



OPERA SOFTWARE ANNOUNCES SECOND QUARTER RESULTS

Oslo, Norway – August 12, 2015 – Opera Software (OSEBX: OPERA) today reported financial results for the second quarter, which ended June 30, 2015.

2Q 2015 financial highlights include:

- Revenue of \$146.2m, up 45% versus 2Q14. Excluding the impact of year-over-year changes in foreign exchange rates, revenue would have increased by 55%.
- Adjusted EBITDA* (excluding one-time costs) of \$29.5 m, up 9% versus 2Q14
- Operating Cash Flow of \$31m versus \$4.7m in 2Q14
- Free Cash Flow** of \$25.6m versus -\$3.1m in 2Q14

Revenues

Revenue in 2Q15 was \$146.2 million, up 45% from 2Q14, when revenue was \$100.6 million. Excluding the impact of year-over-year changes in foreign exchange rates, revenue would have increased by 55% (to approximately \$156 million).

Overall, revenues came in within Opera's guidance range for the quarter, but towards the lower end due to weaker Mobile Advertising (3rd Party Publishers) revenue, due in particular to softness in the non-Instant play video advertising part of Opera's advertising business.

Profit

EBITDA, excluding stock-based compensation expenses and one-time costs, was \$29.5 million compared with \$27.0 million in 2Q14, up 9%. EBITDA (excluding one-time costs) was \$27.4 million in 2Q15 compared with \$24.9 million in 2Q14. EBIT (excluding one-time costs) was \$15.2 million in 2Q15 compared to \$18.0 million in 2Q14.

Overall, Adjusted EBITDA came in within Opera's guidance range for the quarter, but towards the lower end as a result of weaker Mobile Advertising (3rd Party Publishers) revenue, due in particular to softness in the non-Instant play video advertising part of Opera's advertising business.

2Q15 IFRS Net Income was -\$1.3 million compared to \$9.5 million in 2Q14. Non-IFRS 2Q15 Net Income was \$12.6 million compared to \$15.5 million in 2Q14.

Liquidity and capital resources

Opera's total cash balance was impacted positively by net cash flow from operating activities and negatively by cash outlays related to acquisitions, investments in research and development, capital expenditures and dividend payments. Capital expenditures, which are primarily related to Opera's hosting operations, were \$2.2 million in 2Q15 versus \$4.6 million in 2Q14.

Operational Highlights

■ **Mobile Advertising (3rd Party Publishers)**

Revenue of \$92.9 million, up 83% vs. 2Q14

Mobile video advertising revenues comprised 58% of Mobile Advertising revenue in 2Q15 vs. 9% in 2Q14

Audience reach (3rd Party Publishers) exceeded 1 billion consumers in 2Q15 compared to 500 million in 2Q14 (including Opera's O&O audience, audience reach exceeded 1.3 billion in 2Q15 vs 800 million in 2Q14)

The number of apps and websites powered by the Opera Mediaworks ad platform was 19,000 in 2Q15 compared to 17,000 in 2Q14

■ **Consumers (Owned and Operated Properties)**

Revenue of \$31.4 million, down 2% vs. 2Q14 (up 19% on a constant currency basis vs. 2Q14)

Mobile browser revenue grew 45% in 2Q15 vs. 2Q14, on strong mobile advertising and search revenue growth

Opera's Android monthly browser users reached 139 million at the end of 2Q15, up 30% versus the end of 2Q14

Total Opera mobile consumer browser users reached 291 million at the end of 2Q15, up 8% versus the end of 2Q14

Opera signed an amended global search agreement with Google, effective through December 2017, covering all of Opera's browser products

The number of downloads generated via the Opera Mobile Store and Opera's other apps and games discovery properties was 720 million in 2Q15 compared to 137 million in 2Q14

Total of 35.2 billion ad requests were generated from Opera's mobile Owned and Operated properties, an increase of 12% from 2Q14

Opera launched Opera 30 for Desktop

Desktop users reached 53 million by the end of 2Q15, down 3% versus the end of 2Q14

■ **Tech Licensing**

Revenue of \$21.9 million, up 24% vs. 2Q14

Guidance

3Q FY15 Guidance***:

Revenue: Revenue for the company's third fiscal quarter is projected to be in the range of \$148m to \$153m.

Adj EBITDA*: Adjusted EBITDA for the company's third fiscal quarter is projected to be in the range of \$26m to \$28m.

FY15 Guidance***:

Revenue: Revenue for the company's full fiscal year 2015 is projected to be in the range of \$600m to \$618m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2015 is projected to be in the range of \$108m to \$118m.

Please find the second quarter report (2Q15.pdf), second quarter press release (2Q15_Press_release.pdf) and second quarter presentation (2Q15_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q22015>

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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 August 11th, 2015

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 2014 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.

About Opera Software ASA

Opera enables more than 350 million internet consumers worldwide to connect with the content and services that matter most to them. Opera also helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 1 billion.