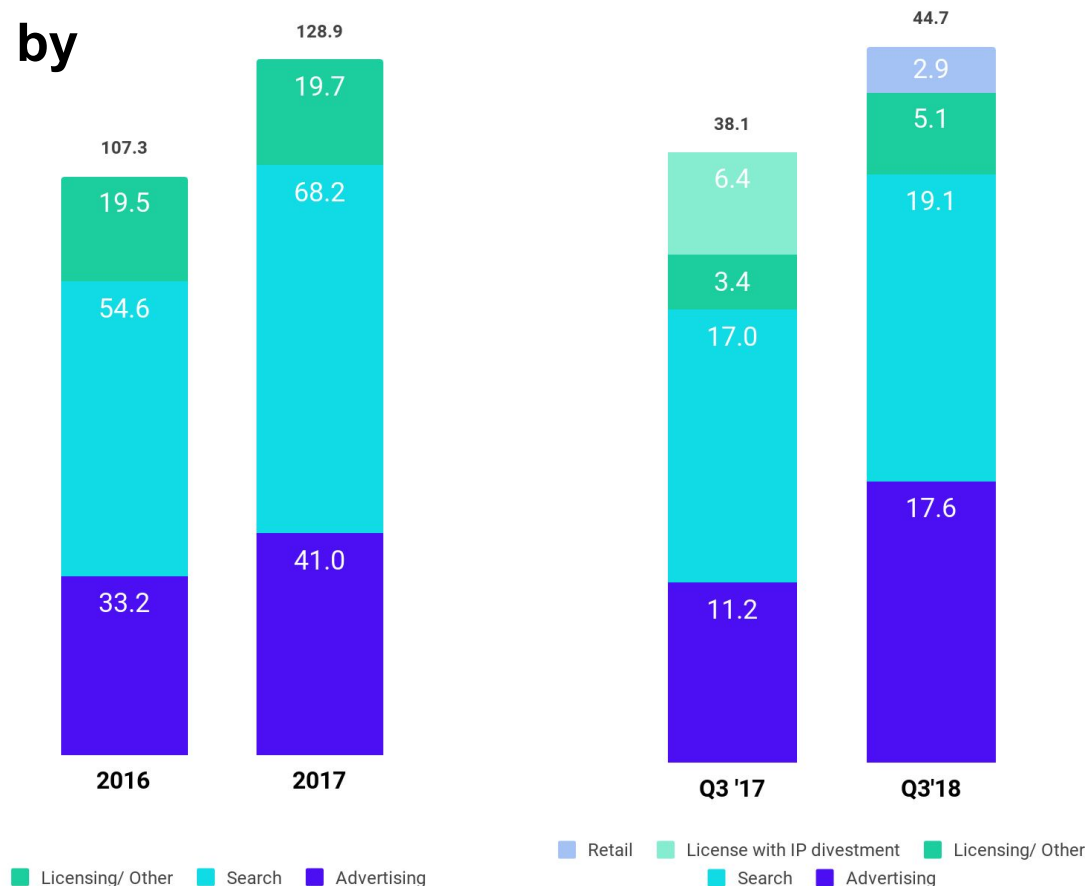
- '16 to '17: +23.7%
- Q3 YoY: +56.8%

Search

- '16 to '17: +25.0%
- Q3 YoY: +12.3%
(~14% net of FX)

Licensing

- '16 to '17: +0.6%
- Q3 YoY: -48.0%



Search and advertising revenue drivers

Both user- and ARPU-driven growth

Total user-driven revenues +30.0%

- Users +14.9%
- Blended ARPU +13.1%

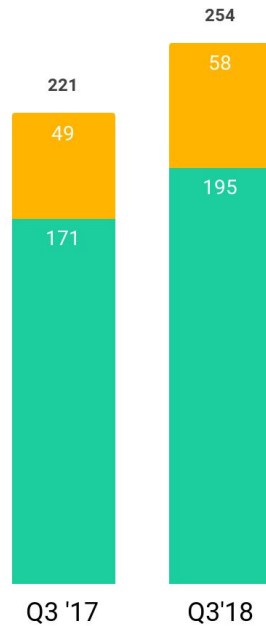
Advertising revenue +56.8%

- ARPU +36.5%, all of which driven by mobile revenues

Search revenue +12.3% (~14.4% net of FX)

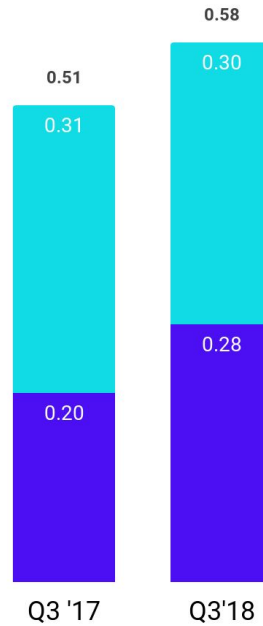
- ARPU -2.3% (~0% excl. FX), with mobile flat and PC slightly negative on the back of strong user growth

