

Q2 2016
Presentation

(Published August 12 2016)

Leveraging Roll-to Roll Technology to Enable NFC Everywhere™

Facility upgrade/expansion to support
global NFC OpenSense™ and SpeedTap™ rollouts

THINFILM 



Davor Sutija
CEO

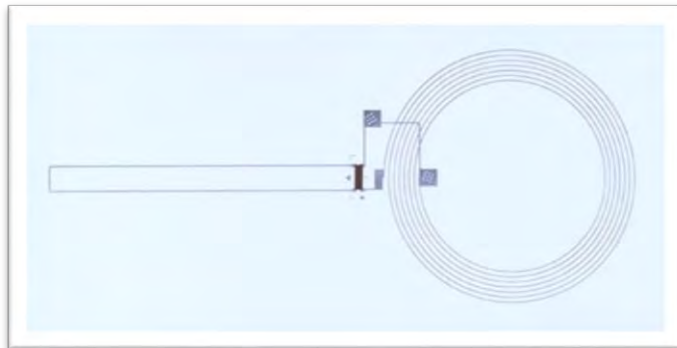
This report includes forward-looking statements covered by the Private Securities Litigation Reform Act of 1995. Because such statements deal with future events, they are subject to various risks and uncertainties and actual results for fiscal year 2015 and beyond could differ materially from the Company's current expectations. Forward-looking statements, including estimates of capacity, selling price and other material considerations, are identified by words such as "anticipates," "projects," "expects," "plans," "intends," "believes," "estimates," "targets," and other similar expressions that indicate trends and future events.

Factors that could cause the Company's results to differ materially from those expressed in forward-looking statements include, without limitation, variation in demand and acceptance of the Company's products and services, the frequency, magnitude and timing of raw-material-price changes, general business and economic conditions beyond the Company's control, timing of the completion and integration of acquisitions, the consequences of competitive factors in the marketplace including the ability to attract and retain customers, results of continuous improvement and other cost-containment strategies, and the Company's success in attracting and retaining key personnel. The Company undertakes no obligation to revise or update forward-looking statements as a result of new information, since these statements may no longer be accurate or timely.

Thinfilm financial reports may be accessed via the following web page: <http://www.thinfilm.no/investor-relations/reports-presentations/>



NFC OpenSense™



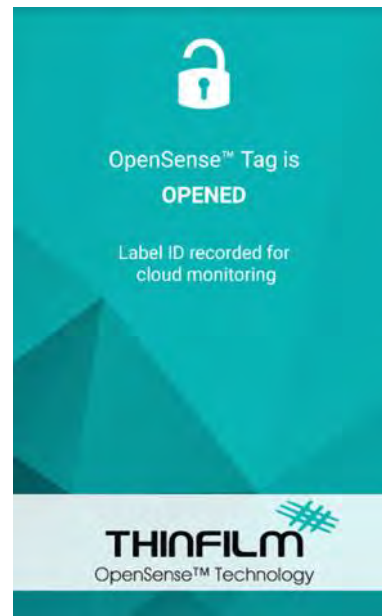
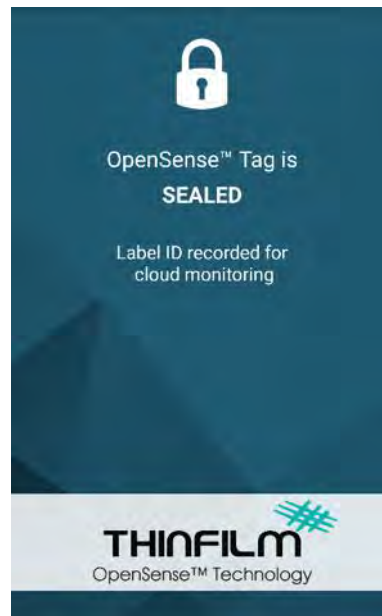
Low-cost, high-volume electronics manufactured by printing

