OPERA SOFTWARE ASA

ANNUAL REPORT 2002

[**Opera, ae, f./lat):** work, labor, task, attention, care, service.]

THE ANNUAL ACCOUNT REPORT FOR OPERA SOFTWARE ASA CONTAINS THE FOLLOWING:

- STATEMENT OF OPERATIONS
- BALANCE SHEET
- CONSOLIDATED FINANCIAL STATEMENT
- NOTES
- STATEMENT OF CASH FLOW

The financial statement, which has been drawn up by the board and management, has to be read in relation to the annual report and the independent auditor's opinion. The preparation of financial statements in conformity with accounting principles generally accepted in Norway requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2002 – SUCCESSFUL IN A TOUGH MARKET

At Opera, 2002 will be remembered as a year where the market and industry experienced tough times, but Opera managed to achieve significant growth, thanks to significant technological breakthroughs, major business deals, and increased revenue. During 2002, Opera strengthened its position on smartphones, PDAs, iTV, and desktop.

Of Opera´s major technological breakthroughs in 2002 Small-Screen Rendering (SSR) is the most widely known. This technology solves the problem of surfing the Web from the small screen of a mobile phone, by giving users access to the full Internet wihtout having to scroll horizontally. The new technology created quite a stir, and mobile phone manufacturers have shown a great interest. So far, large mobile phone companies such as Nokia, Sony Ericsson and Kyocera have worked with Opera to provide a SSR-version for their latest phones, such as on Nokia 3650, Nokia 7650 and Sony Ericsson P800. We expect to see Opera as a built-in component on more mobile phones scheduled to be released in 2003.

Sony Ericsson was the first company to license Opera with SSR to their new P800 smartphone, and all P800 users can download Opera to their phones for free. Kyocera is also interested, and a partnership agreement is under way, so that Opera will appear on Kyocera products in 2003.

Apart from just waiting until all the major players are ready to integrate Opera into their phones, Opera has also started direct sales to users on existing phones. Thus, users of existing phones such as Nokia 3650 and 7650 can go to www.opera.com and download and later buy a version for their phones.

2002 will also be remembered as the year Voice came to Opera Software, in the form of IBM's speech technology coupled with the visual Opera browser. The deal between Opera and IBM was announced in July 2002, and the results will become apparent in 2003. We are very proud to be working closely with IBM and to once again demonstrate Opera's intent to remain on the cutting edge of technology and work with the strongest partners in the field.

However, desktop remains an integral part of the development at Opera Software, and much of 2002 was spent developing Opera 7, with release date in early 2003. Opera 7 is a signifcant improvement compared to Opera 6 in regards to DOM (Document Object Model) and JavaScript, increasing Opera's technological lead further. The cross-platform user interface in Opera 7, called Quick, allows for better synchronization across platforms, lesser lag between different platform versions, as well as faster development. Additionally, it is much easier to port than earlier versions of Opera. Not only is it faster to port to the existing platforms Opera is working on, but it is also much easier to port Opera to new platforms based on customer demand. This includes porting to desktop as well as Opera for embedded versions such as mobile, TV, and for use in vertical applications and markets.

Although the biggest increase in sales came from embedded systems, desktop also showed a significant increase in revenue. Downloads increased from 6 million in 2001 to more than 10 million downloads in 2002.

At the end of 2002, Opera is in a stronger position than at the end of 2001. Significant increases in sales and new technological breakthroughs, such as SSR and Voice, have given us a strong foundation to continue building on. We are eager to work towards strengthening our position further in 2003.

DIRECTORS REPORT – 2002

GOALS AND STRATEGY

The Opera Web browser is one of the leading Web browsers for mobile systems, interactive television, vertical markets, and personal computers.

Opera's vision is to deliver the best Internet experience on any device. The Company's key business objective is to earn global leadership in the markets for PC/Desktop and embedded products. Opera's key business strategy is to provide a faster, more secure, and flexible Internet experience than our competitors, independent of hardware and operating system.

Our development strategy is to produce a high-quality Web browser that works on those operating systems the Company believes have the greatest market potential. A central aspect in the development strategy is the platform-independent code. All development and maintenance is performed on the core code. The core code is maintained independently, and platform- specific layers are added to the outside. Today, Opera is available on several platforms and in the future Opera will be available on other existing and new operating systems depending on demand and market share.

Opera is the only browser manufacturer that uses the same core code on all platforms. Other browser manufacturers use tailored solutions for different markets and delivers browser versions for fewer platforms. These many different solutions are tested by a limited number of users during a short time period for this specific market. The Opera browser, on the other hand, has been tested by millions of desktop users over several years, and all Opera versions benefit from this since they share the same core code.

