THIN FILM ELECTRONICS ASA

(a Norwegian public limited liability company organized under the laws of Norway with business registration number 889 186 232)

Listing of 333,866,666 Private Placement Shares issued in a Private Placement
Offering and listing of up to 66,666,666 Offer Shares in a Subsequent Offering to Eligible Shareholders
Subscription Period: From 1 September 2020 to 15 September 2020 at 16.30 CET

The information contained in this prospectus (the "**Prospectus**") relates to (i) the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Børs**") of 333,866,666 new shares (the "**Private Placement Shares**"), at a subscription price of NOK 0.15 per Private Placement Share (the "**Subscription Price**"), each with a nominal value of NOK 0.11, in Thin Film Electronics ASA ("**Thinfilm**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**"), issued in a private placement directed towards certain investors for gross proceeds of NOK 50,079,999.90 (the "**Private Placement**"), and (ii) a subsequent offering (the "**Subsequent Offering**") and listing of up to 66,666,666 shares in the Company (the "**Offer Shares**", and together with the Private Placement Shares, as hereinafter defined, the "**New Shares**"), at a Subscription Price per Offer Share of NOK 0.15, each with a nominal value of NOK 0.11 for gross proceeds of up to NOK 9,999,999.90 pursuant to the terms and conditions set out in this Prospectus.

Subsequent Offering, offer size…………	Up to 66,666,666 Offer Shares
Subscription Price………………………	NOK 0.15 per Offer Share
Subscription Period…………………….	From 1 September 2020 to 16.30 (CET) on 15 September 2020 (the "**Subscription Period**")

Each Private Placement Share and each Offer Share will be granted one warrant ("**Warrant C**"), with an exercise price of NOK 0.25 per share and be exercisable at any time from 31 March 2021 until 30 June 2021.

In the Subsequent Offering, the Company will, subject to applicable securities law, allocate the Offer Shares to subscribers who were registered as holders of shares in the Company ("**Shares**") in the Company's register of shareholders with the Norwegian Securities Depositary (Nw. *Verdipapirsentralen*) (the "**VPS**") as of expiry of 27 July 2020 (T+2) (the "**Record Date**") who did not participate in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (each such shareholder an "**Eligible Shareholder**", and collectively, "**Eligible Shareholders**"). For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be entitled to allocation of approximately 0.337792737987746 transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering. One (1) Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share. The Shares of the Company began trading exclusive of Subscription Rights from and including 24 July 2020. Hence, the last day of trading inclusive of Subscription Rights was 23 July 2020. For the purposes of determining eligibility to Subscription Rights, the Company will look solely to its register of shareholders as of expiry of the Record Date, which will show shareholders as of expiry of 23 July 2020. Oversubscription and subscription without subscription rights is permitted. Oversubcription and unexercised subscription rights will be allocated as determined by the Board of Directors. The Subscription Rights will not be tradable on Oslo Børs.

The due date for the payment of the Offer Shares is expected to be on or about 22 September 2020. Delivery of the Offer Shares is expected to take place on or about 25 September 2020 through the facilities of the VPS.

Trading in the Private Placement Shares on Oslo Børs is expected to commence on 31 August 2020, while trading of the Offer Shares on Oslo Børs is expected to commence on or about 25 September 2020. The Warrants will be transferable, however, will not be admitted to trading on Oslo Børs.

Investing in the Company's Shares, including the Private Placement Shares and the Offer Shares, involves a high degree of risk. See Section 2 "*Risk Factors*".

28 August 2020

IMPORTANT NOTICE

For the definition of terms used throughout this Prospectus, please see Section 15 "*Definitions and Glossary of Terms*", which also applies to the front page.

This Prospectus has been prepared to provide information about the Company and its business in relation to the Private Placement and the Subsequent Offering and the listing of the New Shares and to comply with the Norwegian Securities Trading Act of 29 June 2007 no.75 (the "**Norwegian Securities Trading Act**") and related legislation and regulations, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as implemented in Norway (the "**EU Prospectus Regulation**") by Section 7-1 of the Norwegian Securities Trading Act. This Prospectus has been prepared solely in the English language.

The Prospectus has been reviewed and approved by the Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the **"Norwegian FSA**") on 28 August 2020 as a competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval shall not be considered as an endorsement of the issuer that is the subject of this Prospectus. Any investor should make their own assessment as to the suitability of investing in the securities.

This Prospectus has been drawn up as part of the simplified prospectus regime in accordance with Article 14 of the EU Prospectus Regulation.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. There may have been changes affecting the Company or the Group subsequent to the date of this Prospectus. Significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time when this Prospectus is approved, and the listing of the New Shares at Oslo Børs and offering of the Offer Shares, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

Unless otherwise indicated, the source of information included in this Prospectus is the Company. The contents of this Prospectus shall not be constructed as legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If the reader is in any doubt about the contents of this Prospectus, a stockbroker, bank manager, lawyer, accountant or other professional advisor should be consulted.

All inquiries relating to this Prospectus, the Private Placement and the Subsequent Offering should be directed to the Company. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Private Placement and/or the Subsequent Offering and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company.

The distribution of this Prospectus may be restricted in certain jurisdictions. Accordingly, this Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable law and regulations. The

Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such Prospectus distribution restrictions.

Readers are expressly advised that the Company's Shares are exposed to risk and they should therefore read this Prospectus in its entirety, in particular Section 2 "*Risk Factors*". An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their insvestment.

The Prospectus and the terms and conditions of the Private Placement and the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Prospectus.

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

1.1 SECTION A – INTRODUCTION AND WARNINGS

Introduction and warnings	This Summary contains all sections required to be included in a Summary for this type of securities and issuer. This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Company should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the applicable national legislation in its Member State, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary including any transactions thereof, but only where the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The securities	The Company's shares are subject to trading on Oslo Børs under ticker code "THIN". International securities identification numnder (ISIN): NO 0010299068
The issuer/offeror	Name of the issuer/offeror: Thin Film Electronics ASA Business registration number: 889 186 232 Address: c/o House of Business, Fridtjof Nansens plass 4, 0160 Oslo, Norway Tel: +47 23 27 27 00 Website: www.thinfilmsystems.com
Date of approval of the Prospectus	This Prospectus was approved by the Norwegian FSA on 28 August 2020. Contact information: Financial Supervisory Authority of Norway Address: Revierstredet 3, Postboks 1187 Sentrum, 0107 Oslo, Norway Tel: +47 22 93 98 00 E-mail: post@finanstilsynet.no