- Publicly listed OSE / OTCQX
- 114 full-time employees
- Over 290 patents and patents-pending in printed electronics & NFC
- Oslo, Silicon Valley, Sweden, Hong Kong, and Singapore
- Broad & diverse partner ecosystem

NFC OpenSense™ | Authenticator



User downloads app from Google Play;
User taps on bottle when app is open



User is informed of tag state

NFC SpeedTap™ | Tap & Launch



Tap to Connect



Mobile Commerce



Winery Photo Tour



Thinfilm Dashboard

User taps on wine bottle



Launch various consumer engagement use cases

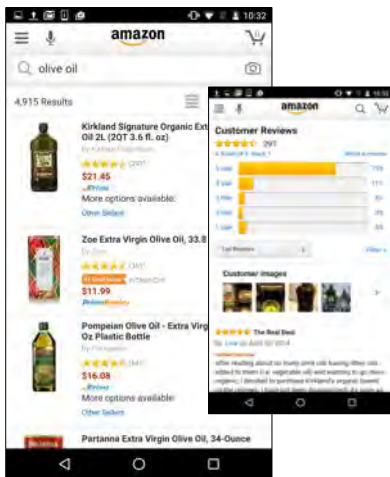


Analytics and reporting

Connecting with Consumers

Mobile Marketing Today

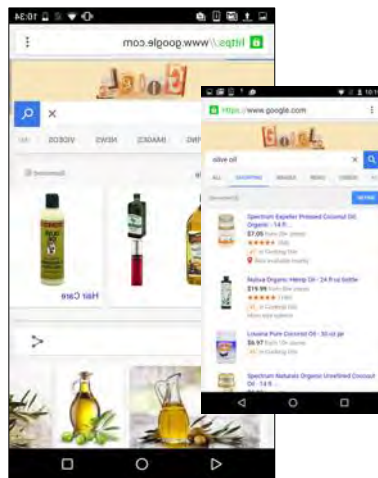
Consumer scrolling



Consumers researching “Olive Oil”

- Consumers looking for good deals and highly reviewed and rated products

Search-directed



Consumers searching “Olive Oil”

- Brands pay for listing in “Sponsored” sections above the fold
- Traffic determined by search provider and influenced by SEO/SEM strategies

Tapping w/ NFC Smartphones

Direct dialogue with Brand



Offline-to-Online (O2O)

- Brands connect directly with consumers when they tap on products

Key Vertical Markets – Targeting Millennials



- Craft Beers
- Wine & Spirits
- Tobacco
- Pharma
- Health & Beauty Products
- Specialty Foods
- Subscription Boxes



NFC Pilot Orders Within Key Vertical Markets

Wine & Spirits



Craft Beer



Pharma



Medical Devices



Health & Beauty



Packaging



Beverages



Luxury Goods



FMCG



- Partnership with leading global Fortune 500 pharmaceutical company
- Create an NFC OpenSense™ platform for “smart” medical devices
- Roughly 50% of all patients do not take their medications as prescribed
- Leverage NFC technology as a means to improve improve patient adherence
- Enhance communication between patients and caregivers



Types of Non-Adherence

PRIMARY	SECONDARY	TERTIARY
Non-Fulfillment	Non-Persistence	Non-Conforming
Prescription is never filled or initiated.	Patients stop taking medication after taking it. Rarely Intentional - Usually arises from miscommunication or resource/capacity limitations.	Medication is not taken as prescribed. Missed doses, incorrect doses, dose taken at wrong time.

