THE "INTERNET OF EVERYTHING" OPPORTUNITY

- 46 million wearables
- 534 million Bluetooth accessories
- 2.7 billion computing devices
- 6.0 billion RFID chips
- 21 billion microcontrollers

Capacity limit of the global semiconductor industry

- 80 billion apparel items
- 5-10+ trillion consumables

Source: Gartner; IDC; MobiHealth; Bluetooth SIG; IMF; HIS; The Semiconductor Industry Association; BI Intelligence OICA; IC Insights; MarketLine; Apparel Market; Planet Forward; Companies & Markets
**THINFILM PRODUCT FAMILIES**

**Thinfilm Memory & EAS**  
Retail products in market

**NFC OpenSense™**  
Q3 Volume Production

**Smart Labels**  
Sampling  
(delivery for small-scale field trials)

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**DIAGEO**  
Largest global spirits manufacturer;  
3.5 billion units of spirits, wine and beer annually
NFC OpenSense™

NFC on all mobile platforms

Engage buyers before and after purchase w/personalized content

“Friend,” “Like,” and “Recommend” products with a tap

Thinfilm will “radically change the landscape for Internet connected things.”
Forbes: “The Smart Labels That Will Power The Internet Of Things,” March 2015

Thinfilm protocol supported by Android, Google, Samsung, Motorola, NXP, Broadcom, and all major controllers
NFC OpenSense™
Five months from concept to product launch

- Two-state ID distinguishes “buying” from “consuming”
  - 1-to-1 consumer engagement
  - Differentiate pre- and post-sale connection
  - Capture time, location of product use
- Addressable markets w/100M+ unit brands
  - Field trials in discussion with category leaders
  - Spirits/wine, tobacco, cosmetics, milk powder…
  - Added value in anti-counterfeit protections

Diageo Smart Bottle Debut @ Mobile World Congress, March 2015
Johnnie Walker® Blue Label 24M units annually

110 unique articles; 41 international; 4,000+ tweets
**OpenSense™ in Sensor Label Platform**

Low-cost, ubiquitous sensing and communication for Internet of Things

### NFC Sensor Labels
- $1.4B temperature-monitoring market
- Deliveries for field trials in progress
- Shared production line w/ OpenSense
- Extensible to consumer, logistics, industrial, and healthcare sensors
  - Bad breath, alcohol, Ph, wetness
  - Humidity, light, strain
  - CO, CO₂, H₂S, Ozone
  - Cholesterol, glucose, health diagnostics

### Roadmap

**NFCx**
- Up to 3m read distance
- Joint work with major wireless player
- Environmentally safe printed battery, 4x cheaper than thin-film Li
- Can extend sensor platform to Wearables

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**OpenSense™** Low-cost, ubiquitous sensing and communication for Internet of Things.
DATA-DRIVEN REVENUE OPPORTUNITIES
ENHANCE REVENUE BY PROVIDING COMPLETE DATA SOLUTION

- Social media platforms
  - Monetize customer data
  - Referral-based revenue

- In-house applications
  - NFC OpenSense™ “Quickstart Kit” for developers
  - Tag ID management

- Partnerships for critical backend functions
  - EVRYTHNG’s real-time, rules-based data management platform

EVRYTHNG provides real-time, rules-based data management; backed by Cisco & Samsung
CAPACITY EXPANSION FOR NFC PRODUCTS
DE-BOTTLENECK, ACCELERATE ROLL-TO-ROLL DEVELOPMENT

Sheet-based printing in operation now

Line Upgrade

C. 100M-units with line upgrades

Mass Scale with R2R

Conversion to roll-to-roll process
**THINFILM Q1 2015 SNAPSHOT**

Thinfilm announces partnership with Xerox for mass production of Thinfilm Memory™

Thinfilm lists on Oslo Bors, the main list of the Oslo Stock Exchange

Thinfilm launches OpenSense™ and announces collaboration with global spirits leader, Diageo

Thinfilm keynotes and exhibits at 2015 Mobile World Congress in Barcelona, Spain

Thinfilm launches a Level 1 ADR in the US and trades on OTCQX under the ticker TFECY

NFC Smart Label selected as finalist in “Best New Product” category for 2015 RFID Journal Awards

Thinfilm receives FLEXI “Innovation Award” from FlexTech Alliance
PARTNERING TO BUILD THE FUTURE

Acquisition of Kovio IP/assets (JAN 14)

1st demo of NFC smart label (MAY 14)

Temp sensor commercial samples delivered (OCT 14)

Xerox scale-up partnership (DEC 14)

OpenSense™ Launch (Feb 15)

Mobile World Congress Keynote (MAR 15)

Nedap partnership (MAY 14)

1st production order for RF (MAY 14)

Thinfilm receives CTIA eTech Award (SEP 14)

Volume order for RF received (DEC 14)

Approved to list on Oslo Bors (FEB 15)

Diageo partnership (Feb 15)

Level 1 ADR on OTCQX (MAR 15)
**Financial Highlights**

**Transition to product sales**
- OpenSense launched
- 13M EAS order deliveries started
- Thinfilm discontinues toy market development activities
- JDA activities lower in Q1 as resources were deployed to launch of NFC products

**USD presentation currency**
- Presentation currency changed to USD (previously NOK)
  - Revenue and costs increasingly USD denominated
  - Readers of financial statements less and less NOK centric

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* excludes other income related to January 2014 recognition of badwill

**Note**: all amounts in US Dollars
Despite transition to product sales – Q1 in line with last year

- **Sales revenue – Project & Product Revenue**
  - Project revenue lower as two programs terminated in Q1 2015; Thinfilm exits toy market
  - EAS production ramped up in Q1 2015, first delivery on 13M order made in March – delivery schedule expected to be followed in Q2 and Q3

- **Other operating revenue** increased compared to Q1 2014
  - Increase is due to both higher activity in existing project as well as net new projects being progressed
  - Decrease in other operating revenue QoQ since one significant project was closed in Q4, leading to recognition of revenue upon completion

- **Increase in other income*** YoY
  - Sublease income from Zanker facility starting in Q1 2015 explains increase

\* excludes other income related to January 2014 recognition of badwill

**Note**: all amounts in US Dollars
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