Interim Report and Financial Statements

First Quarter 2015

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- Thinfilm holds keynote presentation and exhibits at Mobile World Congress 2015
- Xerox and Thinfilm begin partnership for mass production of Thinfilm Memory™
- Thinfilm NFC Smart Label named "Best New Product" finalist by RFID Journal
- Thinfilm receives FLEXI Award for Innovation from FlexTech Alliance
- Thinfilm lists on Oslo Børs and launches level-1 ADR in US; trades on OTCQX
- Kai Leppänen named Chief Commercial Officer for Thinfilm
- Dr. Raj B Apte joins Thinfilm's Technical Advisory Council

Business Review

The first quarter of 2015 was a productive period for Thinfilm across its product spectrum. The Company's licensing agreement with Xerox for the mass production of Thinfilm Memory™ was formally announced, and the technology transfer activities required to have Xerox operational by year-end progressed. Thinfilm announced the launch of NFC OpenSense™ prior to Mobile World Congress, combining the milestone with news that the Company, together with Diageo – the world's leading spirits manufacturer – demonstrated a connected "Smart Bottle" with the iconic Johnnie Walker Blue Label® brand. Thinfilm also continued commercialization development activities on its NFC Smart Label, for which it received a FLEXI Award for Innovation from FlexTech Alliance as well as a nomination for "Best New Product" from RFID Journal.

With the signifcant customer interest in NFC OpenSense, Thinfilm has realigned its activities to focus on three key product areas: EAS anti-theft labels, NFC OpenSense, and the Smart Label platform (a combination of sensors, displays, and in some products, NFC readout). In line with this shift, the company has discontinued development activities in the toy market and has diminished joint development activities. Delivery of EAS labels as part of a 13M unit order from Nedap commenced in Q1, and is expected to continue monthly in Q2/Q3 to complete this initial call-off.

With the launch of NFC OpenSense and the resulting exposure received at Mobile World Congress, the sales team has been further strengthened by the promotion of Kai Leppänen to Chief Commercial Officer. Given that projected demand for NFC OpenSense could exceed available capacity soon after commercial shipments start in Q3, management is also preparing to increase production capacity through de-bottlenecking and by development of roll-to-roll manufacturing processes that are expected to enable up to a billion-unit scale.

Thinfilm launches NFC OpenSense™

Thinfilm launched NFC OpenSense™, a new near field communication (NFC) sensor tag technology with the ability to drive enhanced consumer engagement and improved product security. This innovative technology addresses compelling applications in a range of global markets, including wine and spirits, pharmaceuticals, cosmetics, health and beauty care, and automotive.

NFC OpenSense's unique patent-pending technology enables the dynamic detection of a product's "sealed" and "open" states, while delivering smartphone-centric, NFC-readability of the tag before and after the factory seal has been broken. Unique identifiers within each NFC OpenSense tag support a broad range of real-time marketing, security, and supply-chain applications.

Thinfilm announces collaboration with Diageo

Thinfilm announced a collaboration with Diageo, the largest spirits manufacturer in the world, to incorporate NFC OpenSense technology on bottles of Diageo's Johnnie Walker Blue Label® brand of Scotch whiskey. The prototype bottles were showcased at Mobile World Congress 2015, March 2-5, in Barcelona, Spain.

Thinfilm keynotes and exhibits at Mobile World Congress 2015

Thinfilm participated on several fronts at Mobile World Congress 2015, March 2-5, in Barcelona, Spain, the largest mobile-focused conference and exhibition in the world.

CEO, Davor Sutija, delivered a keynote address entitled "The Smarter Way to Build the Internet of Everything," while the Company's chief strategy officer, Jennifer Ernst, presented on industry-led innovation within the event's "Mobile Innovation" track. Thinfilm staff greeted prospects, partners and media at its exhibition booth within the Norway Pavilion sponsored by Innovation Norway.

Xerox and Thinfilm begin partnership for mass production of Thinfilm Memory™

Thinfilm announced a strategic licensing partnership with Xerox for the high-volume production and sales of Thinfilm Memory labels. The global business services, digital printing, and document management leader is currently working with Thinfilm on the technology transfer and is hiring a team to explore emerging markets adjacent to its core business. Xerox is currently modifying an existing production line in Webster, New York, which is expected to have an estimated annual capacity of 1.3 billion units.

xerox®

Thinfilm NFC Smart Label named "Best New Product" finalist by RFID Journal

Thinfilm's NFC Smart Label was chosen as a finalist in the "Best New Product" category at the RFID Journal Awards 2015. RFID Journal LIVE! is a conference and exhibition where business and technology leaders convene to explore strategies for tracking and managing today's billions of retail and consumable products. The event took place April 15-17, 2015 at the San Diego Convention Center in San Diego, California.