1.2 SECTION B – KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information	Thin Film Electronics ASA (**"Thinfilm"** or the **"Company"**). Thinfilm is registered as a public limited liability company incorporated under the laws of Norway and subject to the Norwegian Public Limited Companies Act of 13 June 1997 no.45 (*Nw.*:"*allmennaksjeloven*") (the "**Norwegian Public Limited Liability Companies Act**"). The Company was incorporated on 22 December 2005 with the name Thin Film NewCo ASA, which name was changed to Thin Film Electronics ASA on 11 May 2006. The Company's LEI (legal entity identifier) is 5493007QXMCG0WPKFC96.
Principal activities	Thinfilm is focused on becoming a premier provider of energy storage solutions designed for wearable devices and connected sensors. The Company's principal business activities include the design, development, production, and sale of battery solutions based on Thinfilm solid-state lithium battery (SSLB) technology. The Company's design and development activities take place at its global headquarters in Silicon Valley (San Jose, California, USA). The Company intends to scale the manufacturing of SSLB products in its Silicon Valley flexible electronics fabrication facility. Thinfilm's strategy is to develop a new class of premium microbatteries based on SSLB technology and market these to companies developing portable electronics for use in existing market segments as well as emerging applications.
Major shareholders	As of 18 August 2020, the following registered shareholders have holdings in excess of the statutory threshold for disclosure requirements.[1] Note: The list may include nominee shareholders, which holdings may belong to one or several beneficial owners. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the Shares. **Name of registered shareholder** / **Number of Shares held** / **%** Alden AS / 45,454,545 / 12.79% UBS Switzerland AG / 34,955,735 / 9.84% Nordnet Bank AB / 25,504,061 / 7.18% Tigerstaden AS / 20,000,000 / 5.63% Middelborg Invest AS / 17,893,009 / 5.04% Robert N. Keith disclosed on 20 August 2020 that he and close associates own 115,862,601 Shares in the Company, which represents 16.81% of the total number of outstanding Shares following the Private Placement, as well as 174,242,423, out which 45,454,545 are Warrant A, 45,454,545 are Warrant B and 83,333,333 are Warrant C. UBS Switzerland and Nordnet Bank are a nominee shareholders. The Company is not aware of the number or identity of any beneficial

[1] The overview does not include the Private Placement Shares and the Offer Shares.

	owners of shares held by said nominees. To the best of the Company's knowledge and belief, no shareholder, or group of shareholders, controls the Company, directly or indirectly.
Key management	The Company's key management comprise of the following members: **Name** — **Position** Kevin Barber — Chief Executive Officer David Williamson — Acting Chief Financial Officer Arvind Kamath — Executive Vice President – Technology Shannon Fogle — VP of Global Human Resources and Administration
Statutory auditor	The Company's statutory auditor is Deloitte AS, with registered address at Dronning Eufemias gate 14, 0191 Oslo, Norway.

What is the key financial information regarding the issuer?

What is the key financial information regarding the issuer?

Financial Statements

Profit and loss	**First three months**		**First six months**		**Full Year**
Amounts in USD (1,000)	**2020**	**2019**	**2020**	**2019**	**2019**
Total revenue	558	781	495	1 096	1 181
Gross margin	491	(12)	488	587	(1 998)
Loss before interest, tax, depreciation (EBITA)	(2 827)	(10 648)	(5 561)	(20 516)	(30 761)
Net loss for the period	(2 827)	(11 775)	(8 083)	(22 597)	(78 446)
Loss per share, basic and diluted (USD)	(0,05)	(0,20) *	(0,07)	(0,39) *	(1,34)

* adjusted for 20 to 1 reverse stock split

Financial position	**31 March 2020**	**31 March 2019**	**30 June 2020**	**30 June 2019**	**31 December 2019**
Total assets	7 252	69 951	5 897	56 684	12 238
Total equity	(22 686)	47 528	(25 002)	35 692	(19 660)
Net financial debt	13 200	-	13 200	-	13 200

Cash flow	**First three months**		**First six months**		**Full Year**
Amounts in USD (1,000)	**2020**	**2019**	**2020**	**2019**	**2019**
Net cash flows from operating activities	(3 373)	(9 982)	(5 869)	(19 028)	(29 054)
Net cash flow from investing activities	22	(2 228)	(40)	(4 662)	(4 919)
Net cash flows from financing activities	(956)	(458)	700	474	10 257

Pro forma financial information	Not applicable. There is no pro forma financial information.
Qualifications in audit report	The audit report includes qualifications as follows. The Group and parent historically operated at a loss and are in immediate need of cash.

	Failure to obtain funding would adversely affect the ability to continue as a going concern and the parent company might enter into liquidation. Further, the Company's liquidity situation, along with other matters set forth in the notes to the Group's financial statements and the Board of Director's report, indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern.

What are the key risks that are specific to the issuer?

Key risks specific to the issuer	• Thinfilm currently believes that funding secured from the Private Placement and Subsequent Offering can fund the Company's planned operations well into the fouth quarter of 2020 independent of the exercise of outstanding warrants. Depending on the timing and extent of the exercise of warrants, the Company may require additional sources of funding to continue beyond the fourth quarter of 2020. • Thinfilm has recently decided a shift in business strategy, focusing on deployment of its technology in battery development and production, where the Company has a limited history and the success of this strategy is uncertain o The technology needs to be developed o The Company does not have specific experience with production of SSLB batteries o Market opportunities are not matured • Thinfilm's markets are undergoing rapid technological change, and the Company's future success will depend on its ability to meet the changing needs of the industry • The Company is currently developing its energy storage products. Until proven, the technology, the market, and the profitability of the Company are based on assumptions. • Thinfilm is highly dependent on IP and the Company's methods of protecting its IP may not be adequate

1.3 SECTION C – KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type of class of securities being offered	The Company has one class of Shares, and all Shares carry equal rights as set out in Section 4-1 (1) first sentence of the Norwegian Public Limited Companies Act. The Shares are registered in the VPS and carry the securities identification code ISIN NO 0010299068. The New Shares are in all respects equal to the existing Shares of the Company.
Currency	The Shares are issued in NOK and are quoted and traded in NOK on Oslo Børs.

Number of shares, par value and denomination	Following the Private Placement, Thinfilm's share capital is NOK 75,815,156.34 divided into 689,228,694 ordinary Shares, each Share is fully paid and has a par value of NOK 0.11. The Company's Extraordinary General Meeting resolved on 19 August 2020 to issue minimum 6,666,666 and maximum 66,666,666 Shares in connecion with the Subsequent Offering, at a subscription price per share of NOK 0.15.
Warrants	Each participant in the Private Placement and Subsequent Offering is granted one Warrant C for each Private Placement Share and each Offer Share subscribed for and allocated to them, each with a right to subscribe for one new Share in the Company. The Warrant C has an exercise price of NOK 0.25 and will be exercisable at any time from 31 March 2021 until 30 June 2021. The Warrants C are transferable, however, will not be admitted to trading on Oslo Børs.
Rights attached	The New Shares are ordinary Shares in the Company, i.e., the same class as the Shares already in issue and listed on Oslo Børs. The New Shares will obtain rights to receive dividends from the time the share capital increase in connection with the issuance of New Shares is registered in the Company Registry. The Company's shares have equal rights to the Company's profits, in the event of liquidation and to receive dividends unless all the shareholders approve otherwise. Each Share in the Company gives the holder the right to cast one (1) vote at the general meetings of shareholders of the Company.
Restrictions on free transferability	The Company's Shares and Warrants C are freely transferable according to Norwegian law and the Company's Articles of Association.
Dividend policy	Thinfilm does not have an established dividend policy in place except to say that the Company's aim and focus is to enhance shareholder value and provide an active market in its shares. Thinfilm has not yet declared or paid any dividends on its Shares. The Company does not anticipate paying any cash dividends on its shares in the next few years.