THE MARKETS

PC/DESKTOP

Opera delivers PC/desktop versions on Windows, Mac, QNX, Linux, Solaris, FreeBSD, and OS2. During 2002, Opera's PC/desktop versions were downloaded and installed more than 12 million times all over the world, compared to 6.5 million times during 2001. The growth continued throughout the year.

Opera experienced a substantial growth in the interest in its browser after the launch of Opera 6 at the end of 2001. Opera 6 for Windows was followed by an Opera 6 for Linux version which also received positive reviews. New features in Opera 6 included support for unicode (supporting fonts in different Asian languages), which opened new markets for Opera. The demand was especially promising in Japan, where Opera signed a partner agreement with Transware.

During 2001 and 2002, development was to a large extent concentrated around Opera 7. This version, which was launched in January 2003, includes several new functionalities such as a new e-mail and news client. In Opera 7, the core code has been improved, making Opera even faster and more flexible, while maintaining its strong standards-support, such as DOM Level 2 HTML. Thanks to the new DOM Level 2 HTML support, Opera can display Web pages that employ JavaScript to make special effects. This was not possible in earlier versions of Opera. DOM Level 2 HTML is a W3C standard that lets JavaScript manipulate HTML documents. Although Opera 7 now offers new functionality, the size of its footprint has been reduced compared to previous versions.

EMBEDDED SYSTEMS

Opera experienced a technological breakthrough with Small Screen Rendering ("SSR") technology. SSR technology reformats a normal HTML Web page to fit the width of small screens. In addition, work performed in the core code has reduced the size of Opera's footprint, which is essential for smaller units with limited storage capacity (ROM). Depending on operating system and functionality, the footprint can now be reduced to 1.3. MB. If the applications are compressed, the size can be reduced by further 50%. With Opera´s modular architecture full Internet browsing is possible with as little as 1.5 MB dynamic memory capacity. Opera's smartphone solution is ideal for units with limited storage capacity (ROM) and limited dynamic memory (RAM), such as that of mobile phones or simple set-top box (STB) solutions made for televisions. Opera believes that the Company's technological advantage including SSR is the key to become a leading supplier of Web technology for mobile Internet-enabled units.

After the launch of SSR, Opera has distributed test versions to the leading mobile phone manufacturers, and the Company is in a continuous dialogue with these companies to include Opera's SSR solutions on their products. Opera is also in talks with the major mobile phone operators, who can include Opera on memory sticks on the phones, or influence the phone manufacturers to include Opera on the handsets directly.

Opera's cooperation with Symbian is substantial, and the agreements between the parties include further integration of Opera in Symbian's operating system. In 2002, Opera for the first time was included on a mobile phone introduced in the market. The Nokia 9210i was launched at CeBIT in March. Sony Ericsson was the first mobile phone manufacturer to offer their customers Opera's SSR technology. The Sony Ericsson P800, which was launched in December 2002, offers the users the ability to upgrade their phone for free by to downloading Opera's browser from Opera's or SonyEricsson's Web pages. Both these phones are based on Symbian's operating system. Opera is being paid per unit sold according to the company's business model. Opera expects to be included on several Symbian OS' phones in the future.

In October 2002, Kyocera, a leading Japanese mobile phone manufacturer, decided to use Opera's SSR technology. The cooperation with Kyocera means that Opera will make the browser on µItron, a leading operating system in the Asian markets. Opera expects the agreement to open up for several new opportunities in the region.

At the end of 2001, Sharp launched the Sharp Zaurus PDA. This product was important to position Opera as the leading browser manufacture for Linux-based mobile terminals. Opera is in dialogue with several manufacturers of mobile terminals that are evaluating Linux as a future operating system, and the Company expects to deliver on several Linux-based terminals in the years to come.

ITV

The transformation from analog to digital TV networks over the coming years, represents an opportunity for Opera to sell its STB solution based on HTML and JavaScript and open standards. Within the TV segment, Opera has agreements with Canal+ Technologies and IBM. During 2002, Opera delivered solutions to other companies like PlatC2 and i3micro. Opera expects more deliveries to these companies, and others, in 2003.

VERTICAL MARKETS

In June 2002, IBM and Opera agreed to develop a multi-modal browser based on IBM's leading voice recognition technology. The project is part of IBM's WebSphere Everyplace Access (WEA) where Opera shall be included on all applications. In addition, IBM and Opera is working together on several other projects directed towards PCs, mobile phones, PDAs, and interactive television. Based on the cooperation with IBM, Opera sees several opportunities within a variety of different industries, including health, automation, home entertainment, car navigation and entertainment among other.

FINANCIAL YEAR 2002

Although the general market sentiment has been negative, the development within Opera has been positive. The turnover increased from MNOK 28.3 in 2001 to MNOK 51.1 in 2002, a growth of 80.5%. The operating result was MNOK -21.4 compared to MNOK -41.1 in 2001. The strengthening of the Norwegian krone has had a substantial negative effect on the accounts, as a main part of the Company's revenue is based on US dollars.