Thinfilm receives 2015 FLEXI Award for Innovation from FlexTech Alliance

FlexTech Alliance, the US national consortium for printed and flexible electronics, awarded Thinfilm a FLEXI Award for Innovation at its 2015 Flexible & Printed Electronics Conference and Exhibition in Monterey, California. The award was given to Thinfilm for its NFC Smart Label. The Innovation Award judging criterion include the product's design and ingenuity, potential for broad market potential, and must have been on the market during 2014.

Thinfilm lists on Oslo Børs

On February 25 the Board of Oslo Børs approved Thin Film Electronics ASA for listing on Oslo Børs. The first day of trading on the Oslo Børs was February 27. Thinfilm's CEO, Davor Sutija, rang the bell at the start of trading at 9am CET on the 27th, after which he delivered a presentation for financial press, analysts and investors.

Thinfilm completes launch of level-1 ADR in US

Thinfilm commenced trading on OTCQX International after the successful launch of its American Depository Receipts (ADR) in the US. As of March 24, Thinfilm's ADRs are now available for trading in the United States on OTCQX under the symbol "TFECY". Each ADR represents 10 ordinary shares listed on the Oslo Børs under the symbol "THIN". The establishment of an ADR facility and the Company's inclusion on OTCQX represent critical milestones within Thinfilm's strategic roadmap and provide the US investor base with a more direct means of trading and accessing information.

Kai Leppänen named Chief Commercial Officer for Thinfilm

Thinfilm announced the appointment of Kai Leppänen to Chief Commercial Officer. In this position, Mr. Leppänen leads global sales for Thinfilm and jointly leads the Company's field application engineering team with Chief Product Officer Dr. Peter Fischer. Mr. Leppänen joined Thinfilm in August 2013 as Vice President of Sales and Business Development in Europe. Prior to joining Thinfilm, he spent eight years at Opera Software ASA in various sales leadership roles, most recently as senior vice president of global tier-1 accounts. Mr. Leppänen has also worked at Symbian, 12snap Mobile Advertising, Anthropics Technology, and GP Bullhound in London, UK, driving business growth with a strong track record of generating success. He holds an MSc degree in Information System Management from South Bank University, London and a BA Hons degree in International Business from Greenwich University, London.

Dr. Raj B Apte joins Thinfilm's Technical Advisory Council

Thinfilm announced that Dr. Raj B Apte joined the Company's Technical Advisory Council. In this role, Dr. Apte will collaborate with other council members and Thinfilm's executive team to leverage the latest technological advances in printed electronics and further strengthen Thinfilm's position as an innovator and market leader. Dr. Apte is presently a Rapid Evaluator for Google™, where he invents and evaluates potential highpayoff projects (aka Moonshots) for significant investments by Google™. Prior to his current role, Dr. Apte spent two decades at PARC, a Xerox company, as a principal scientist and area manager. While at PARC, he oversaw much of the group's poly-silicon research initiatives and managed projects focused on imaging technology, large area array testing, oxide (IGZO) semiconductors, novel back-plane design, and laser recrystallization. Dr. Apte is widely published and has 43 issued patents to his credit. He holds PhD and MS degrees in Electrical Engineering from Stanford University, and a BS in Electrical Engineering from the University of California, Berkeley.

Shows and Events

- **January 26-29, IQPC Cold Chain, Frankfurt**
  Thinfilm exhibited at this European cold chain logistics event.
- **January 28-29, Printable Electronics Japan**
  Peter Fischer presented at the technology conference and Thinfilm co-exhibited with OE-A.
- **February 11-12, Empack, Oslo**
  Thinfilm exhibited at this Scandanavian packaging, logistics, and retail tradeshow
- **February 23-27, Flex Conference, Monterey, CA**
  Thinfilm delevered 1 business and 2 technical presentations and was a sponsor-exhibitor.
- **March 2-5, Mobile World Congress Barcelona**
  Thinfilm exhibited at the Norway Pavillion. Davor Sutija held a keynote presentation and Jennifer Ernst gave a panel talk.
- **March 3-5, LOPEC Munich**
  Peter Fischer chaired the business conference sessions and Thinfilm exhibited at the show.
- **March 25, International Technical Textiles Symposium, Taipei**
  Claus Hansen delivered a presentation.

Thinfilm Product Families

Memory Labels for Smart Consumables: Thinfilm Memory labels for Smart Counsumables is a cost-effective read/write memory solution for interactive consumable refills and other plug-and-play product offerings. The non-volatile, rewritable memory – printed on a thin, flexible label – facilitates an electronic handshake between base units and refills while making consumables interactive and enabling usage tracking.