Where will the securities be traded?

Listing and admission to trading	The Company's Shares have been listed on Oslo Børs since 27 February 2015 under the ticker symbol "THIN". The listing on Oslo Børs of the New Shares is subject to the approval of the Prospectus by the Norwegian FSA under the rules of the Norwegian Securities Trading Act and the EU Prospectus Regulation. Such approval was granted on 28 August 2020. The first day of trading of the Private Placement Shares is expected to be on or about 31 August 2020. The first day of trading of the Offer Shares is expected to be on or about 25 September 2020. Thinfilm's shares are not listed on any other regulated market, and Thinfilm does not intend to seek such listing. Thinfilm shares are currently traded on the OTCQB Venture Market under the ticker symbol "TFECY".

	The Warrants C are not listed or traded at any regulated market.

What are the key risks that are specific to the securities?

Key risks specific to the securities	• Future issuance of Shares upon exercise of all or a significant amount of outstanding warrants will dilute the existing shareholders significantly and could materially affect the price of the Shares.

1.4 SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION OF SECURITIES TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

<table>
<tr><td>Terms and conditions of the offer</td><td>
On 22 July 2020, Thinfilm raised NOK 50,079,999.90 in gross proceeds through the issuance of 333,866,666 Shares, each with a par value of NOK 0.11 and a Subscription Price of NOK 0.15 per Share.

Below is an overview of the terms and timetable for the Private Placement:
<table>
<tr><td>Number of Private Placement Shares:</td><td>333,866,666</td></tr>
<tr><td>Subscription Price:</td><td>NOK 0.15 per Private Placement Share</td></tr>
<tr><td>Payment Date:</td><td>On or about 21 August 2020</td></tr>
<tr><td>Registration of share capital increase:</td><td>On or about 28 August 2020</td></tr>
<tr><td>Delivery of Private Placement Shares and Warrants C in connection with Private Placement:</td><td>On or about 31 August 2020</td></tr>
<tr><td>Trading of the Private Placement Shares:</td><td>On or about 31 August 2020</td></tr>
<tr><td>Number of Shares pre Private Placement:</td><td>355,362,028 Shares, each with a par value of NOK 0.11</td></tr>
<tr><td>Number of Shares post Private Placement:</td><td>689,228,694 Shares, each with a par value of NOK 0.11</td></tr>
<tr><td>Gross proceeds from the Private Placement:</td><td>NOK 50,079,999.90</td></tr>
<tr><td>Dilution</td><td>The Private Placement resulted in a dilution of the then existing shareholders of the Company of approximately 48%.</td></tr>
</table>
Below is an overview of the terms and timetable for the Subsequent Offering:
<table>
<tr><td>Number of Offer Shares in the Subsequent Offering:</td><td>Maximum 66,666,666 and minimum 6,666,666 Offer Shares to be issued, each with a par value of NOK 0.11</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td rowspan="13"></td><td>Subscription Price:</td><td>NOK 0.15 per Offer Share, equal to the Subscription Price in the Private Placement</td></tr>
<tr><td>Subscription Period:</td><td>Commences on 1 September 2020 and ends on 15 September 2020</td></tr>
<tr><td>Eligible Shareholders:</td><td>Shareholders in the Company as of 23 July 2020, who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or (other than Norway) would require any filing, registration or similar action.</td></tr>
<tr><td>Subscription Rights:</td><td>0.337792737987746 Subscription Right for every Share held registered as held by an Eligible Shareholder as of 23 July 2020. The holders of Subscription Rights will be entitled to subscribe for one (1) Offer Share for every Subscription Right held within the end of the Subscription Period.</td></tr>
<tr><td>Allocation criteria:</td><td>Offer Shares shall be allocated on the basis of used Subscription Rights. Oversubscription and subscription without Subscription Rights are allowed.</td></tr>
<tr><td>Payment date:</td><td>Payment for the Offer Shares falls due on 22 September 2020.</td></tr>
<tr><td>Delivery Date of Offer Shares and Warrants:</td><td>The Offer Shares and Warrants are expected to be delivered to the subscriber’s VPS account on or about 25 September 2020, provided that all subscribers have paid for the subscribed and allocated Offer Shares.</td></tr>
<tr><td>Trading of Offer Shares:</td><td>Expected first day of trading of the Offer Shares on Oslo Børs is on or about 25 September 2020.</td></tr>
<tr><td>Number of Shares pre Subsequent Offering</td><td>693,073,584 Shares, each with a par value of NOK 0.11.</td></tr>
<tr><td>Number of Shares post Subsequent Offering:</td><td>759,740,250 Shares, assuming the Subsequent Offering is fully subscribed, each with a par value of NOK 0.11</td></tr>
<tr><td>Gross proceeds from the Subsequent Offering:</td><td>Up to NOK 9,999,999.90</td></tr>
<tr><td>Dilution</td><td>Together with the Private Placement, the Subsequent Offering will, assuming its fully subscribed, result in a dilution of the shareholders of the Company, to the extent such shareholders chose not to participate in the Subsequent Offering, of approximately 53%.</td></tr>
<tr></tr>
<tr><td>Estimated expenses</td><td colspan="2">The estimated expenses relating to the Private Placement and Subsequent Offering will be about NOK 700,000 including Prospectus costs. No expenses will be charged to the investors by the Company.</td></tr>
</table>

Why is this Prospectus being produced?

Use of proceeds	The proceeds from the Private Placement and Subsequent Offering will be used to fund operating and capital expenditures required by the Company's business plan with the objectives including the production of functional customer validation samples, advancement of the Company's go-to-market plans, and also repayment of the interim bridge loan, which the Company secured to finance operations in the month of August 2020.
Net proceeds	The gross proceeds to the Company for the Private Placement Shares issued in the Private Placement and the Subsequent Offering will be approximately NOK 60 million, including NOK 50 million in the Private Placement and NOK 10 million in the Subsequent Offering, assuming full subscription of the Subsequent Offering. The total costs are expected to be approximately NOK 700,000, implying net proceeds from the Private Placement and the Subsequent Offering of about NOK 59.4 million, assuming full subscription of the Subsequent Offering.
Material conflicts of interest in the offer	The Company is not aware of any material conflicts of interest of any natural or legal persons involved in the Private Placement or the Subsequent Offering.
Underwriting agreements	No underwriting agreements have been concluded in connection with the issuance of the New Shares.