The turnover from Internet devices increased by 115%, from MNOK 15.6 in 2001 to MNOK 33.6 in 2002. All our agreements are structured so that Opera receives both a development fee and license income per unit sold. The increase in turnover on Internet devices in 2002 was mainly driven by growth in the number of development based projects. The board expects this trend to continue in 2003. The Company also expects an increase in the number of products launched in 2003. A substantial increase in license revenue is not expected before 2004 and 2005, in line with expected market development for mobile Web solutions and digital television, where the Company expects to take market shares over the next couple of years.

The turnover on PC/Desktop increased from MNOK 12.7 in 2001 to MNOK 17.5 in 2002, a growth of 37.8%. The increase is mainly due to an increase in the number of licenses sold. Approximately 78.4% of the total PC/desktop income came from license sales. The board expects further growth in income from PC/desktop in 2003.

SHAREHOLDERS AND EQUITY RELATED ISSUES

As of January 1, 2002, there were 61.005.490 shares outstanding in Opera Software ASA. As part of a convertible loan dated July 15, 1999, issued by Four Seasons Venture and Teknoinvest, the lenders were given a option to buy 635.930 shares at a strike price of 6,29 per share. The options were called on March 31. At that date, the number of outstanding shares totaled 61.641.420.

At an extraordinary general meeting in August, it was decided to issue 350.000 options to International Business Machines ("IBM") as part of a commercial agreement that was signed in June. The option agreement is valid for five years or two years from a public listing. The strike price was set to NOK 20 per share. If Opera offers new shares at a lower price within one year from the date of the agreement, the strike price will be adjusted accordingly.

At an extraordinary general meeting in September, it was decided to take up a convertible loan of MNOK 11.85. The loan is interest free and expires December 31, 2003. The loan shall be converted into shares within four weeks after the Company issues new shares of minimum USD 5 million. The conversion price shall equal the offering price less a rebate of 25-40% depending on the offering price. The lenders will also be given a number of options equal the number of shares issued after the conversion of the loan. The options expire two years after the conversion of the loan.

Opera's balance as of December 31, 2002 was MNOK 48.9 of which MNOK 9.0 was cash and cash equivalent. Goodwill and deferred taxes was MNOK 26.4. The liquidity is low compared to the total cost base, considering that the Company is still cash negative. The Company needs an injection of cash and is planning to raise further cash in an equity offering in due course.

Based on the Company's market prospects and the planned equity offering, the annual financial statements have been prepared on a "going concern" basis.

At the end of 2002, Opera had 110 shareholders whereof 12 were located abroad. Shares in foreign ownership made up 5.4% of the total outstanding shares.

SETTLEMENT OF ANNUAL LOSS

Opera Software ASA showed a net loss for the year of MNOK -14.9. The board of directors proposes covering the loss by transferring the full amount from the share premium reserve.

ORGANIZATION

Opera Software's headquarters are located in Oslo, Norway. There are also offices in Linköping and Gothenborg, Sweden. The number of employees increased from 115 to 130 in 2002.

FORMALITIES

The workplace environment is in compliance with the Norwegian Law of Workplace Environment. There have been no injuries to the Company's employees at their workplace, and sick leave is low at 1.3%. The Company's activities are not polluting the environment.

Oslo, March 10, 2003

Christian Thommessen *Chairman*	Michael Tetzschner	Geir Ivarsøy
Håkon Wium Lie	Tore Mengshoel	Jon S. Von Tetzchner *CEO / member of the board*

STATEMENT OF CASH FLOW

Numbers in TNOK

Parent Company 2,002	2,001		Group 2002	2001
		Cash flow from operating activities		
-20,984	-38,318	Net loss before taxes	**-22,237**	-39,656
0	0	Taxes paid	**0**	0
1,440	1,064	Depreciation expenses	**3,118**	2,709
233	0	Depreciation of long-term financial investments	**233**	0
-1,597	9,200	Changes in accounts receivable	**-2,398**	9,451
938	-615	Changes in accounts payable	822	-534
-2,881	3,405	Changes in other accruals	**-2,733**	3,737
-22,851	-25,264	**Net cash flow from operating activities**	**-23,195**	-24,293
		Cash flow from investment activities		
-180	-2,519	Purchase of business assets	**-315**	-2,764
-233	0	Purchase of amortizable assets	**-233**	0
	0	Purchase of shares and units in subsidiaries	**0**	0
-413	-2,519	**Net cash flow from investment activities**	**-548**	-2,764
		Cash flow from financing activities		
11,850	0	Proceeds from issuance of long-term debt	**11,850**	0
0	-117	Payments on long-term debt	**0**	-117
4,000	28,791	Payments of equity	**4,000**	28,791
0	-96	Repayment of equity	**0**	-96
15,850	28,578	**Net cash flow from financing activities**	**15,850**	28,578
-7,414	795	**Net change in cash and cash equivalents**	**-7,893**	1,521
16,029	15,233	Cash and cash equivalents 01.01	**16,909**	15,388
8,615	16,029	**Cash and cash equivalents 31.12**	**9,016**	16,909