Quarter-average MAUs; Millions



PC Smartphone

Annualised ARPU; USD



Search Advertising

Revenue; USD millions



Search Advertising

Multiple levers to drive ARPU growth

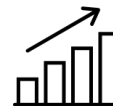


**GROWING USER
ENGAGEMENT &
SESSION TIMES**



CONTROL OVER

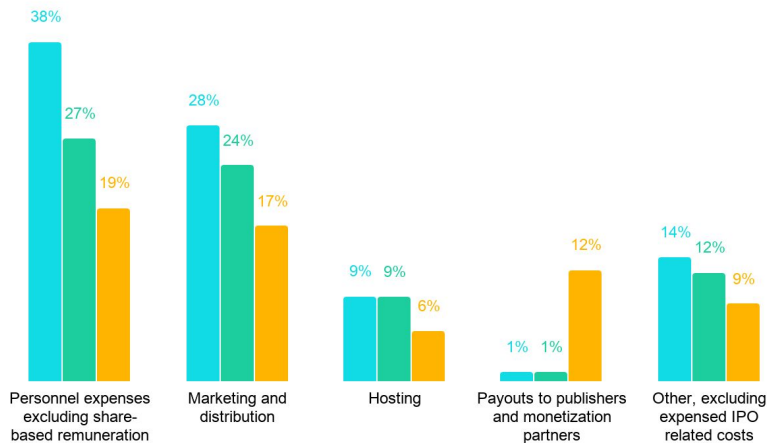
- Advertising load
- Advertising unit formats
- eCPM optimization



**PROMISING
UNDERLYING
MACRO TRENDS**

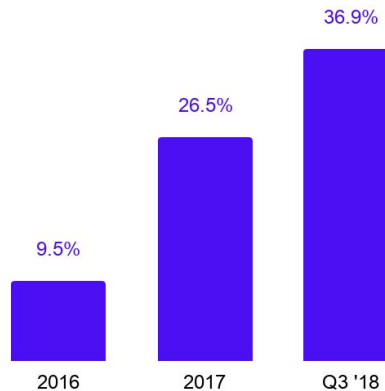
Scalable profitability with efficient underlying cost structure

Cost included in adjusted EBITDA; Percentage of operating revenue



■ 2016 ■ 2017 ■ Q3 '18

Adjusted EBITDA margin



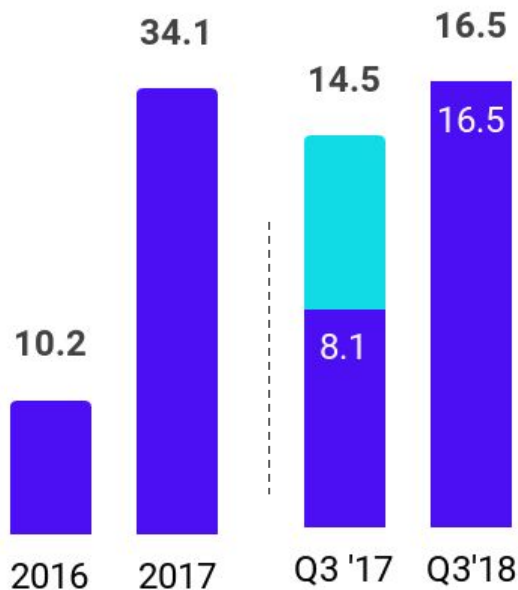
Cost advantages in compensation (non-US), marketing (strong brand) and hosting (in-house at scale), combined with a scalable business model, has resulted in strong profitability growth

Payouts to publishers & monetization partners driven by broadening user monetization and new retail revenue stream

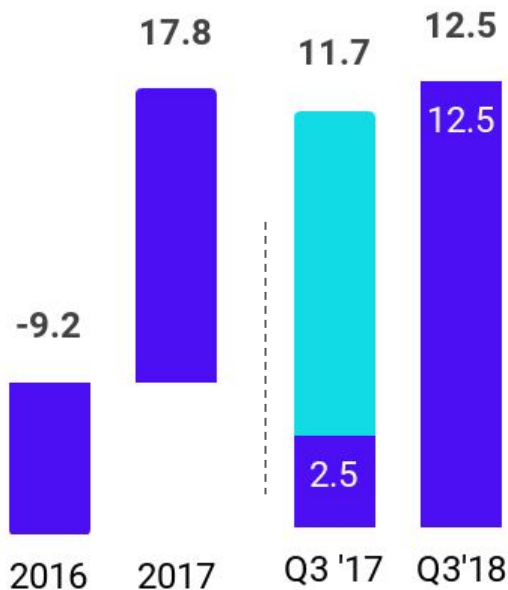
Profitability and margin expansion

Balancing investments in growth with profitability

Adjusted EBITDA; \$ millions



Adjusted net income; \$ millions



Adj. EBITDA margin

- 2016: 9.5%
- 2017: 26.5%
- 2018 Q3: 36.9%

Target model: 45-55%

Adj. net income margin

- 2016: -8.6%
- 2017: 13.8%
- 2018 YTD: 28.0%

Target model: 35-45%

Lighter area: Adjusting Q3'17 for impact of \$5.5m other income from IP divestment (adj. net income only) and \$6.4 million from associated licensing deal (both metrics), net of tax

Compelling growth drivers

NEW PRODUCT INNOVATION

More products & more content formats



Opera
Touch

- Broadening product portfolio



Opera
News

- Increased video and music content

ENHANCED AI CAPABILITIES

Self-improving AI platform



- Categorization, content discovery, & recommendation
- User retention
- Higher time-spend

GROWING MONETIZATION

Extensive monetization opportunities



Early stage of capturing advertising potential on content offering



New content verticals to drive engagement and introduce new ad formats



Exploring new initiatives such as investments into payment and games

EXPANDING PARTNERSHIPS

Opera as an attractive partner to variety of other players in the ecosystem

- Expanding local media partnerships
- New wave of Android OEMs entering Africa and Europe
- Growth of potential advertising partners

Opera highlights



Established global Internet brand with more than 300 Million MAUs across **differentiated products**



Fast growing AI-recommendation platform with expanding content and over 120 million MAUs



At-scale and cost effective distribution with established partners



Proven **monetization** model with **strong traffic growth and user adoption**



Profitable growth with strong Innovation and big-data insights



Global and visionary leadership



Opera

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Thank You