2 RISK FACTORS

Investment in Shares, including the New Shares, in the Company involves a high degree of risk. An investor in the Company's Shares should carefully consider the following risk factors, being the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the New Shares, as well as the other information contained in this Prospectus, including information incorporated hereto by reference, see Section 14.5 "Incorporation by reference", and other publicly available information regarding the Company that the Company displays on its website or makes available through Oslo Børs' information system, www.newsweb.no, before deciding to invest in the Shares.

Should any of the following risks occur, it could have a material adverse effect on the Group's business, prospects, results of operations, cash flows and financial position, and the price of the Shares may decline, causing investors to lose all or part of their invested capital.

The risk factors presented in this Section 2 are not exhaustive with respect to all risks relating to the Company and the Shares, but are limited risk factors that are considered specific to the Company and the Shares. The risk factors are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factor deemed most material for the Company and/or the Shares, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, is set out first. This does not mean that the remaining risk factors are ranked in order of their materialility or comprehensibility, nor based on the probability of their occurrence.

Before making any decision to invest in the Company's shares, an investor must take into account that a number of general risks not mentioned in this Section 2 still apply to the Company and the Shares.

An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

2.1 Risks Related to the Company's Financial Condition

2.1.1 The Private Placement will only provide funds for a limited period of operation

The Private Placement and the Subsequent Offer are intended to provide sufficient funding to allow the Company to continue technology and product development activities so as to manufacture initial SSLB product samples for the purpose of customer and partner validation, advance the Company's go-to-market efforts in support of design win generation activities, and repay the interim bridge loan.

The Company expects to seek additional funding for its business according to the previously presented business plan. Such funding may be obtained through the exercise of three types of Warrants that have been issued by the Company, although the quantity and timing of Warrant exercises cannot be guaranteed.

If the Company does not receive sufficient Warrant exercise notices to meet its cash requirements and the Company is unable to secure other sources of new fundraising within or shortly after Q4 2020, significant uncertainty would exist as to whether the Company can continue to operate. If the Company fails to obtain such additional funding commitments, the Board would consider proposing a dissolution of the Company. This is viewed as the most significant risk facing the Company at the present time.

2.1.2 Thinfilm's future business is difficult to evaluate because the Company ventures into a new market

The Company's new energy storage strategy represents a business opportunity, which needs to be matured to commercial phase. Thinfilm's revenue and income-producing potential is unproven, and the Company's business model and strategy continue to evolve. To date, Thinfilm has earned only insignificant revenues on previous products. Future revenues are contingent upon several factors, such as the Company's ability to mature its new technology and production processes, develop relationships with customers, and secure widespread commercial acceptance of the Company's technology. Historic performance will provide limited guidance to the Companys prospects with its current business strategy. An investor in the Shares must evaluate the Company's prospects based on limited operating and financial information while considering the risks and difficulties frequently encountered by early stage companies in new and rapidly changing markets.

2.1.3 Thinfilm will need additional capital, which, if obtainable, may dilute the ownership interest of investors

The Company has raised approximately NOK 50 million in gross proceeds from the Private Placement, and expects to raise up to NOK 10 million in gross proceeds from the Subsequent Offering, assuming full subscription of the Subsequent Offering. Combined with the proceeds received from the Private Placement, such subscription will only secure financing of the Company into Q4 2020 – after which the Company must obtain additional funding, through the exercise of outstanding Warrants or by other means, in order to fulfill current plans to produce solid-state lithium battery (SSLB) products in its San Jose, California production facility. In order to continue the SSLB strategy throughout 2020 and into the first half of 2021, Thinfilm expects its cash requirements to be approximately NOK 10 million to NOK 12 million per month until such time the Company begins to generate revenue from the sales of SSLB products. Thinfilm expects its future cash requirements to be primarily sourced from the exercise of Warrants and new investments, supplemented by potential joint development agreement revenues from customers and the Company's continued efforts to monetize its NFC assets.

Since its incorporation in 2005, the Company has experienced negative cash flow. Cash proceeds from the Private Placement are insufficient to fund the Company's operations beyond the initial key milestones described above. Thinfilm will need to raise additional funds through the issuance of equity, equity-related or convertible debt securities. Thinfilm cannot be certain that such additional financing will be available to the Company on acceptable terms when required, or at all.

Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted.

2.1.4 Thinfilm is exposed to exchange rate risks

Since the announcement of the Company's SSLB strategy, the Company has primarily pursued financing through private placements and subsequent offerings issued in NOK. The functional currency of the Company is USD, and the Company's personnel and operations are primarily located in the United States. Therefore, the Company's fundraising potential in terms of USD may be reduced or expanded based on the exchange rate between USD and NOK whenever funds are subject to currency exchange.

2.2 Risks Related to the Company's Business Activities and Industry

2.2.1 Thinfilm's business plan depends heavily on revenues from new technology that is commercially unproven, so delays in development may negatively affect the Company's ability to generate revenues

Thinfilm's future growth depends on the commercial success of its technology. The Company has made a strategic shift towards the development and deployment of its solid-state lithium battery (SSLB) technology in diverse applications. The Company is pursuing market opportunities for this technology. Thinfilm will not be successful unless the Company manages to develop its technology and generate recurring revenue and grow its business. Implementation of the energy storage technology process is in an early phase, susceptible to both technology and market risks. To a certain extent, Thinfilm is also dependent on continued collaboration with technology, materials, and manufacturing partners. The success of this strategy will depend on the Company's ability to develop and adapt its technology and deliver products which meet market demand and acceptance, at profitable pricing. The Company does not have a proven track record with respect to the technology and target markets. Further, Thinfilm's resources, facilities and investments may not be adequate in order to achieve the targeted level of manufacturing and commercialization set out in the Company's business plan. If the Company is unsuccessful in the timely development of products based on its SSLB technology, it may not achieve targeted levels of revenue and profitability.

2.2.2 Future growth may place a significant strain on Thinfilm's management systems and resources

In support of its SSLB strategy, Thinfilm will need to refine and develop its technology, product, sales and marketing functions, and adapt to customer demands to achieve the Company's business plan. Future growth may place a significant strain on Thinfilm's management systems and resources. Thinfilm will need to continuously manage organizational changes, improve its financial and managerial controls and reporting systems and procedures, and expand, train and manage its work force.

Thinfilm's business results depend on its ability to successfully manage ongoing organizational changes. The financial projections assume successfully executing certain of these organizational changes, including the motivation and retention of key employees and recruitment of qualified personnel, which is critical to the business success.

Factors that may affect the Company's ability to attract and retain talented leadership, key individual contributors, and sufficient numbers of qualified employees include:

- employee morale,
- our reputation,
- competition from other employers, and
- availability of qualified personnel.