The purchase of shares in subsidiaries is recorded as addition of assets in the statement of cash flow for 2001. The payment is partly set out of shares in the parent company. The increase in share capital in 2001 is recorded as payment of equity.

STATEMENT OF OPERATIONS

Numbers in TNOK

Parent company 2002	2001		Note	Group 2002	2001
51,075	27,700	Revenue	1,2,9	**51,060**	28,293
51,075	27,700	**Total operating income**		**51,060**	28,293
40,881	35,734	Payroll and related expenses	3	**47,016**	42,221
1,441	1,064	Depreciation expenses	4	**3,118**	2,709
28,851	30,675	Other operating expenses	10	**22,307**	24,468
-20,098	-39,773	**Loss from operation**		**-21,380**	-41,105
697	1,676	Interest income		**707**	1,679
793	1,479	Other financial income		**818**	1,479
-3	-26	Interest expenses		**-5**	-26
-2,373	-1,674	Other financial expenses		**-2,377**	-1,683
-20,984	-38,318	**Operating result before tax**		**-22,237**	-39,656
6,131	10,394	Tax on ordinary result	6	**6,035**	10,329
-14,853	-27,924	**Net loss for the year**		**-16,202**	-29,327
		Loss for the year is allocated as follows:			
-14,853	-27,924	Share premium reserve			
-14,853	-27,924				

BALANCE SHEET

Numbers in TNOK

Parent company 2002	2001		Note	Group 2002	2001
		Assets			
		Fixed assets			
		Intangible fixed assets			
21,722	15,591	Deferred tax asset	6	**21,679**	15,526
0	0	Goodwill	4	**4,715**	6,286
21,722	15,591	**Total intangible fixed assets**		**26,394**	21,812
		Tangible fixed assets			
1,743	3,003	Office machinery, equipment etc.	4	**2,041**	3,296
1,743	3,003	**Total tangible fixed assets**		**2,041**	3,296
		Financial fixed assets			
7,965	7,965	Investments in subsidiaries	8	**0**	0
7,965	7,965	**Total financial fixed assets**		**0**	0
31,430	26,559	**Total fixed assets**		**28,435**	25,108
		Current assets			
		Receivables			
5,861	4,264	Accounts receivables		**6,662**	4,264
4,668	1,998	Other receivables		**4,811**	2,108
10,529	6,262	**Total receivables**		**11,473**	6,372
8,615	16,029	Cash and cash equivalents	5	**9,016**	16,909
19,144	22,291	**Total current assets**		**20,489**	23,281
50,574	48,850	**Total assets**		**48,924**	48,389

Numbers in TNOK

Parent company 2002	2001		Note	Group 2002	2001
		Shareholders' equity and liabilities			
		Equity			
		Restricted equity			
1,233	1,220	Share capital	7	**1,233**	1,220
-3	-3	Own shares in face value	7	**-3**	-3
28,060	38,925	Share premium reserve/group founds	7	**25,276**	37,469
29,290	40,142	**Total restricted equity**		**26,506**	38,686
29,290	40,142	**Total equity**		**26,506**	38,686
		Liabilities			
		Current liabilities			
11,850	0	Convertible loans	8	**11,850**	0
2,385	1,448	Account payable	11	**2,417**	1,595
2,959	2,658	Public duties payable		**2,999**	2,658
4,090	4,602	Other short-term liabilities		**5,152**	5,450
21,284	8,708	**Total short-term liabilities**		**22,418**	9,703
21,284	8,708	**Total liabilities**		**22,418**	9,703
50,574	48,850	**Total equity and liabilities**		**48,924**	48,389

Oslo, March 10, 2003

Christian Thommessen *Chairman*	Michael Tetzschner	Geir Ivarsøy
Håkon Wium Lie	Tore Mengshoel	Jon S. Von Tetzchner *CEO / member of the board*

NOTE 1 ACCOUNTING PRINCIPLES – CONSEQUENCES OF CHANGES IN ACCOUNTING PRINCIPLES

BASIC PRINCIPLES – ASSESSMENT AND CLASSIFICATION – OTHER ISSUES

The financial and the consolidated financial statement, which has been presented in compliance with the Norwegian Accounting Act, the Companies Act, and accounting principles generally accepted in Norway as of December 31, 2002, consists of balance sheet and the related statements of operations and cash flow, consolidated financial statement, and notes to the account. These notes are an integrated part of the financial statement.