Source: Patient Medication Adherence: Measures in Daily Practice”, Oman Medical Journal, May 2011

- Based in Switzerland
- Publicly listed on the SIX Swiss Exchange
- Global leader in injection systems for self-medication
- Investing over 50 million Swiss francs in next-gen injection/infusion systems
- Thinfilm provided OpenSense™ and software system for YpsoMate Smart
- Ypsomed and Thinfilm continue commercializing YpsoMate Smart

YPSOMED
SELFCARE SOLUTIONS



Latest Phones are NFC-Ready & Thinfilm-Compatible



Galaxy S7

Also Galaxy 4,5,6

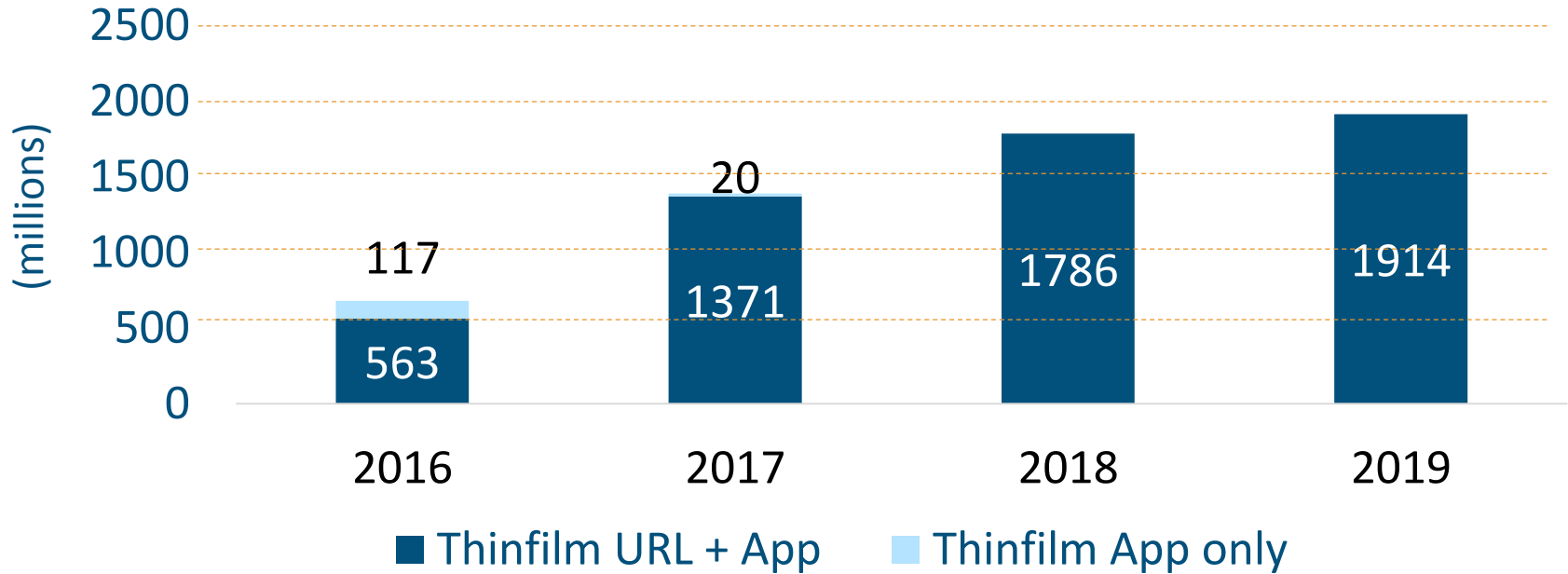


LG LG G5



