



Opera

## OPERA SOFTWARE ANNOUNCES THIRD QUARTER RESULTS

Satisfactory Q3 performance; good momentum for advertising and performance business going into Q4.

Oslo, Norway – November 10, 2015 – Opera Software (OSEBX: OPERA) today reported financial results for the third quarter, which ended September 30, 2015.

### 3Q 2015 financial highlights include:

- Revenue was \$149.4 million in 3Q15, up from \$138.8 million in 3Q14, an increase of 8%. On a constant currency basis, revenue growth was 17% in 3Q15 vs. 3Q14.
- Adjusted EBITDA\* (excluding one-time costs) of \$27.5 million, down 19% versus 3Q14
- Operating Cash Flow of \$20.1 million versus \$18.2 million in 3Q14
- Free Cash Flow\*\* of \$15.4 million versus \$12.9 million in 3Q14

### Revenues

Revenue in 3Q15 was \$149.4 million, up 8% from 3Q14, when revenue was \$138.8 million. On a constant currency basis, revenue would have been \$162 million an increase of 17%. Overall, revenues came in within Opera's guidance range for the quarter and would have been over \$150 million based on the currency rates assumed when the 3Q15 guidance was given.

### Profit

EBITDA, excluding stock-based compensation expenses and one-time costs, was \$27.5 million compared with \$33.9 million in 3Q14, down 19%. EBITDA (excluding one-time costs) was \$26.6 million in 3Q15 compared with \$29.4 million in 3Q14. EBIT (excluding one-time costs) was \$11.0 million in 3Q15 compared to \$19.5 million in 3Q14. Overall, Adjusted EBITDA came in within Opera's guidance range for the quarter.

3Q15 IFRS Net Income was -\$17.2 million compared to -\$11.7 million in 3Q14. Non-IFRS 3Q15 Net Income was \$17.4 million compared to \$19.8 million in 3Q14.

### Liquidity and capital resources

Opera's net cash flow from operating activities was \$20.1 million in 3Q15 compared to \$18.2 million in 3Q14. 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 and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were \$1.3 million in 3Q15 versus \$2.7 million in 3Q14. Cash and cash equivalents at the end of 3Q15 were \$85.0 million compared to \$145.3 million in 3Q14.

## Operational Highlights

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

Revenue of \$96.2 million, up 11% vs. 3Q14, and down 3% vs. 3Q14 on a pro-forma basis. The quarter started in a sluggish manner, but the trend improved substantially during the last weeks of the quarter

Mobile video advertising revenues comprised 57% of Mobile Advertising revenue in 3Q15 vs. 46% in 3Q14

Audience reach (3rd Party Publishers) exceeded 1.1 billion consumers in 3Q15 compared to 800 million in 3Q14 (including Opera's O&O audience, audience reach exceeded 1.3 billion in 3Q15 vs 1 billion in 3Q14)

The number of apps and websites powered by the Opera Mediaworks ad platforms was 20,500 in 3Q15 compared to 17,500 in 3Q14

Opera announced the acquisition of Yvolver, expanding the ad platform portfolio to include a marketing engagement platform

Opera launched Opera House, a global creative studio for brands and agencies

Opera and comScore joined forces to measure native video ad effectiveness

Opera launched Opera Select, a 100% Instant-Play™ HD video private marketplace, creating a truly unique programmatic opportunity in the market

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

Revenue of \$37.1 million, up 4% vs. 3Q14 (up 32% on a constant currency basis vs. 3Q14)

Mobile browser revenue grew 18% in 3Q15 vs. 3Q14, due to strong mobile advertising and search revenue growth

Opera's Android monthly browser users reached 142 million at the end of 3Q15, up 23% versus the end of 3Q14

Total Opera mobile consumer browser users reached 287 million at the end of 3Q15, up 6% versus the end of 3Q14

Opera acquired Bemobi, a leading subscription-based mobile-app-discovery service in Latin America

The number of downloads generated via the Opera Mobile Store and Opera's other apps and games discovery properties was 569 million in 3Q15 compared to 171 million in 3Q14

Total of 32.1 billion ad requests were generated from Opera's mobile Owned and Operated properties, a decrease of 7% from 3Q14

Opera announced the power Data Saver feature on phones by Xiaomi and Samsung, powered by Opera Max, offering substantial data savings to consumers across all apps

Opera launched revamped versions of both Opera for Android and Opera for Computers  
Desktop users reached 56 million by the end of 3Q15, up 10% versus the end of 3Q14

### ■ **Tech Licensing**

Revenue of \$16.1 million, flat vs. 3Q14  
Opera TV launched Smart TV app-creation tool for broadcasters  
Opera TV solutions to power Telechips' OTT platforms

## **Guidance**

### **4Q FY15 Guidance\*\*\*:**

**Revenue:** Revenue for the company's fourth fiscal quarter is projected to be in the range of \$168m to \$178m.

**Adj EBITDA\*:** Adjusted EBITDA for the company's fourth fiscal quarter is projected to be in the range of \$29m to \$33m.

### **FY15 Guidance\*\*\*:**

**Revenue:** Revenue for the company's full fiscal year 2015 is projected to be in the range of \$590m to \$600m.

**Adj EBITDA\*:** Adjusted EBITDA for the company's full fiscal year 2015 is projected to be in the range of \$104m to \$108m.

Please find the third quarter report (3Q15.pdf), third quarter press release (3Q15\_Press\_release.pdf) and third quarter presentation (3Q15\_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q32015>

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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 10<sup>th</sup>, 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.