The financial and the consolidated financial statement, has been prepared based on the principles governing historical cost accounting, comparability, continued operations, congruence and caution. Transactions are recorded at their value at the time of the transaction. Revenue is recognized at the time they are earned. Costs are expensed in the same period as the revenue to which they relate is recognized. The different accounting principles are further commented on below. In cases where actual figures are not available at the time of the closing of the accounts, generally accepted accounting principles require management to make estimates and assumptions regarding the effect of these items on the profit and loss account as well as the balance sheet. Actual results could differ from these estimates.

Items due for payment within one year after the date of the balance sheet, is classified as current assets / current liabilities. The carrying value of current assets/ current liabilities is the lower/ higher value of acquisition cost and market value. Market value is defined as assumed future selling price deducted by the expected selling costs. Other assets are classified as fixed assets. Fixed assets are reported as the lower of acquisition cost and market value, and net of depreciation and write downs (note 3). The Company periodically evaluates the carrying value of its fixed assets. The carrying value of a long-lived asset is considered impaired when the undiscounted net cash flow from such asset is estimated to be less than its carrying value. These principles also apply to debt.

When using accounting principles and presentation of transaction and other conditions there will be a focus on economical realities, not just legal form. Probable and quantifiable contingent losses will be expensed.

Items in the balance sheet of other currencies will be carried at exchange rate on the day of the balance sheet; items in the statement of operations will be carried at average exchange rate throughout the year.

ACCOUNTING PRINCIPLES FOR ESSENTIAL ACCOUNT ITEMS

Revenue recognition
Revenue is recognized in the statement of operation when earned. Revenue from sales of services is recognized at the time of delivery. Value added tax, discounts and bonuses have been deducted.

Cost recognition / Matching
Cost is expensed in the same period as the related revenues are recognized. Cost not directly related to revenue is expensed as incurred.

Other income (costs)
Material income and cost, which is not related to the normal course of business, are classified as other operating income (cost). Items that are unusual, irregular and material are classified as extraordinary items.

INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible fixed assets
Intangible fixed assets, which are expected to create income in the future, such as goodwill related to subsidiaries, are capitalized. Amortization is calculated on a straight-line basis over the economic useful life of the intangible fixed asset. Costs related to research and development activities are expensed when incurred.

Deferred tax/ tax assets and tax expenses
Deferred tax is calculated based on temporary differences between book values and tax basis for assets and liabilities at the date of the balance sheet. For the purposes of calculating deferred tax/ tax assets, nominal tax rates are used. Taxable and deductible temporary differences are offset to the extent they reverse within the same time frame. A deferred tax asset will arise if there are temporary differences that result in tax deductibles in the future. Due tax for this year is corrected for earlier years errors in estimated number and is included in this year´s tax expense/ income along with changes in deferred tax and deferred tax assets.

Fixed assets
Fixed assets are booked at acquisition cost, net of accumulated depreciation and write-down. If the fair value of a fixed asset is lower than carried value, and the decline is not temporary, the fixed asset is written down to fair value. Cost related to periodical maintenance and repairs are expensed as incurred. Cost related to improvements and replacements that increase the economic life of the fixed asset are capitalized and depreciated. Fixed assets are usually considered as lasting when the economic useful life is more than 3 years, and the cost is material.

Depreciation
Based on acquisition cost, straight-line depreciation is applied over the economic lifespan of the fixed assets. The same rules apply for intangible fixed assets. Depreciation is classified as operating costs.

Subsidiaries
A subsidiary is defined as an entity where the company has a long-term, strategic ownership of more than 50% and a decisive vote. Subsidiaries are accounted for using the cost method in the company financial statement, and as full consolidation in the consolidated financial statement. The subsidiary was consolidated as of December 31, 2000.

Accounts receivable
Accounts receivable are carried at face value net of allowance for doubtful accounts.

Consolidation principles
The Opera Software group's account has been produced as if the group was a single economic entity. All transactions, inter-company balances, and internal services between group companies are eliminated. The group's accounts have been prepared based on unified accounting principles and the subsidiaries use the same accounting principles as the parent company.

Subsidiaries acquired are recognized in the group accounts at the acquisition cost to the parent company. The acquisition cost is allocated to identifiable assets and liabilities in the subsidiary, which are shown in the group accounts at their actual value as of the acquisition date. Surplus value that cannot be allocated to identifiable assets is capitalized as goodwill. Goodwill is depreciated on a straight-line basis over its expected economic life.