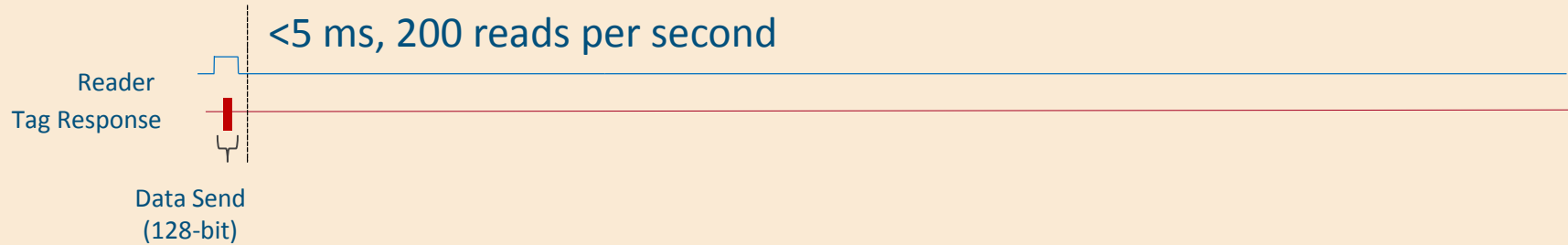
M5

Smartphones That Can Read Thinfilm's Tags

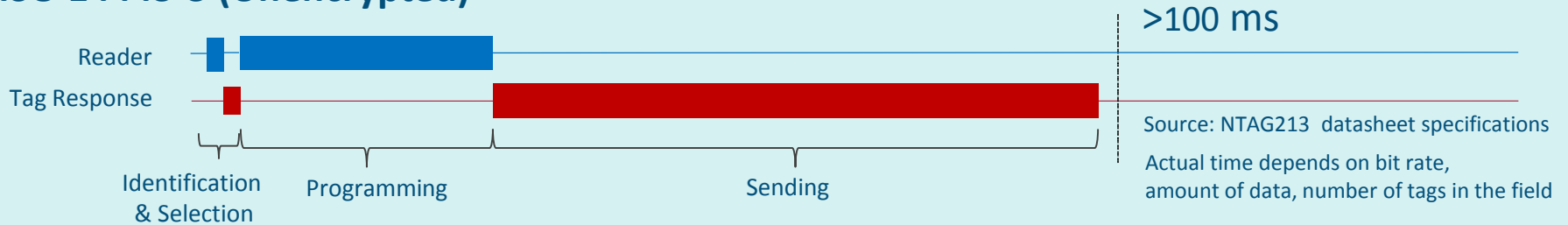


Why chose Thinfilm? Faster Read Speed.

Thinfilm Tag-Talks-First (TTF)



ISO 14443-3 (Unencrypted)¹



¹Encrypted tags ~ 5x longer than unencrypted

Why choose Thinfilm? Appropriate Security.

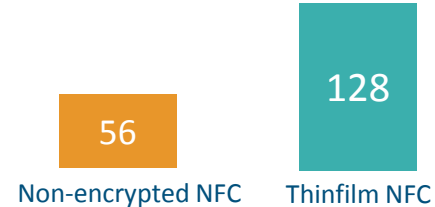
SpeedTap™ & OpenSense™

Proprietary Printed
Electronic Technology

1 Permanently etched ID using nanotechnology

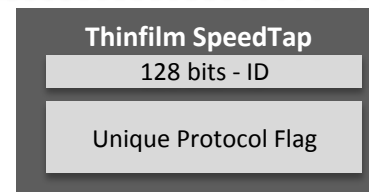
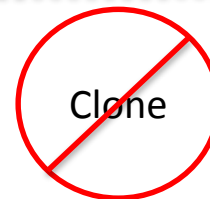
2 Longer ID: 128 bits vs. 56 bits

3 2-state ID (OpenSense only)