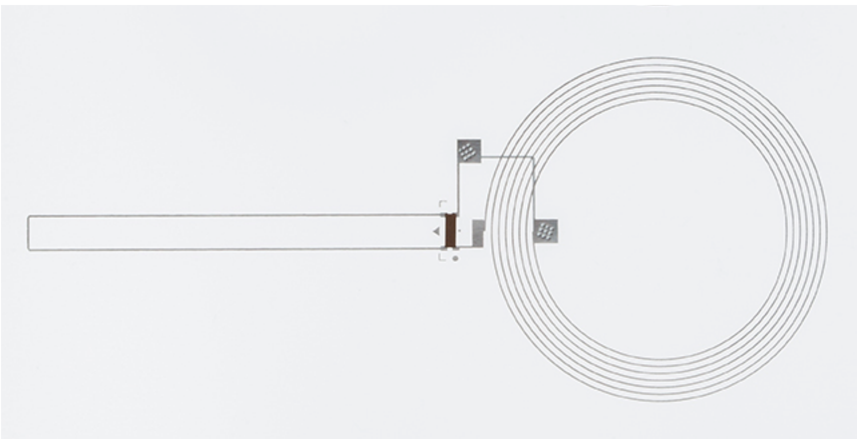
Memory Labels for Brand Protection: The Thinfilm Brand Protection Solution is a two-part system that can help manufacturers protect their brands from counterfeiting and grey-market activity. It consists of adhesive labels that generate a distinct forensic electrical signature. A Thinfilm authentication unit reads the label.

Electronic Article Surveillance (EAS) Tags: Thinfilm EAS tags use a proprietary process to improve traditional electronic article surveillance technology by introducing a new category of thin, flexible anti-shoplifting tags. These next-generation labels are compatible with the global base of installed 8.2MHz RF EAS infrastructure.

NFC Barcode™: The Thinfilm NFC Barcode **is a w**ireless tag that combines the instant interactivity of Near Field Communication (NFC) with the advantages of printed electronics technology. The NFC Barcode enables smartphones to communicate with NFC enabled everyday objects in support of B2B and B2C use cases.

NFC OpenSense™: Thinfilm's proprietary and patent-pending NFC OpenSense technology provides smartphone-centric NFC readabilitiy before and after product opening. Unique identitfiers within each NFC OpenSense tag support applications for fighting product diversion, counterfeiting, unauthorized refills, and the use of forged contatiners. On the consumer side, brand marketers can benefit from enhanced cosumer engagement capabilities.

Sensor Labels: Thinfilm is developing a smart label platform and a line of intelligent labels featuring memory, displays, logic and sensors. The labels will sense information and store data for 80% to 90% less than the cost of conventional electronics. This is part of Thinfilm's vision to bring the Internet of Everything to even the lowest-cost items.



About Thinfilm

Thin Film Electronics ASA ("Thinfilm") is a publicly listed Norwegian company with its headquarters in Oslo, Norway, product development and production in Linköping, Sweden, product development, production, and business development in San Jose, California, USA, and sales office in the United States, Japan, and Singapore.

In addition, manufacturing is provided through a production partner, InkTec, in Pyongtaek, South Korea. Thinfilm is a leader in the development of printed electronics. The first to commercialize printed, rewritable memory, the Company is creating printed systems that include memory, sensing, display, and wireless communication, all at a low cost unmatched by any other electronic technology.

Thinfilm's roadmap integrates technology from a strong and growing ecosystem of partners. Our goal is to enable the Internet of Everything by bringing intelligence to disposable goods. Printing electronics uses far fewer process steps than traditional semiconductor fabrication. This reduces manufacturing costs and lessens the environmental impact of manufacturing electronic memory and logic.

Thinfilm's printed memory and logic are bringing low-cost electronics to the trillions of disposable products and items that we use every day. Cost-effective, ubiquitous smart labels will store and communicate information, a vital part of the Internet of Everything. This is our Memory Everywhere™ vision.

Condensed Consolidated Financial Report as of 31 March 2015

During the first three months of 2015, Thinfilm continued to evolve into being a product company. Activity at the two main sites remained high, particularly at the site in San Jose, USA, and further hires and complementary investments in equipment and tools were made. The transition from project based revenue to product sales progressed as delivery on the 13M EAS order started in the quarter. Joint Development Activities (JDA) activities were lower in the first quarter, compared to a year ago, as resources were deployed to the launch of NFC products, in particular NFC OpenSense™, which was launched in the second half of the quarter.