Translation of foreign subsidiaries
In the case of foreign subsidiaries, the profit and loss account is converted to Norwegian kroner based on the average exchange rate for the year, while assets and liabilities are converted at the exchange rate as of the balance sheet day. Changes in the group's equity as a result of differences in the exchange rate on the date on the date of the balance sheet compared with the exchange rate at the previous year's end, are accounted for directly against equity.

NOTE 2 SEGMENT INFORMATION GROUP

Numbers in TNOK

Business areas	Sales income 2002	Sales income 2001
Internet devices	33,561	15,598
PC Desktop	17,499	12,696
Total	**51,060**	28,293

Geographical areas	Sales income 2002	Sales income 2001
Norway	1,354	761
US/ Canada	24,872	17,911
Europe/ other	24,834	9,621
Total	**51,060**	28,293

There are no special matters concerning risk and return for any of the main areas.

NOTE 3 **WAGE COSTS/ NUMBER OF EMPLOYEES/RENUMERATIONS**

Numbers in TNOK

	Parent 01.01 - 31.12 2002	2001	Group 01.01 - 31.12 2002	2001
Salaries	**34,712**	30,227	**39,053**	35,299
Social Security cost	**4,840**	4,172	**6,246**	5,562
Other payments	**1,329**	1,335	**1,717**	1,360
Wage cost	**40,881**	**35,734**	**47,016**	**42,221**
Average number of employees in 2002	**110**	97	126	111
Renumeration			CEO	Board
Salary			456	0
Other compensation			1	0
Fees			0	0
Pension compensation			0	

Three of the members of the board are active owners in the company, and has as employees received TNOK 1,381 as salary from the Company.

INDEPENDENT AUDITORS

Parent company	
Audit fee and other related services	260,761
Other services	552,066
Group Company	
Audit fee and other related services	313,273
Other services	552,066

OPTION PLAN FOR EMPLOYEES

The Company has established an option program for some of its employees. In total, 55 employees have been granted share options. 2,302,500 of the options have a strike price of NOK 8.5 while the remaining 1,380,000 options have a strike price of NOK 20.00.

Of the remaining employees, 30 individuals hold shares in the Company.

The Company's board of directors administers the employee option plan. The option plan runs over a four-year period. 25% of the options may be exercised every year. The option may only be exercised during a one-month period in the relevant year. In the event the option is not exercised for all the 25% in each relevant year, the remaining part of the 25% will be annulled. However, the Board of Directors may in separate agreement prolong the duration of the individual parts of the option. The Board has exercised this right, and has prolonged all options until October 2003.

The option agreement is non-transferable. The employee loses the right to exercise any parts of the option if employment is terminated by the employee or the Company for whatever reason.

The employee is entitled to keep any shares exercised during the period he or she was employed.

NOTE 4 **FIXED ASSETS**

Numbers in TNOK

Group	Cost rented premises	Machinery and equipment	Fixtures and fittings	Goodwill	2002 Total	2001 Total
Acquisition cost as of 01.01.	1,300	1,853	1,615	7,857	**12,625**	9,861
Additions	54	90	171	0	**315**	2,764
Acquisition cost as of 31.12.	**1,354**	**1,943**	**1,786**	**7,857**	**12,940**	12,625
Depreciation as of 01.01	464	587	423	1,571	**3,045**	313
Accumulated depreciation as of 31.12.	1,129	1,113	801	3,142	**6,184**	3,045
Net book value as of 31.12.	**225**	**830**	**986**	**4,715**	**6,756**	9,581
Depreciation for the year	665	526	356	1,571	**3,118**	2.709
Useful life	2 years	Up to 3 1/3 years	Up to 5 years	Up to 5 years		
Depreciation plan	Linear	Linear	Linear	Linear		
Leasing costs booked against P/L-statement	2,102,055					
Duration of the lease contract	31.12.02					

The Company rents offices in Waldemar Tranes Gate 84, 86 og 98. The Company has from 2003 entered into a new lease lasting throughout 2005.

These are not entered into the balanse sheet because the lease is not according to NGAAS considered as a financial lease

Numbers in TNOK

Parent company	Cost rented premises	Machinery and equipment	Fixtures and fittings	2002 Total	2001 Total
Acquisition cost as of 01.01.	1,300	1,852	1,228	4,380	**1,861**
Additions	54	90	36	180	**2,519**
Acquisition cost as of 31.12.	**1,354**	**1,942**	**1,264**	**4,560**	**4,380**
Depreciation as of 01.01	464	586	327	1,377	**313**
Accumulated depreciation as of 31.12.	1,129	1,112	576	2,817	**1,377**
Net book value as of 31.12.	**225**	**830**	**688**	**1,743**	**3,003**
Depreciation for the year	665	526	249	1,440	**1,064**
Useful life	2 years	Up to 3 1/3 years	Up to 5 years		
Depreciation plan	Linear	Linear	Linear		

NOTE 5 **CASH UNIT TRUST**

The company's cash unit trust is written down to actual value and included in Cash and cash equivalents since the money can be immediately released from the trust. Opera Software ASA highlights the issue that loss after 31.12.02 can occur when units are redempted.