Industry
Protocol

4 Unique Thinfilm NFC Protocol: ISO 14443-2 TTF



Software

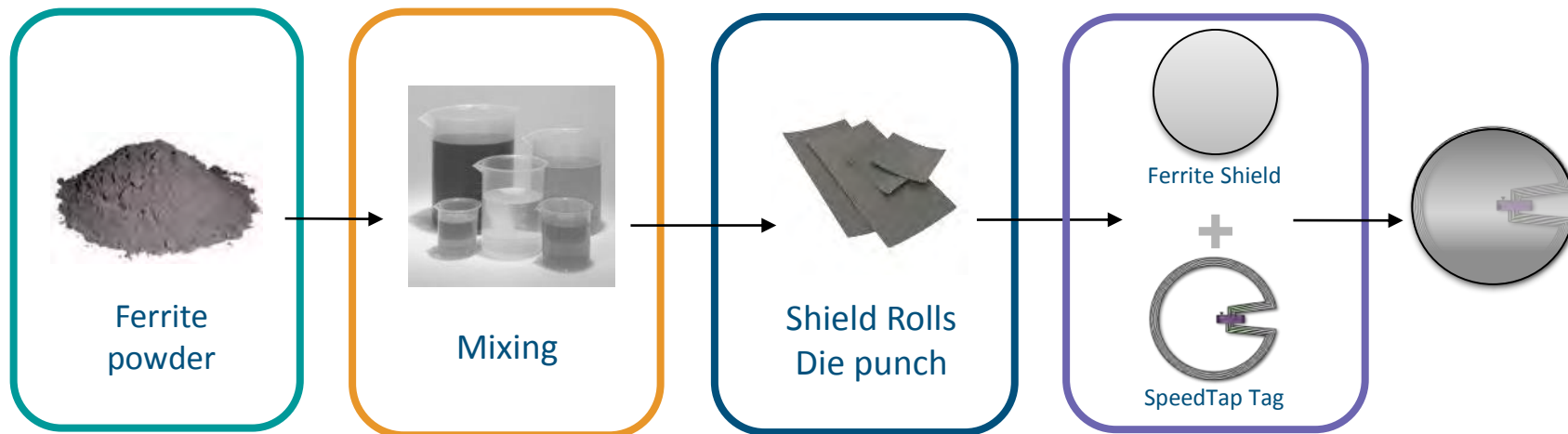
5 Proprietary Authentication App & Cloud System

Why choose Thinfilm? Ferrite Shields

SpeedTap™

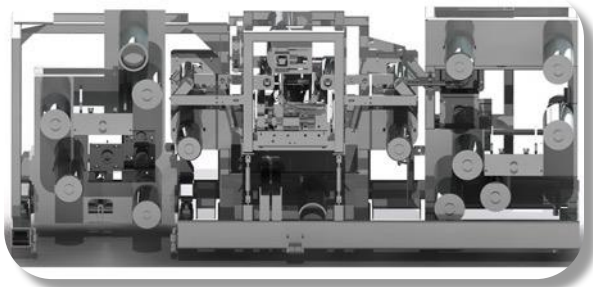
THINFILM

- NFC SpeedTap™ tags with ferrite shields delivered to global FMCG company
- Ferrite shields enable on-metal reads of NFC tags



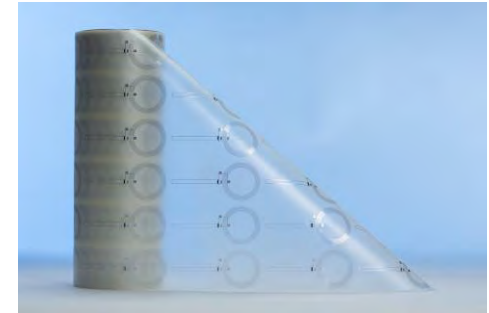
Goals

- Up to 5B OpenSense™ / SpeedTap™ annual capacity
- \$300-\$680M annual revenue potential
- Batch size increases by 50x
- Material cost dominates per-die cost
- Total front-end cost per die of NFC products reduced by an order of magnitude
- Sub 100 μm die creates new Addressable Market



Progress

- Detailed engineering specifications nearing completion
- Vendors selected for all 9 process modules, negotiations underway
- \$18-\$32M CAPEX per line
- Due diligence on the planned new facility progressing
- Long-term lease expected completed in Q3 2016
- Move to new facility planned for H1 2017
- R2R EAS production planned start by end 2017, NFC front-end die production by Q3 2018