Thinfilm's revenue and other income in the first quarter of 2015 amounted to USD 698 thousand. Excluding the other income recognized in the period, total revenue was USD 633 thousand, a decrease of USD 4 thousand, or 1%, compared to total revenue in the first quarter of 2014 (Q1 2014: USD 637 thousand). Sales revenue amounted to USD 253 thousand in the first quarter of 2015, compared to USD 349 thousand in Q1 2014, and was largely related to technology access fees, product development projects, product deliveries and delivery of prototypes and products to strategic customers and partners. The decrease in sales revenue year-on-year is mainly a consequence of fewer project milestones during the quarter and lower JDA activities. Revenue related to government grants and other funded projects amounted to USD 380 thousand in the first three months of 2015 (Q1 2014: USD 288 thousand). The increase is largely explained by higher activity in existing project as well as net new projects being progressed. Other income amounted to USD 65 thousand in Q1 2015 (Q1 2014: 513 thousand) and was related to sublease income from the San Jose site. In Q1 2014, USD 469 thousand of the USD 513 thousand other income related to income recognized in connection with the acquisition of certain assets from Kovio Inc., which was accounted for as a "Business Combination" as described in IFRS 3. Operating costs (excluding depreciation and amortization charges) amounted to USD 7,142 thousand in the first quarter of 2015, including the cost of share-based compensation of USD 41 thousand. The corresponding figures for the same period in 2014 were USD 5,877 thousand and a negative USD 793 thousand, respectively. The USD 41 thousand cost of share-based compensation in the first three months of 2015 is mainly explained by two counteracting factors: (i) The increase in the THIN share price during the period and the resulting increase in value of the outstanding Employee Subscription Rights, resulted in an increase of the employer´s tax liability. This was more than offset by the negative cost effect caused by the reduction in the employer's tax provision on the back of the 27 February exercise. The net effect of these two factors was a negative cost of USD 388 thousand. (ii) Outstanding Employee Subscription Rights and SRs granted during the quarter added USD 425 thousand to the share-based remuneration cost. The employer´s tax paid in 2015 due to exercise of Employee Subscription Rights amounted to USD 888 thousand.

Excluding share-based compensation, depreciation and amortization, the underlying cost increase in Q1 2015 was USD 432 thousand, or 6% higher than Q1 2014. This increase is caused mainly by: 1) USD 663 thousand higher payroll costs, as the number of full-time employees at the end of the quarter increased from 67 end of Q1 2014 to 94 on 31 March 2015. This increase is a result of a strengthening of the organisation globally, but primarily in the US, as the focus is shifted from development to production. Employer´s tax payable on exercise of Employee Subscription Rights in the period inflated payroll costs by USD 888 thousand (which was offset by a USD 790 thousand cash inflow from financing as a consequence of the exercises). In addition, the cost for manufacturing materials and sales and marketing increased by USD 325 and 213 thousand respectively as product related activities increased. 2) The above-mentioned increases were partially offset by USD 675 thousand lower costs for external development projects and USD 170 thousand lower costs for consultants.

Investments amounted to USD 442 thousand in the first quarter of 2015, a significant decrease compared to the same period in 2014 (Q1 2014: USD 3,562 thousand), and were mainly related to equipment and tools for the Printed Dopant PolySilicon (PDPS) line as well as improvements to the San Jose site. The Q1 2014 investments were dominated by the acquisition of assets from Kovio, Inc., in January 2014 and complementary acquisitions of equipment and tools for the site in Linköping, Sweden. Depreciation and amortization during the first three months of 2015 amounted to USD 344 thousand (3M 2014: USD 221 thousand). Net financial items in Q1 2015 amounted to a gain of USD 60 thousand (Q1 2014: USD 181 thousand), and were mainly related to interest income on cash deposits and currency variations.

The company operates at a loss and there is a tax loss carry forward position in all significant group entities, such that the group has not incurred any tax costs in 2015 or the prior year. The company has not recognized these deferred tax assets in its balance sheet, because this potential asset does not yet qualify for inclusion.

The net result in the first quarter of 2015 was a loss of USD 6,728 thousand, corresponding to a basic earnings per share of USD 0.01. In the first quarter of 2014, the loss amounted to USD 4,767, corresponding to basic earnings per share of USD 0.01.

The group's cash balance decreased by USD 7,312 thousand during the first three months of 2015 (compared to a decrease of USD 8,989 in Q1 2014). The decrease in cash balance is explained by three principal elements: 1) an outflow of USD 5,294 thousand from operating activities, 2) a USD 394 thousand outflow from investing activities and 3) a USD 790 thousand inflow from financing activities, as a consequence of exercises of employee subscription rights in February 2015. The cash balance on 31 March 2015 amounted to USD 23,542 thousand, while cash net of receivables and payables amounted to USD 21,047 thousand (including share-based liability of USD 873 thousand, i.e., provisions for employer´s tax associated with future exercise of subscription rights). The cash balance on 31 March 2014 amounted to USD 34,814 thousand, while cash net of receivables and payables amounted to USD 32,325 thousand (including share-based liability of USD 1,406 thousand).