NOTE 6 TAX - PARENT COMPANY AND GROUP

Numbers in TNOK

	Parent 01.01 - 31.12 2002	01.01 - 31.12 2001	Group 01.01 - 31.12 2002	01.01 - 31.12 2001
Current tax				
Net loss before taxes and extraordinary items	**-20,984**	-38,318		
Permanent differences	**660**	-13		
Changes in temporary differences	**-1,155**	-382		
Basis for current tax	**-21,479**	-38,713		
Tax 28%	**0**	0		
Current tax	**0**	0		
Tax expense for the year				
Current tax	**0**	0	**0**	0
Deferred tax - gross changes	**-6,131**	-10,394	**-6,035**	-10,329
Too much purposed tax former years	**0**	0	**0**	0
Total tax expense for the year	**-6,131**	-10,394	**-6,035**	-10,329
Specification of the basis for deferred taxes/ tax assets				
Differences to be balanced:				
Fixed assets	**-206**	39	**-206**	99
Current assets	**279**	-1,121	**434**	-1,121
Liabilities	**0**	0	**0**	0
Basis for changes in temporary differences	**73**	-1,082	**228**	-1,022
Loss carry forward	**-76,080**	-54,600	**-76,080**	-54,427
Writedown of unit trust and stocks	**-1,571**	0	**-1571**	0
Total	**-77,578**	-55,682	**-77,423**	-55,449
Deferred tax liability/deferred tax asset	**-21,722**	-15,591	**-21,679**	-15,526

Included in the deficiency in 2001 that is to be presented is emission costs of TNOK 1,209. The tax effect of these transactions is booked to the premium fund.

Loss carry forward of 1999 on TNOK 3,719 decays in 2009.
Loss carry forward of 2000 on TNOK 12,168 decays in 2010.
Loss carry forward of 2001 on TNOK 38,713 decays in 2011.
Loss carry forward of 2002 on TNOK 21,480 decays in 2012.

CAPITAL STOCK AND SHAREHOLDERS INFORMATION:

Numbers in TNOK

OWNERSHIP STRUCTURE:

Stockholders owning more than 1 % of Opera Software ASA as of 31.12.2002 were:

	Number of shares	Interest	Electors interest
Geir Ivarsøy	20,512,120	33.28%	33.28%
Jon S. von Tetzchner	20,512,110	33.28%	33.28%
Håkon Wium Lie	2,594,445	4.21%	4.21%
KS Teknoinvest VI	2,118,565	3.44%	3.44%
Sanner Industries Ltd *)	1,399,300	2.27%	2.27%
Four Seasons Venture II AS	1,348,954	2.19%	2.19%
Karl Anders Øygard	1,000,000	1.62%	1.62%
Norgesinvestor Vekst AS	968,290	1.57%	1.57%
Rolf Assev	769,820	1.25%	1.25%
DNB Grønt Norden	720,580	1.17%	1.17%
DNB Norge	705,890	1.15%	1.15%
Sollund AS **)	625,000	1.01%	1.01%
Total	**53,275,074**	86.43%	86.43%
Other	**8,366,346**	13.57%	13.57%
Total number of shares	**61,641,420**	100.00%	100.00%

SHARES AND OPTIONS OWNED BY MEMBERS OF THE BOARD AND THE GENERAL MANAGER:

Navn	Commission	Shares	Options
Håkon Wium Lie	Board Member	2,594,445	0
Geir Ivarsøy	Board Member	20,512,120	0
Michael Tetzschner	Board Member	34,280	75,000
Tore Mengshoel (KS Tekoinvest VI)	Board Member	2,118,565	0
Jon S. von Tetzchner	CEO/BM	20,512,110	0
Christian H. Thommessen **)	Chairman	1,150,000	0
		46,921,520	**75,000**

**) CFO/COO Christian Jebsen and his family control 83.4% of the shares in Sanner Industries Ltd.*
***) Chairman Christian H. Thommessen owns (at present) 548 530 shares directly personal or through companies controlled by himself or his family.*

At an extraordinary general meeting in September 2002 it was desided to take up a convertible loan at a total of MNOK 11.85.

It is an interest-free loan, and expires by the end of 2003. The loan is to be converted into shares within four weeks after an emission larger than or equal to $5 millions. The conversion rate is set to be equal to the price per share at the next emission with a discount of 25-40 % depending on the price. The lenders have in addition been awarded with a warrant equal to the number of shares that was issued at the time of the loan conversion. It is a two-year warrant.

