



Opera

## **OPERA SOFTWARE ANNOUNCES FOURTH QUARTER RESULTS**

Record revenue; strong momentum for advertising and performance business going into 2016.

Oslo, Norway – February 9, 2016 – Opera Software (OSEBX: OPERA) today reported financial results for the fourth quarter, which ended December 31, 2015.

### **4Q 2015 financial highlights include:**

- Revenue was \$193.5 million in 4Q15, up from \$154.4 million in 4Q14, an increase of 25%. On a constant currency basis, revenue growth was 29% in 4Q15 vs. 4Q14.
- Adjusted EBITDA\* (excluding one-time costs) of \$32.8 million, down 5% versus 4Q14
- Operating Cash Flow of \$21.4m versus \$20.3m in 4Q14
- Free Cash Flow\*\* of \$14.8m versus \$12.5m in 4Q14

### **Revenues**

Revenue in 4Q15 was \$193.5 million, up 25% from 4Q14, when revenue was \$154.4 million. On a constant currency basis, revenue would have been \$198.9 million an increase of 29%. Overall, revenues came in above Opera's guidance range for the quarter.

### **Profit**

EBITDA, excluding stock-based compensation expenses and one-time costs, was \$32.8 million compared with \$34.4 million in 4Q14, down 5%. EBITDA (excluding one-time costs) was \$29.9 million in 4Q15 compared with \$30.7 million in 4Q14. EBIT (excluding one-time costs) was \$14.5 million in 4Q15 compared to \$19.4 million (excluding the impairment charge related to Skyfire) in 4Q14. Overall, Adjusted EBITDA came in at the very high end of Opera's guidance range for the quarter.

4Q15 IFRS Net Income was -\$6.6 million compared to -\$58.3 million in 4Q14. Non-IFRS 4Q15 Net Income was \$11.2 million compared to \$25.7 million in 4Q14.

### **Liquidity and capital resources**

Opera's net cash flow from operating activities was \$21.4 million in 4Q15 compared to \$20.3 million in 4Q14. 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. Cash and cash equivalents at the end of 4Q15 were \$97.7 million compared to \$138.2 million in 4Q14.

## Operational Highlights

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

Revenue of \$145.4 million, up 41% vs. 4Q14

Mobile video advertising revenues comprised 60% of Mobile Advertising revenue in 4Q15 vs. 50% in 4Q14

Audience reach (3rd Party Publishers) exceeded 1 billion consumers in 4Q15 compared to 800 million in 4Q14 (including Opera's O&O audience, audience reach exceeded 1.3 billion in 4Q15 vs 1.1 billion in 4Q14)

The number of apps and websites powered by the Opera Mediaworks ad platforms was 25,000 in 4Q15 compared to 18,500 in 4Q14

Change of Leadership at Opera Mediaworks, with Will Kassoy, formerly CEO of AdColony, taking over as CEO of Opera Mediaworks

AT&T AdWorks launches cross-screen addressable advertising trial

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

Revenue of \$36.6 million, up 24% vs. 4Q14 (up 38% on a constant currency basis vs. 4Q14)

Mobile browser revenue grew 40% in 4Q15 vs. 4Q14, with solid advertising and search revenue growth

Opera's Android monthly browser users reached 144 million at the end of 4Q15, up 11% versus the end of 4Q14

Total Opera mobile consumer browser users reached 281 million at the end of 4Q15, up 2% versus the end of 4Q14

The number of downloads generated via the Opera Mobile Store and Opera's other apps and games discovery properties was 510 million in 4Q15 compared to 153.8 million in 4Q14

Total of 26.6 billion ad requests were generated from Opera's mobile Owned and Operated properties, a decrease of 28% from 4Q14

Opera launches new versions of both Opera Mini for Android and iOS and Opera Coast for iOS

Desktop users reached 59 million by the end of 4Q15, up 7% versus the end of 4Q14

### ■ *Tech Licensing*

Revenue of \$11.5 million, down 47% vs. 4Q14

Opera TV powers Humax's industry-first Freeview Play set-top box

Opera TV launches on LG Smart TVs

## Guidance

### 1Q FY16 Guidance\*\*\*:

**Revenue:** Revenue for the company's first fiscal quarter is projected to be in the range of \$152m to \$160m.

**Adj EBITDA\*:** Adjusted EBITDA for the company's first fiscal quarter is projected to be in the range of \$14m to \$18m.

### FY16 Outlook\*\*\*:

**Revenue:** Revenue for the company's full fiscal year 2016 is projected to be in the range of \$690m to \$740m.

**Adj EBITDA\*:** Adjusted EBITDA for the company's full fiscal year 2016 is projected to be in the range of \$100m to \$125m.

Please find the fourth quarter report (4Q15.pdf), fourth quarter press release (4Q15\_Press\_release.pdf) and fourth quarter presentation (4Q15\_presentation.pdf) attached.

#### **Webcast:**

<http://www.operasoftware.com/company/investors/webcasts/q42015>

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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 9<sup>th</sup>, 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 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.