The Company's balance sheet comprises essentially of fixed & intangible assets, cash, receivables, payables & accruals, and equity. Fixed assets amounted to USD 4,644 thousand and stem from machinery and equipment in Linköping, Sweden, and San Jose, California. In addition, USD

2,123 thousand in intangible assets are on the balance sheet, mainly as a result of the acquisition of assets from Kovio, Inc. Moreover, in the fourth quarter of 2014 the Company started to capitalize development expenses of Thinfilm Memory™, and as of 31 March 2015 USD 61 thousand had been recorded on the balance sheet.

Principal Risks

It is the duty of the Board to present the principal risks of Thinfilm and its business.

The Company's predominant risks are market and business risks, summarized in the following points: 1) Many of Thinfilm's intended markets are still immature, and there is a potential risk of delays in the timing of sales. 2) To some extent, Thinfilm is dependent on continued collaboration with existing technology, material, and manufacturing partners. 3) Product development risks related to eventual cost vs. functionality competitiveness of the products Thinfilm is developing.

Besides intellectual property and property, plant & equipment and inventory, Thinfilm does not have any significant assets or liabilities with risk.

Going forward, Thinfilm foresees two important revenue sources: 1) sales of its own manufactured products, and 2) licensing/royalty revenue, where partners and customers pay for the right to use the Company's intellectual property rights (IPR). Thinfilm's ability to earn revenue partly depends on continued successful technology and product development, as well as the Company's ability to legally protect its IPR. This is, in turn, dependent on the Company's ability to attract and retain competent staff and the adequacy of Thinfilm's patenting and other IPR-protection activities.

Thinfilm is exposed to certain financial risks related to fluctuation of exchange rates and interest level.

The going concern assumption has been applied when preparing this interim financial report. The Board has formed a judgment that, as of the date of approving the financial statements, the Company has adequate resources to fund operations for the rest of 2015 and into 2016.

On 31 March 2015, the equity amounted to USD 28,321 thousand, representing 85% of the gross balance sheet and 284% of the share capital.

Outlook

Thinfilm concentrates its efforts around commercializing and scaling printed memory and logic, in the form of 1) single function products such as printed memory and EAS, 2) integrated systems including RF communications, sensing and display, and 3) licensing its technology platform to scale up partners. In December 2014, the Company entered into an agreement with Xerox regarding licensing of Thinfilm Memory™ IPR, furthering the Company's strategy to provide a licensable platform for the manufacture of printed electronic products.

The company is investing additionally in the development and scaling of roll-to-roll production of logic, displays and batteries as well as roll-to-roll assembly. The combination of a licensing based business model, low CAPEX requirements for production relative to other electronics manufacturing techniques and a focus on leveraging ecosystem partnerships reduces the company dependence on CAPEX for growth. This strategy is expected to lead to an increase in license revenues during 2016 and a consequent reduction in direct product sales as compared to what was previously anticipated.

In addition, Thinfilm will work toward commercialization of integrated systems such as Thinfilm sensor labels for consumable goods, health care, packaging, and more. Thinfilm has established partnerships for display, sensor, and battery technology, as well as software and distribution. First generation integrated systems were delivered to customers in the third quarter of 2014, additional demonstrator deliveries were made in Q4 2014, and production capacity in significant volumes is expected in late 2015.

Thinfilm delivered its first RF products in 2014, with over one million EAS tags shipped and an additional 13 million order in process with first deliveries having been made in the first quarter of 2015. The integration of near field communication (NFC) into Thinfilm's printed integrated systems is expected to offer additional growth opportunities. Applications for mass markets will likely include brand authentication, supply chain track and trace, digital marketing and consumer engagement. In support of this position, Thinfilm's successful demonstration of prototypes and products has attracted significant interest from prospective customers and partners, as well as from established companies offering competing products based on conventional technologies.

In January 2014, Thinfilm acquired technology, intellectual property, and manufacturing assets from Kovio, Inc. Thinfilm demonstrated the Company´s first wireless temperature sensor label in Q2 2014, 18 months ahead of original schedule and has since launched NFC OpenSense™ based on the acquired NFC Barcode technology as a differentiated product in the NFC market. Since the launch of NFC OpenSense in late February 2015, Thinfilm has experienced significant interest in the technology and has received orders for its products. Both the Board of Directors and management are optimistic that Thinfilm will be able to enter new commercial agreements for printed integrated systems and NFC sensor labels during 2015.