The Company's success is dependent on identifying, developing and retaining key employees to provide uninterrupted leadership and direction for our business. This includes developing and retaining organizational capabilities in key technology areas, where the depth of skilled or experienced employees may be limited and competition for these resources is intense.

If the Company fails to manage any of these aspects of its growth, its ability to deliver on technology and product development goals may be limited and the Company may not achieve targeted levels of revenue and profitability.

2.3 Risks Related to the Company's Markets

2.3.1 Thinfilm's technology is not well established in target markets

Many of the markets that Thinfilm targets in connection with its new energy storage strategy, will require time in order to gain traction, and there is a potential risk of delays in the timing of sales. Risks and delays may include, but are not limited to:

• Uncertain global economic conditions may adversely impact demand for the products or cause customers and other business partners to suffer financial hardship, which could cause delays in market traction and adversely impact the Company's business.

• Thinfilm's ability to meet growth targets depends on successful product, marketing, and operations innovation and successful responses to competitive innovation and changing consumer habits that may result in changes in the customers' specifications.

The Company cannot assure that the business will be successful or that it will be able to generate significant revenue. If the Company fails to establish and build relationships with customers, or customers' products which utilize the Company's technology do not gain widespread market acceptance, the Company may not be able to generate significant revenue. The Company does not aim to sell any products to end users, and it does not control or influence the manufacture, promotion, distribution, or pricing of the products that incorporate its solutions. Instead, the Company designs various devices and products that OEM customers incorporate into their products, and Thinfilm depends on such OEM customers to successfully manufacture and distribute products incorporating the Company's solutions and to generate consumer demand through marketing and promotional activities.

As a result of this, the Company's success depends almost entirely upon the widespread market acceptance of its OEM customers' products that incorporate Thinfilm devices.

Thinfilm's ability to generate significant revenue from new markets will depend on various factors, including the following:

• The development and growth of these markets;

• The ability of the Company's technologies and product solutions to address the needs of these markets, the price and performance requirements of OEMs, and the preferences of end users; and

• Its ability to provide OEMs with solutions that provide advantages in terms of size, reliability, durability, performance, and value-added features compared with alternative solutions.

If the Company is unable to successfully establish its technology and products in key markets, it may not be able to achieve targeted levels of revenue and profitability.

2.4 Risks Related to Legal and Regulatory Matters

2.4.1 Thinfilm is highly dependent on IP and the Company's methods of protecting its IP may not be adequate

Thinfilm relies on a combination of patent laws, trade secrets, confidentiality procedures and contractual provisions to protect the Company's IPR.

Thinfilm cannot be certain that it will be able to obtain patent protection on the key components of its SSLB and stainless steel-based flexible electronics manufacturing technology or that the Company will be able to obtain patents in key jurisdictions such as the United States, China, Japan or EU. Thinfilm cannot give assurances that the Company will develop new products or technologies that are patentable, that any issued patent will provide the Company with any competitive advantages or will not be challenged by third parties, or that the patents of others will not impair the Company's ability to do business.

Unauthorized parties may attempt to copy or obtain and use the Company's technology. Policing the unauthorized use of Thinfilm's technology is difficult, and there can be no assurance that the steps taken by the Company will prevent misappropriation of its technology. In the event of misappropriation, the Company may choose to enter into legal proceedings, at its own expense, to defend its IPR, but there is no guarantee that such proceedings will be successful. If the Company's technology is not adequately protected or is misappropriated, the Company may not be able to sufficiently differentiate itself from competitors and may not be able to achieve targeted levels of revenue and profitability.

2.4.2 Thinfilm faces risks of claims for IP infringement

Thinfilm's competitors or other persons may have already obtained or may in the future obtain patents relating to one or more aspects of the Company's technology. If Thinfilm is sued for patent or other intellectual property right infringement, the Company may be forced to incur substantial costs in defending itself. If litigation were to result in a judgment that Thinfilm infringed a valid and enforceable patent or other intellectual property right, a court may order the Company to pay substantial damages to the owner of the patent or other intellectual property right and to stop using any infringing technology or products. This could cause a significant disruption in Thinfilm's business and force the Company to incur substantial costs to develop and implement alternative, non-infringing technology or products, or to obtain a license from the patent or other intellectual property right owner. This could also lead Thinfilm's licensees and customers to bring warranty claims against the Company.

2.5 Risk factors relating to the Shares

2.5.1 Future issuances of Shares upon exercise of warrants and/or incentive subscription rights could dilute the holdings of shareholders and could materially affect the price of the Shares

As of the date of this Prospectus, a total of 17,963,473 incentive subscription rights are issued and outstanding under the Company incentive subscription rights plans, and 577,973,290 Warrants have been issued and are currently outstanding in connection with the private placement and subsequent offering announced on 28 April 2020. Further, 333,866,666 Warrants have been issued in connection with the Private Placement and a maximum of 66,666,666 Warrants may be issued in connection with the Subsequent Offering. Any issuance of new Shares upon the exercise of incentive subscription rights and Warrants will result in the dilution of the ownership interests of the Company's existing shareholders.

3 RESPONSIBILITY STATEMENT

The Prospectus has been prepared by the Board of Directors in Thin Film Electronics ASA (the "**Board**" or the "**Board of Directors**") to provide information to shareholders and investors of the Company in connection with the Private Placement and the listing of the Private Placement Shares, and the offering and listing of the Offer Shares in the Subsequent Offering, both as described herein.

The Board of Directors accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declears that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Board of Directors of Thin Film Electronics ASA

Oslo, 28 August 2020

Morten Opstad *chairman*	Jon S. Castor *board member*
Kelly S. Doss *board member*	Preeti Mardia *board member*

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4 GENERAL INFORMATION

4.1 Approval of the Prospectus

This Prospectus has been approved by the Norwegian FSA under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval shall not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. All investors should make their own assessments as to the suitability of investing in the securities.

This Prospectus has been drawn up as part of the simplified prospectus regime in accordance with Article 14 of the EU Prospectus Regulation.

4.2 Cautionary note regarding Forward-looking Statements

This Prospectus includes statements regarding future developments, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives, all of which are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus ("**Forward-looking Statements**"). Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to" and similar expressions, as they relate to the Company, its Subsidiaries or its management, are intended to identify Forward-looking Statements.

Prospective investors in the Shares are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the Forward-looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-looking Statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance of these Forward-looking Statements.

Such Forward-looking Statements are included in various places of the Prospectus, and in particular in Sections 2 and 6.

5 INFORMATION CONCERNING THE SECURITIES BEING ADMITTED TO TRADING

5.1 The background for, the purpose of and the use of proceeds

The proceeds from the Private Placement and Subsequent Offering will be used to fund operating and capital expenditures required by the Company’s business plan with objectives including the production of functional customer validation samples, advancement of the Company’s go-to-market plans, and also repayment of the interim bridge loan, which the Company secured to finance operations in August 2020. In addition, a specific purpose of the Subsequent Offering is to reduce the dilutive effect of the Private Placement by offering shareholders in the Company who were not offered to participate in the Private Placement, the possibility to subscribe for Offer Shares.