Thinfilm Partners with Leading Global
Pharmaceutical Company



Xerox Demonstrates Printed Memory
Product Featuring
Thinfilm Technology At Drupa



Thinfilm and Hopsy Deliver
“Smart Beer” to the Craft Brew Market



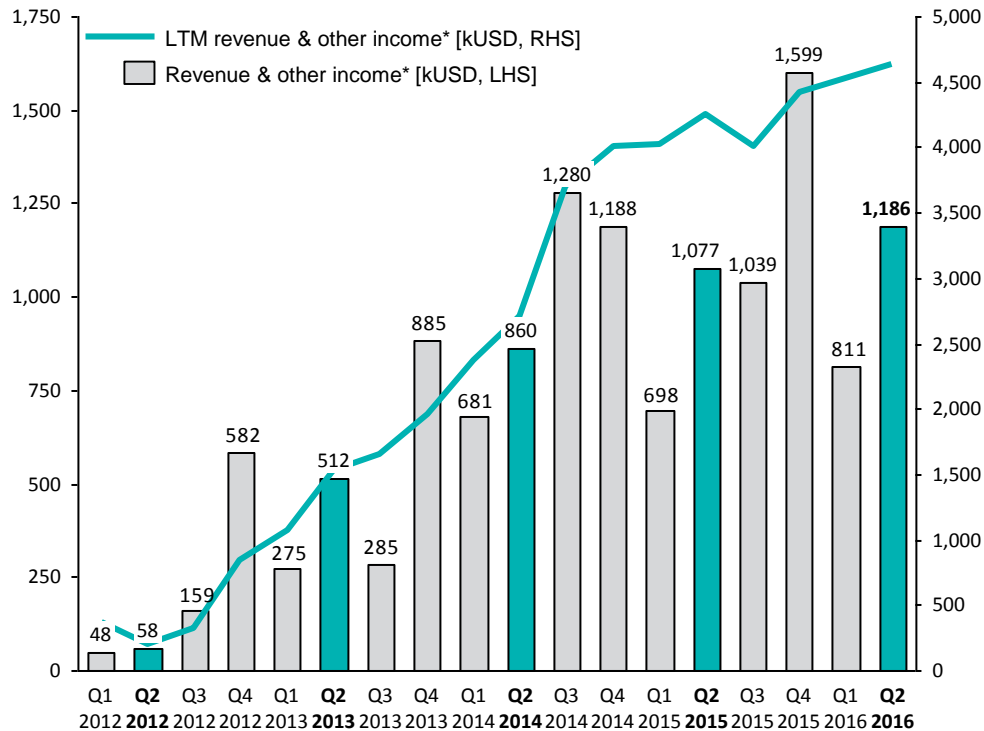
Thinfilm and Maria&Donato Make
Luxury Handbags Smart with
NFC Technology



Thinfilm Strengthens Leadership with
Key Hires in Sales, Finance, and Software

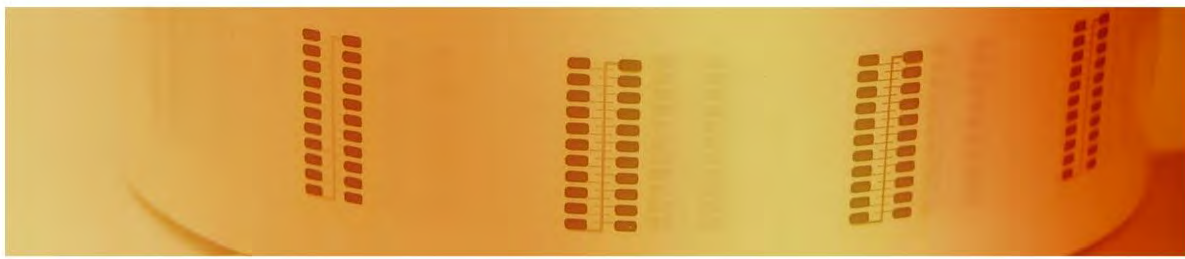
New Pharma Partnership Adding to Revenue

THIN revenue & other income*
[k\$]



- Initial revenue from partnership with global pharmaceutical company
- Remaining 1.8 million units of 13-million-unit EAS order delivered during Q2 2016
- Increased R2R R&D related headcount and expenses

* excludes other income related to January 2014 recognition of badwill



Thank you.

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