Oslo, Norway, 6 May 2015

The Board of Directors of Thin Film Electronics ASA

Thin Film Electronics ASA Group

Condensed consolidated interim financial statements as of 31 March 2015 (Unaudited)

Consolidated statements of comprehensive income

Amounts in USD 1000	**Note**	**1 January - 31 March 2015**	**1 January - 31 March 2014**	**1 January - 31 December 2014**
Sales revenue		**253**	349	**1 849**
Other operating revenue		**380**	288	**2 140**
Other income		**65**	513	**490**
Total revenue & other income		**698**	1 150	**4 479**
Operating costs	9,10	**(7 142)**	(5 877)	**(28 970)**
Depreciation and amortization	3, 4	**(344)**	(221)	**(1 305)**
Operating profit (loss)		**(6 788)**	(4 948)	**(25 796)**
Net financial items		**60**	181	**701**
Profit (loss) before income tax		**(6 728)**	(4 767)	**(25 096)**
Income tax expense		**0**	0	**0**
Profit (loss) for the period		**(6 728)**	(4 767)	**(25 096)**
Profit (loss) per share basic and diluted	6	**(USD 0.01)**	(USD 0.01)	**(USD 0.05)**
Profit (loss) for the period		**(6 728)**	(4 767)	**(25 096)**
Currency translation		**(2 477)**	643	**(6 391)**
Total comprehensive income for the period, net of tax		**(9 205)**	(4 823)	**(31 487)**

Consolidated statements of financial position				
Amounts in USD 1000	**Note**	**31 March 2015**	**31 March 2014**	**31 December 2014**
ASSETS	7			
Non-current assets				
Property, plant, and equipment	3	**4 644**	4 818	**4 870**
Intangible assets	4	**2 123**	3 069	**2 319**
Total non-current assets		**6 767**	7 887	**7 189**
Current assets				
Inventory		**507**	224	**451**
Trade and other receivables	8	**2 472**	1 901	**2 565**
Cash and cash equivalents		**23 542**	34 814	**30 854**
Total current assets		**26 521**	36 939	**33 870**
TOTAL ASSETS		**33 288**	44 826	**41 059**
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	5	**9 980**	9 268	**9 898**
Other paid-in equity		**98 771**	75 030	**97 637**
Currency translation		**(12 076)**	(2 565)	**(9 599)**
Retained earnings		**(68 354)**	(41 296)	**(61 626)**
Total equity		**28 321**	40 438	**36 310**
Liabilities	7			
Trade and other payables		**4 967**	4 387	**4 748**
Total liabilities		**4 967**	4 387	**4 748**
TOTAL EQUITY AND LIABILITIES		**33 288**	44 826	**41 059**

Consolidated statements of changes in equity

Amounts in USD 1000	Note	Share capital	Other paid-in equity	Currency translation	Retained earnings	Total
Balance at 1 January 2015		9 898	97 637	(9 599)	(61 626)	36 310
Share issue employees		82	709			791
Share based compensation			425			425
Comprehensive income				(2 477)	(6 728)	(9 205)
Balance at 31 March 2015		**9 980**	**98 771**	**(12 076)**	**(68 354)**	**28 321**
Balance at 1 January 2014		9 173	72 931	(3 208)	(36 531)	42 366
Share issue employees		76	724			800
Share based compensation			394			394
Share issue Kovio-transaction, 29 January		19	981			1 000
Comprehensive income				643	(4 765)	(4 121)
Balance at 31 March 2014		**9 268**	**75 030**	**(2 565)**	**(41 296)**	**40 438**
Balance at 1 January 2014		9 173	72 931	(3 208)	(36 531)	42 366
Share issue employees		85	819			905
Share based compensation			1 903			1 903
Share issue Kovio-transaction, 29 January		19	984			1 003
Share issue 8 May, board remuneration		2				2
Share issue PARC, 26 September		6	230			236
Share issue Ferd, November 14		613	20 769			21 382
Comprehensive income				(6 391)	(25 096)	(31 487)
Balance at 31 December 2014		**9 898**	**97 637**	**(9 599)**	**(61 626)**	**36 310**

Consolidated cash flow statements

Amounts in USD 1000	Note	1 January - 31 March 2015	1 January - 31 March 2014	1 January - 31 December 2014
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit (loss)		**(6 788)**	(4 948)	**(25 796)**
Share-based payment	5	**425**	394	**1 903**
Depreciation and amortization	3, 4	**344**	221	**1 307**
Changes in working capital and non-cash items		**725**	(2 582)	**(1 492)**
Net cash from (used) on operating activities		**(5 294)**	(6 915)	**(24 080)**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant, and equipment	3	**(442)**	(862)	**(3 191)**
Acquisition of business activity		**0**	(2 700)	**(2 700)**
Capitalized development expenses	4	**(38)**	-	**(26)**
Interest received		**86**	200	**570**
Net cash from (used) on investing activities		**(394)**	(3 362)	**(5 347)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	5	**790**	793	**21 987**
Net cash from (used) on financing activities		**790**	793	**21 987**
Currency translation effects on cash and bank deposits		**(2 415)**	495	**(5 509)**
Net increase (decrease) in cash and bank deposits		**(7 312)**	(8 989)	**(12 949)**
Cash and bank deposits at the beginning of the period		**30 854**	43 803	**43 803**
CASH AND BANK DEPOSITS AT THE END OF THE PERIOD		**23 542**	34 814	**30 854**

The notes on the following pages are an integral part of this condensed interim financial report.