5.2 The Private Placement

5.2.1 Overview

The full terms and conditions of the Private Placement are set out in Section 5.2.5.

The Company conducted a Private Placement on 22 July 2020 of 333,866,666 Private Placement Shares towards investors, including certain existing shareholders. The Private Placement was approved by an Extraordinary General meeting in the Company on 19 August 2020. The Private Placement Shares were subscribed for at a Subscription Price of NOK 0.15 per Share, each share having a par value of NOK 0.11. The total gross proceeds from the Private Placement amounted to NOK 50,079,999.90.

The Board considers it is appropriate that the existing shareholders' preferential rights to subscribe for Private Placement Shares and Warrants C are waived in favor of the subscribers in the Private Placement because of the immediate need of financing in order for the Company to secure and continue its operations. While the subscription price was below the closing price on Oslo Børs as of the date of the resolution by the shareholders on the Extraordinary General Meeting on 19 August 2020, the Board believes that the subscription price was at the level necessary in order for the Company to obtain funding given the Company’s current financial condition. However, to reduce the diluting effect on existing shareholders, the shareholders resolved to carry out the Subsequent Offering, as described in Section 5.3.

Prior to the Private Placement the Company’s share capital was NOK 39,089,823.08 divided into 355,362,028 Shares, each with a par value of NOK 0.11. Following registration of the share capital increase in connection with the Private Placement, the Company has an issued share capital of NOK 75,815,156.34 divided into 689,228,694 Shares, each with a par value of NOK 0.11.

5.2.2 Subscription Price

The Subscription Price of NOK 0.15 per Private Placement Share was set in the offer from a consortium of investors who subscribe for shares in the Private Placement. The Subscription Price was announced through Oslo Børs’ electronic information system on 23 July 2020.

No expenses or taxes were specifically charged to the subscribers.

5.2.3 Subscription and Payment for the Private Placement Shares

The Private Placement Shares were subscribed for in subscription forms within the subscription deadline on 21 August 2020.

The Private Placement was announced on 23 July 2020 through Oslo Børs' electronic information system. Completion of the Private Placement was subject to approval by the Extraordinary General Meeting on 19 August 2020. The Private Placement and allocation were formally approved by the Company's Extraordinary General Meeting on 19 August 2020. The share contribution in the Private Placement was timely paid by the investors. The associated share capital increase was registered in the Company Registry on 28 August 2020 with a subsequent announcement on the same day regarding the registration of the share capital increase in the Company Registry. Upon approval of the Prospectus, the Private Placement Shares will be delivered to the subscribers in the form of newly issued ordinary Shares, which will be registered on the Company's ordinary ISIN NO 0010299068 and be admitted to trading on Oslo Børs, which is expected to take place on or about 31 August 2020.

The Private Placement did not include any retail tranche or tranche for Company employees and no allotment method was consequently used by over-subscription of such tranches. No subscription period was applied in connection with the Private Placement other than the subscription deadline for the investors participating in the Private Placement. Multiple subscriptions were not admitted as the Private Placement was formalized by way of an application agreement.

The following investors were allocated more than 5% of the Private Placement Shares:

Name of investor	**Number of Private Placement Shares allocated**	**Number of Warrant C subscribed for**	**% of the Private Placement**
Killik & Co (on behalf of Robert N. Keith)	83,333,333	83,333,333	24.96%
Middelborg Invest AS	40,000,000	40,000,000	11.98%
Dukat AS	33,333,333	33,333,333	9.98%
Alden AS	33,333,333	33,333,333	9.98%
Tigerstaden AS	33,333,333	33,333,333	9.98%
FORTE Norge	20,000,000	20,000,000	5.99%

In addition to the above-mentioned subscribers, the following members of the Company's management, supervisory or administrative bodies were allocated Private Placement Shares and Warrants in the Private Placement:

Name of investor	**Number of Private Placement Shares allocated**	**Number of Warrant C subscribed for**	**% of the Private Placement**
Kelly Doss, Board member	333,333	333,333	0.1%
Preeti Mardia, Board member	333,333	333,333	0.1%

5.2.4 Admission to trading

The Company's shares are listed on Oslo Børs under the ticker-code "THIN".

The listing on Oslo Børs of the Private Placement Shares is subject to the approval of the Prospectus by the Norwegian FSA under the rules of the Norwegian Securities Trading Act. Such approval was granted on 28 August 2020.

The first day of trading of the Private Placement Shares on Oslo Børs, under Oslo Børs ticker Symbol "THIN", will be on or about 31 August 2020. None of the Company's shares (including the Private Placement Shares) are offered or admitted to trading at any other regulated market than Oslo Børs.

The registrar for the Shares is DNB Bank ASA, Verdipapirservice, Dronning Eufemias gate 30, NO-0191 Oslo, Norway.

5.2.5 Resolutions to issue the Private Placement Shares and Warrants C

The issuance of the Private Placement Shares was approved by the Company's Extraordinary General Meeting on 19 August 2020 through the following resolution:

> *The Company's share capital shall be increased with NOK 36,725,333.26 from NOK 39,089,823.08 to NOK 75,815,156.34, by issuance of 333,866,666 new shares, each share having a par value of NOK 0.11, at a subscription price per of NOK 0.15. The total subscription amount is NOK 50,079,999.90, out of which NOK 36,725,333.26 constitutes share capital and NOK 13,354,666.64 is share premium. The new shares may be subscribed for by the investors set out in Attachment 1 to the minutes from the Extraordinary General Meeting. Existing shareholders' preferential right to subscribe for shares according to Section 10-4 of the PLCA is waived.*
>
> *Subscription for the new shares shall be made on a separate subscription form by 21 August 2020 (or such later date as agreed by the Board of Directors, but no later than 30 September 2020). The subscription price shall be paid within 21 August 2020 (or such later date as agreed by the Board of Directors, but no later than 30 September 2020) to a separate bank account specified by the Company in writing, cf. Section 10-13 of the PLCA. In case of nonpayment from the subscriber, the Board may transfer such subscriber's rights to other subscriber(s).*
>
> *The new shares shall carry shareholder rights, including right to dividends or other distributions that are declared, from registration of the share capital increase in the Norwegian Register of Business Enterprises.*
>
> *This resolution is conditional upon the Extraordinary General Meeting approving the warrant issuance as proposed in section 5 below.*
>
> *The estimated costs related to the Private Placement are approximately NOK 700,000, including costs related to the preparation of a prospectus.*

The Warrants C to subscribers in the Private Placement were issued by the following resolution of the Extraordinary General Meeting dated 19 August 2020:

1. *The Company shall issue Warrants in accordance with Section 11-12 of the PLCA to investors participating in the Private Placement in accordance with section 3 above. The number of Warrants which may be issued shall be one Warrant for each share subscribed for and allocated in the Private Placement in accordance with section 3 of the minutes of this Extraordinary General Meeting. The warrants have an exercise price of NOK 0.25 per share and will be exercisable at any time from 31 March 2021 until 30 June 2021.*

2. *The number of Warrants to be issued is 333,866,666.*

3. *In connection with the issuance of Warrants, the exercise of any of the Warrants and the resulting share capital increase in the Company, the existing shareholders waive their preferential right to subscribe for Warrants or shares, as the case may be, according to Section 11-13 of the PLCA.*

4. *Each Warrant shall entitle the holder to demand the issuance of one share in the Company; provided, however, that in the event the Company's share capital or number of shares is changed by way of a capitalization issue, stock split, stock consolidation etc., the maximum number of Warrants (see subsection 2 above) that may be issued in accordance with this section 5.1, and the consideration for the shares to be issued in the Company upon exercise of the Warrants, shall be adjusted accordingly and rounded downwards to the nearest whole number.*

5. *The Warrants for participants in the Private Placement set out in section 3 must be subscribed for on or before 21 August 2020 (or such later date as determined by the Board of Directors, but no later than 30 September 2020).*

6. *The Warrants will be granted for no charge.*

7. *The Warrants are transferable, however, will not be admitted to trading on Oslo Børs.*

8. *Any shares that are issued by the Company under this resolution shall carry rights to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Register of Business Enterprises. All other shareholder rights associated with these shares, hereunder those referenced in Section 11-12 (2) no.9 of the PLCA, shall attach from the date of issuance of the said shares.*

5.2.6 Dilution

The dilutive effect following the issuance of the Private Placement Shares represents an immediate dilution of approximately 48% for existing shareholders who did not participate in the Private Placement.

5.3 The Subsequent Offering

5.3.1 Overview

The Subsequent Offering consists of an offer to Eligible Shareholders by the Company to issue up to 66,666,666 Offer Shares at a subscription price of NOK 0.15 per share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the

Subsequent Offering will result in gross proceeds of NOK 9,999,999.90 million. This will be in addition to the gross proceeds from the Private Placement.

Eligible Shareholders based on their registered holding of Shares in VPS at the end of the Record Date will, in accordance with Section 10-4 of the Norwegian Public Limited Companies Act, be granted transferable Subscription Rights providing a preferential right to subscribe for and be allocated Offer Shares in the Subsequent Offering. The Company will issue 0.337792737987746 Subscription Rights per one (1) Share registered as held in the Company by an Eligible Shareholder on the Record Date.

The number of Subscription Rights issued to each Eligible Shareholder will be rounded down to the nearest whole number of Subscription Rights. Each Subscription Right grants the owner the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering. Over-subscription and subscription without Subscription Rights are permitted. However, there can be no assurance that Offer Shares will be allocated for such subscriptions, as allocations for over-subscriptions (if any) and subscriptions without Subscription Rights will be made at the discretion of the Board of Directors. If not all Offer Shares are subscribed for on the basis of Subscription Rights, and over-subscriptions are made, allocations will be made among Eligible Shareholders who have over-subscribed, other shareholders and/or other investors at the discretion of the Board of Directors, as set out in Section 5.3.8 "*Allocation criteria*". The final size, allocation and issuance of the Offer Shares will be subject to formal approval of the Board following expiry of the Subscription Period.

Furthermore, the recipient of each new Offer Share will be granted one Warrant C. Warrant C has an exercise price of NOK 0.25 per share and will be exercisable at any time from 31 March 2021 until 30 June 2021.

Each Warrant C shall entitle the holder to demand the issuance of one Share in the Company; provided, however, that in the event the Company's share capital or number of shares is changed by way of a capitalization issue, stock split, stock consolidation etc., the number of Warrants C that may be issued, and the consideration for the shares to be issued in the Company upon exercise of the Warrants C, shall be adjusted accordingly and rounded downwards to the nearest whole number.

Any shares that are issued by the Company upon exercise of Warrants C shall carry shareholder rights subsequent to the subscriber having paid the excercise price and the associated share capital increase having been registered in the Register of Business Enterprises.

The below timetable sets out certain indicative key dates for the Subsequent Offering, subject to change:

Event	**Date**
Last day of trading in the Shares incl. Subscription Rights	23 July 2020
First day of trading in the Shares excl. Subscription Rights	24 July 2020
Record Date for determination of Eligible Shareholders	27 July 2020
Extraordinary General Meeting	19 August 2020
Start of Subscription Period	1 September 2020
End of Subscription Period	15 September 2020
Allocation of Offer Shares	16 September 2020
Distribution of allocation letters	16 September 2020
Payment Date for the Offer Shares	22 September 2020
Registration of share capital increase	24 September 2020
Delivery of the Offer Shares to the investors VPS' accounts	25 September 2020
Listing and first day of trading of the Offer Shares on Oslo Børs	25 September 2020

5.3.2 Resolutions to issue the Offer Shares and Warrants C

The Extraordinary General meeting resolved on 19 August 2020 the following for the Offer Shares:

1. *The Company's share capital may be increased with minimum NOK 733,333.26 and maximum NOK 7,333,333.26, by issuance of minimum 6,666,666 and maximum 66,666,666 new shares, each share having a par value of NOK 0.11, for a subscription price per share equal to the subscription price per share in the Private Placement, being NOK 0.15.*

2. *Shareholders in the Company as per the date of the Private Placement, as shown in the Company's shareholders' register in the VPS following ordinary T+2 settlement on the date of the Private Placement (the "**Record Date**") who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or (for other jurisdictions than Norway) would require a prospectus filing, registration or similar action, may subscribe for shares in the Subsequent Offering ("**Eligible Shareholders**"). Eligible Shareholders will be granted subscription rights that give preferential rights to subscribe for shares in the Subsequent Offering. Eligible Shareholders shall receive subscription rights proportionate to the number of shares in the Company that are registered as held by such Eligible Shareholder on the Record Date. A right to subscribe for a fraction of a share shall be rounded down to the nearest whole share. Oversubscription and subscription without subscription rights is permitted. Oversubscription and unexercised subscription rights will be allocated as determined by the Board of Directors pursuant to criteria to be set out in a prospectus to be approved by the Norwegian Financial Supervisory Authority (the "**FSA**") of Norway pursuant to chapter 7 of the Norwegian Securities Trading Act and published prior to the commencement of the subscription period in the Subsequent Offering (the "**Prospectus**"). Unless the Board decide otherwise, the Prospectus shall not be registered with or be approved by authorities outside Norway. The subscription rights are transferable, but will not be admitted for trading on Oslo Børs.*

3. *The existing shareholders' preferential rights pursuant to Section 10-4 of the PLCA is deviated from.*

