



OPERA SOFTWARE ANNOUNCES FIRST QUARTER RESULTS

Oslo, Norway – May 13, 2015 – Opera Software (OSEBX: OPERA) today reported financial results for the first quarter, which ended March 31, 2015.

1Q 2015 financial highlights include:

- Revenue of \$126.8m, up 46% versus 1Q14. Excluding the impact of year-over-year changes in foreign exchange rates, revenue would have increased by 54%.
- Adjusted EBITDA* (excluding one-time costs) of \$18.2m, down 20% versus 1Q14
- Operating Cash Flow of -\$16.6m versus \$15.4m in 1Q14
- Free Cash Flow** of -\$23.2m versus \$10.7m in 1Q14

Revenues

Compared to 1Q14, 1Q15 saw strong revenue growth from Mobile Advertising (3rd Party Publishers) and a decrease in revenue from Consumers (Opera Owned and Operated properties) and Tech Licensing.

Profit

EBITDA, excluding stock-based compensation expenses (excluding one-time costs), was \$18.2 million compared with \$22.7 million in 1Q14, down 20%. EBITDA (excluding one-time costs) was \$15.4 million in 1Q15 compared with \$21.6 million in 1Q14. EBIT (excluding one-time costs) was \$4.4 million in 1Q15 compared to \$14.9 million in 1Q14.

1Q15 IFRS Net Income was -\$26.2 million compared to \$2.5 million in 1Q14. Non-IFRS 1Q15 Net Income was \$10.9 million compared to \$15.8 million in 1Q14.

Liquidity and capital resources

The Company's net cash flow from operating activities was -\$16.6 million in 1Q15 compared to \$15.4 million in 1Q14. Operating cash flow was negatively affected primarily by the confluence of significant publisher payments related to the prior period being paid in 1Q15 and the delayed payment of a significant receivable due in 1Q15 into a subsequent period; the combined negative of the above factors alone: \$15 million.

Opera's total cash balance was impacted positively by proceeds from the exercise of employee options, proceeds from drawing an additional \$90 million from Opera's debt facility with DNB and negatively by net cash flow from operating activities, 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 \$2.0 million in 1Q15 versus \$1.6 million in 1Q14.

Operational Highlights

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

Revenue of \$83.2 million, up 162% vs. 1Q14

Mobile video advertising revenues comprised 58% of Mobile Advertising revenue in 1Q15 vs. 12% in 1Q14

Launched Opera Select, Opera's new premium programmatic buying platform

Opera launched a multi-million dollar creative fund to facilitate mobile-first storytelling via mobile video advertising

Audience reach (3rd Party Publishers) exceeded 850 million consumers in 1Q15 compared to 500 million in 1Q14

The number of apps and websites powered by the Opera Mediaworks ad platform was 18,500 in 1Q15 compared to 14,000 in 1Q14

Announced expansion plans in the Asia Pacific region, a rapidly growing smartphone and mobile advertising market

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

Revenue of \$25.5 million, down 22% vs. 1Q14

Opera's Android monthly browser users reached 137 million at the end of 1Q15, up 46% versus the end of 1Q14

Total Opera mobile consumer browser users reached 278 million at the end of 1Q15, up 2% versus the end of 1Q14

Opera launched the Opera Gaming Network ("OGN"), as part of Opera's new growth initiative around Apps and Games

The number of downloads generated via the Opera Mobile Store and Opera's other apps and games discovery properties was 326 million in 1Q15 compared to 140 million in 1Q14

Opera announced a partnership with Gameloft, which will make Gameloft mobile game titles available on the Opera Mobile Store

Opera acquired Surfeasy, an easy-to-use VPN solution for protecting customers' online privacy and security on smartphones, tablets and computers

Total of 32.9 billion ad requests were generated from Opera's mobile owned and operated properties, an increase of 12% from 1Q14

Desktop users reached 55 million by the end of 1Q15, up 8% versus the end of 1Q14

■ **Tech Licensing**

Revenue of \$18.1million, down 19% vs. 1Q14

Announced that the Opera Devices SDK will launch on Android TVs manufactured by Sony

Ericsson and Opera entered into a partnership to deliver marketing services to operators

Rocket Optimizer added encrypted video optimization to enhance quality of experience for mobile operator subscribers

Guidance

2Q FY15 Guidance*:**

Revenue: Revenue for the company's second fiscal quarter is projected to be in the range of \$145m to \$155m.

Adj EBITDA*: Adjusted EBITDA for the company's second fiscal quarter is projected to be in the range of \$29m to \$34m.

FY15 Guidance*:**

Revenue: Revenue for the company's full fiscal year 2015 is projected to be in the range of \$630m to \$650m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2015 is projected to be in the range of \$130m to \$140m.

Please find the first quarter report (1Q15.pdf), first quarter press release (1Q15_Press_release.pdf) and first quarter presentation (1Q15_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q12015>

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The Company's non-IFRS Net Income in 1Q15 excludes the negative effects of \$2.9 million in non-cash stock-based compensation expenses, \$4.2 million in one-time expenses, \$2.2 million in other FX gains, \$1.4 million related to a non-controlling strategic equity interest in a joint venture and \$30.9 million in acquisition related adjustments. Note that the \$30.9 million in acquisition related adjustments is comprised of the following: \$24.4 million is related to interest expense and FX adjustments related primarily to the AdColony acquisition, \$1.8 million is related to revaluation of contingent consideration, and \$6.5 million relates to acquisition depreciation expenses and tax expenses associated with all of Opera's acquisitions. EPS and fully diluted EPS were -\$0.184 and -\$0.184, respectively, in 1Q15, compared to \$0.019 and \$0.018, respectively, in 1Q14. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.077 and \$0.075, respectively, in 1Q15, compared to \$0.119 and \$0.116, respectively, in 1Q14.

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

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

*** Assumes currency rates as of May 12th, 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.