Notes to the Consolidated Financial Statements

Note 1 - Information about the group

Thin Film Electronics ASA ("Thinfilm" or "the Company") was founded on 22 December 2005. Thin Film Electronics ASA Group ("Thinfilm") consists of the parent company Thinfilm ASA and the subsidiaries Thin Film Electronics AB ("Thinfilm AB"), Thin Film Electronics Inc. ("Thinfilm Inc.") and Thin Film Electronics KK ("Thinfilm KK"). The group was formed on 15 February 2006, when Thinfilm ASA purchased the business and assets, including the subsidiary Thinfilm AB, from Thin Film OldCo AS ("OldCo"). Thinfilm Inc. was incorporated in the US during April 2011, and similarly, Thinfilm KK was incorporated in Japan during January 2013. The accounting year corresponds to the calendar year. Thinfilm AB is held 100% and has been consolidated since 15 February 2006. Thinfilm Inc. is held 100% and has been consolidated since 1 May 2011. Thinfilm KK is held 100% and has been consolidated since 1 February 2013.

The purpose of Thinfilm ASA is research, development, production, and commercialization of technology and products of physical storage of information, as well as related activities including participation in other companies. The Company is a public limited-liability company incorporated and domiciled in Norway. The address of its registered office is Henrik Ibsens gate 100, Oslo, Norway. The Company's shares were admitted to listing at the Oslo Axess on 30 January 2008 and to the Oslo Børs on 27 February 2015.

Note 2 - Basis of preparation, accounting policies, and resolutions

This condensed interim financial report for the first quarter of 2015 has been prepared in accordance with IAS 34 interim financial reporting. The condensed consolidated interim financial report should be read in conjunction with the consolidated annual financial statements for 2014. The IFRS accounting policies applied in this condensed consolidated interim financial report are, except for the below descriptions, in all materiality consistent with those applied and described in the consolidated annual financial statements for 2014.

From January 1, 2015 the group changed the presentation currency from NOK to USD. The change in presentation currency has been treated as a change in accounting principles which in accordance with IAS 8 has been done retrospectively by translating comparative figures to USD as if this had always been the presentation currency. Translation to the presentation currency for all transactions prior to the change in presentation currency is done by using the following procedure;

1) Assets and liabilities for each balance sheet presented are translated on the rate of exchange at the respective balance sheet date.

2) Revenues and expenses for each Income statement presented are translated at average exchange rate for the period. However, if this average is not a reasonable approximation of the cumulative effect on the rates prevailing on the actual transaction dates, revenues and expenses are translated using the foreign exchange rates on the specific transaction dates.

As a result of the above, a foreign currency translation reserve in equity arises, representing the change in equity calculated at period end-rates versus average rates.

The reason for the change of presentation currency is to provide financial information about Thinfilm that is more useful to investors and other users of the financial statements. The functional currency is assessed to be Norwegian kroner by applying the requirements in IAS 21.

The going concern assumption has been applied when preparing this interim financial report. The Board has formed a judgment that, as of the date of approving the financial statements, the Company has adequate resources to fund operations for the rest of 2015 and into 2016.

This consolidated interim financial report has not been subject to audit. The report was resolved by the Board of Directors on 6 May 2015.

Note 3 - Property, plant, and equipment

Amounts in USD 1000	**Tangible assets**
Three months ended 31 March 2015	
Net value on 1 January 2015	**4 870**
Additions	**442**
Exchange differences	**(371)**
Depreciation	**(297)**
Net book value on 31 March 2015	**4 644**
Three months ended 31 March 2014	
Net value on 1 January 2014	3 111
Additions	1 962
Exchange differences	(34)
Depreciation	(221)
Net book value on 31 March 2014	4 818
Year ended 31 December 2014	
Net book value on 1 January 2014	3 111
Additions	4 317
Exchange differences	(1 459)
Depreciation	(1 099)
Net book value on 31 December 2014	4 870

Note 4 - Intangible Assets

Amounts in USD 1000	**Intangible assets**
Three months ended 31 March 2015	
Net value on 1 January 2015	**2 319**
Additions	**38**
Exchange differences	(187)
Amortization	**(47)**
Net book value on 31 March 2015	**2 123**
Three months ended 31 March 2014	
Net value on 1 January 2014	
Additions	**2 969**
Exchange differences	**100**
Net book value on 31 March 2014	**3 069**
Year ended 31 December 2014	
Net book value on 1 January 2014	**0**
Additions	**2 995**
Exchange differences	**(468)**
Amortization	**(208)**
Net book value on 31 December 2014	**2 319**