At an extraordinary general meeting in August 2002 it was decided to issue 350,000 warrants to International Business Machines ("IBM) as part of a contract signed in June 2002. The warrant expires five years after the commercial agreement has been signed, og two and a half years after a stock exchange listing of the company.

The redemption price is set at NOK 20 per stock. If Opera issues new stocks at a lower price per stock within one year after the agreement has been signed, IBM's redemption price will be regulated to the same price.

NOTE 7 SHAREHOLDERS' EQUITY AND INFORMATION

Numbers in TNOK

GROUP EQUITY:

	Face value	Number	Share capital	Own shares	Premium fund	Exchange rate adjustments	Total
Equity as of 01.01.2002	**0.02**	**61,005**	**1,220**	**-3**	**37,499**	**-30**	**38,686**
Changes in equity in current year							
Increase of equity in April	0.02	636	13	0	3,987	0	4,000
Net loss			0	0	-16,202	21	-16,181
Equity as of 31.12.2002	**0.02**	**61,641**	**1,233**	**-3**	**25,284**	**-9**	**26,505**

EQUITY PARENT:

	Face value	Number	Share capital	Own shares	Premium fund	Total
Equity as of 01.01.2002	**0.02**	**61,005**	**1,220**	**-3**	**38,925**	**40,143**
Changes in equity in current year						
Increase of equity in April	0.02	636	13	0	3,987	4,000
Net loss			0	0	-14,853	-14,853
Equity as of 31.12.2002	**0.02**	**61,641**	**1,233**	**-3**	**28,060**	**29,290**

In 2001 the Company bought 150 000 own shares for NOK 0.64 (Value after split). The reason for the trade is purchase from employees that have left the company.

The purchase is according to contracts with the employees. The company has in 2001 purchased shares from two employees.

NOTE 8 INVESTMENT IN SUBSIDIARY

Numbers in TNOK

The Company has made use of the transition rule in the Norwegian Accounting Act in the company accounts, where it is allowed to use the cost method.

Company	Hern Labs AB
Formal information	
Date of purchase	12/13/00
Registered office	Linköping in Sweden
Ownership interest	100%
Proportion of votes	100%

Information related to the date of purchase (in the year of purchase)

Purchase cost	7,965
Goodwill with purchase	7,857

Hern Labs AB has deviant financial year. However, the accounts have been closed per 31.12.02.

NOTE 9 FINANCIAL MARKET RISK

The company invoices most of its sales in USD. Exchange rate fluctuation in the currency may have an effect on the sale and the profit/loss.

NOTE 10 DEVELOPMENT COSTS

Opera Software ASA has bought services for development of browsers from Hern Labs AB for TNOK 7 300. The development costs are included in other costs in the financial statement, but is eliminated in the financial statement for the group.

NOTE 11 OUTSTANDING ACCOUNTS BETWEEN COMPANIES WITHIN THE SAME GROUP ETC.

	Accounts receivables		**Other receivables**	
	31.12.2002	**31.12.2001**	**31.12.2002**	**31.12.2001**
Entity within group	**0**	0	**0**	0
Total	**0**	0	**0**	0

	Other long-term liabilities		**Trade creditors**	
	31.12.2002	**31.12.2001**	**31.12.2002**	**31.12.2001**
Entity within group	**0**	0	**800,000**	0
Total	**0**	0	**800,000**	0

NOTE 12 CONTINGENT OUTCOME

At present Oslo Fylkeskattekontor is carrying out an inspection of accounts focusing on V.A.T. and investment tax in relation to the desktop browser and user registration financed by advertisement. As per today's date the Company has not yet received a conclusion or a claim from the Norwegian Internal Revenue Services (Oslo Fylkesskattekontor)

To the Annual Shareholders' Meeting of Opera Software ASA

AUDITOR'S REPORT FOR OPERA SOFTWARE ASA

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

We have audited the annual financial statements of Opera Software ASA as of December 31, 2002, showing a loss of NOK 14,853,000 for the parent company and a loss of NOK 16,202,000 for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the coverage of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements and the directors' report are the responsibility of the Company's board of directors and managing director. Our responsibility is to express an opinion on these financial statements and other information according to the requirements of the Norwegian Act on Auditing and Auditors.

BASIS OF OPINION

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing standards in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards and practices an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion,

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of December 31, 2002, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the coverage of the loss is consistent with the financial statements and comply with the law and regulations.

Without qualifying our opinion in the previous paragraph we like to highlight that the Company is depended on raising new capital to continue as a going concern. We refer for more information to the director's report.

Oslo, March 10,2003

KPMG AS

Henning Aass
State Authorized Public Accountant

Note: This translation of the Norwegian statutory Audit Report has been prepared for information purposes only

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