Note 5 - Shares, warrants and subscription rights

Number of shares	**Number of shares**
Shares at 1 January 2015	515 359 852
Share issure to employees 27 February	5 787 500
Shares at 31 March 2015	521 147 352
Shares at 1 January 2014	471 625 812
Share issue as part of Kovio transaction	1 041 584
Share issue to employees 27 February	4 200 000
Share issue 8 May board remuneration	120 254
Share issue to employees 26 August	187 500
Share issue 26 September, PARC	334 702
Share issue to employees 11 November	350 000
Share issue 18 November, Ferd	37 500 000
Shares at 31 December 2014	515 359 852

Number of warrants and subscription rights	**1 January - 31 March 2015**	**1 January - 31 March 2014**	**1 January - 31 December 2014**
Warrants and subscription rights opening balance	**62 727 500**	25 325 000	**25 325 000**
Grant of incentive subscription rights	**1 118 000**	3 060 000	**11 615 000**
Terminated, forfeited, and expired subscription rights	**(315 000)**	(120 000)	**(725 000)**
Exercise of subscription rights	**(5 787 500)**	(4 200 000)	**(4 737 500)**
Allotment of warrants	**-**	-	**31 250 000**
Exercise and expiry of warrants	**-**	-	**-**
Warrants and subscription rights closing balance	**57 743 000**	24 065 000	**62 727 500**

Note 6 - Profit (loss) per share

	1 January - 31 March 2015	**1 January - 31 March 2014**	**1 January - 31 December 2014**
Profit (loss) attributable to shareholders (USD 1000)	**(6 728)**	(4 767)	**(25 096)**
Weighted average basic number of shares in issue	**517 224 713**	474 746 868	**481 465 574**
Weighted average diluted number of shares	**532 880 198**	487 881 116	**492 734 759**
Profit (loss) per share, basic	**(USD 0.01)**	(USD 0.01)	**(USD 0.05)**

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher diluted number of shares, but the diluted result per share equals the result per basic number of shares.

The diluted number of shares has been calculated by the treasury stock method. If the adjusted exercise price of subscription rights exceeds the average share price in the period, the subscription rights are not counted as being dilutive.

Note 7 - Contingent assets and liabilities

Thinfilm does not have any contingent assets or liabilities. Thinfilm has not issued any guarantees. As a part of assuming manufacturing assets of Kovio, Inc., Thinfilm in January 2014 issued a USD 600,000 Letter of Credit to the landlord of the Thinfilm NFC Innovation Center.

Note 8 - Trade and other receivables

On 31 March 2015, trade and other receivables amounted to USD 2 472 thousand. The components of this balance are accounts receivables USD 219 thousand, receivables from grants USD 919 thousand, VAT-related receivables USD 122 thousand, and pre-payments to suppliers USD 1 212 million.

Note 9 - Related party transactions

In the period 1 January - 31 March 2015, Thinfilm has recorded USD 101 thousand (net of VAT) for legal services provided by law firm Ræder, in which Thinfilm's Chairman is a partner.

In the period 1 January - 31 March 2015, Thinfilm has recorded USD 2 thousand for consulting services relating to government grants provided by Glenne Invest AS, a company controlled by Thinfilm's Board Member Rita Glenne,

In the same period, the Company has recorded USD 62 thousand (net of VAT) for services provided by Robert N. Keith, a shareholder of Thinfilm, related to a service agreement under which he assists Thinfilm in strategic analysis and in dealing with larger, international, prospective partners.

Also, in the same period, PARC, a shareholder of Thinfilm, supplied the Company with services, licenses, and materials for a value of USD 9 thousand (net of VAT).

Note 10 - Operating costs

Amounts in USD 1000	**1 January - 31 March 2015**	**1 January - 31 March 2014**	**1 January - 31 December 2014**
Payroll	**4 224**	3 560	**13 659**
Share based remuneration	**41**	(793)*	**941**
Services	**751**	1 569	**6 601**
Premises, supplies	**1 388**	1 028	**5 091**
Sales and marketing	**632**	419	**2 196**
Other expenses	**106**	94	**482**
Total operating costs	**7 142**	5 877	**28 970**

*Relates to remeasurement of social security costs

Note 11 - Events occurring after the balance sheet date

Since 31 March 2015 and until the date of these financial statements, the Board has granted a total of 210,000 subscription rights at an exercise price of NOK 6.36 per share under the employee subscription rights-based incentive program resolved by the annual general meeting.