4. *The subscription period for the Subsequent Offering will commence on 1 September 2020 and end on 15 September 2020 at 16:30 hrs (CET) (or at such later date as determined by the Board, but not later than commencing 16 September 2020 and ending on 30 September 2020). In the event that the Prospectus related to the share capital increase has not been approved in connection with the Subsequent Offering by the FSA by the end of 31 August 2020, the subscription period will commence on the first trading day on Oslo Børs following such approval and end at 16:30 hrs (CET) 14 days later. Subscription shall be made by signing and returning the subscription form to be attached to the Prospectus.*

5. *Payment of the subscription price shall be made within five (5) days after the expiration of the subscription period. When completing the subscription form, each subscriber domiciled in Norway shall provide a one-time irrevocable authorization to DNB Bank to debit a specific bank account with a Norwegian bank for the amount payable for the shares allocated to the subscriber. The debiting will be done on or about the deadline for payment of the subscription amount. For subscribers without a Norwegian bank account, payment shall be made pursuant to the instructions included in the subscription form attached to the Prospectus.*

6. *The new shares shall carry right to dividend or other distributions that are declared following registration of the share capital increase with the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The estimated costs related to the share capital increase will depend on the total subscription of shares in the Subsequent Offering, such costs being an amount up to NOK 700,000, including costs related to the Private Placement and preparation of a prospectus.*

7. *Following completion of the Subsequent Offering, the Board is authorized to amend Section 4 of the Articles of Association to state the share capital and number of shares following the Subsequent Offering.*

   This share capital increase is conditional upon the Extraordinary General Meeting resolving the share capital increase in accordance with the Board's proposal in section 3 above.

The Warrants C in connection with the Subsequent Offering were issued by the following resolution of the Extraordinary General Meeting dated 19 August 2020:

1. *The Company shall issue Warrants in accordance with Section 11-12 of the PLCA to investors participating in the Subsequent Offering in accordance with section 4 above. The number of warrants which may be issued shall be one warrant for each share subscribed for and allocated in the Subsequent Offering in accordance with section 4. The Warrants have an exercise price of NOK 0.25 per share and will be exercisable at any time from 31 March 2021 until 30 June 2021.*

2. *It shall be issued minimum 6,666,666 Warrants and maximum 66,666,666 Warrants.*

3. *In connection with the issuance of Warrants, the exercise of any of the Warrants and the resulting share capital increase in the Company, the existing shareholders waive their*

preferential right to subscribe for warrants or shares, as the case may be, according to Section 11-13 of the PLCA.

4. *Each Warrant shall entitle the holder to demand the issuance of one share in the Company; provided, however, that in the event the Company's share capital or number of shares is changed by way of a capitalization issue, stock split, stock consolidation etc., the maximum number of warrants (see subsection 2 above) that may be issued in accordance with section 5.2, and the consideration for the shares to be issued in the Company upon exercise of the warrants, shall be adjusted accordingly and rounded downwards to the nearest whole number.*

5. *The Warrants for participants in the Subsequent Offering set out in section 4 must be subscribed for, at the latest, on the expiration date of the subscription period in the Subsequent Offering.*

6. *The Warrants will be granted for no charge.*

7. *The Warrants are transferable, however, will not be admitted to trading on Oslo Børs.*

8. *Any shares that are issued by the Company under this resolution shall carry rights to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Register of Business Enterprises. All other shareholder rights associated with these shares, hereunder those referenced in Section 11-12 (2) no.9 of the PLCA, shall attach from the date of issuance of the said shares.*

The final size, allocation and issuance of Offer Shares will be subject to formal approval by the Board of Directors following expiry of the Subscription Period and will be published as described in Section 5.3.13 "*Publication of information relating to the Subsequent Offering*", expected to be on or about 16 September 2020. The completion of the Subsequent Offering is not subject to any other conditions or may otherwise be revoked or suspended.

5.3.3 Offer Shares, Subscription Rights and warrants

Eligible Shareholders of the Company as of the end of 23 July 2020, as registered in the VPS on the Record Date, will be granted Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.337792737987746 Subscription Right for each Share registered as held by each such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right.

Each Subscription Right will, subject to applicable securities law, give the right to subscribe for and be allocated one (1) Offer Share. No fractional Offer Shares will be issued. Fractions will not be compensated, and all fractions will be rounded down to the nearest integer that provides issue of whole Offer Share to each participant.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 1 September 2020 under ISIN NO0010890981. The Subscription Rights will be distributed free of charge to Eligible Shareholders, and the recipient will not be debited any costs. The Subscription Rights are transferable, but will not be listed on any regulated market.

Eligible Shareholders will be allowed to subscribe for more Offer Shares than the number of Subscription Rights held by Eligible Shareholders. Oversubscription and unexercised subscription rights will be allocated as determined by the Board of Directors. See Section 5.3.8 "*Allocation criteria*" for allocation criteria.

The Subscription Rights must be used to subscribe for Offer Shares before the end of the Subscription Period (i.e., 15 September 2020 at 16.30 hours (CET)). Subscription Rights that are not exercised before 15 September 2020 at 16.30 hours (CET) will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscription for Offer Shares must be made in accordance with the procedures set out in this Prospectus.

5.3.4 Subscription Period

The Subscription Period for the Subsequent Offering will commence on 1 September 2020 and end at 16.30 hours (CET) on 15 September 2020 and may not be closed prior to this. The Subscription Period may not be extended.

5.3.5 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 0.15 per Offer share, equal to the Subscription Price in the Private Placement.

5.3.6 Eligible Shareholders and Record Date

The Company will issue Subscription Rights to Eligible Shareholders, being the Company's shareholders as of close of trading on 23 July 2020, as registered in the VPS on 27 July 2020 (the Record Date), who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action and who were not allocated shares in the Private Placement. Transactions in the existing Shares, which have not been registered in the VPS within the Record Date, will be disregarded for the purposes of determining the allocation of Subscription Rights.

5.3.7 Subscription procedures and subscription office

Subscriptions for Offer Shares must be made on a Subscription Form attached hereto as Appendix 1. The Prospectus is available at www.thinfilmsystems.com and www.newsweb.no, and at the offices of Advokatfirmaet Ræder AS, Dronning Eufemias gate 11, Oslo, Norway.

Subscribers who are Norwegian citizens may also subscribe for Offer Shares by following the link provided in the Subscription Form, which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a VPS account number. All online subscribers must verify that they are Norwegian citizens by entering their national identity number (Nw*: personnummer*).

Online subscriptions must be submitted, and accurately completed Subscription Forms must be received by the DNB Bank ASA by 16.30 (CET) on 15 September 2020. The Company will have no responsibility for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by DNB Bank ASA, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form. By signing and submitting a Subscription Form, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Oversubscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitled the subscriber to be allocated) and subscription without Subscription Rights are permitted. However, there can be no assurance that Offer Shares will be allocated for such subscriptions as allocations for over-subscriptions (if any) and subscriptions without Subscription Rights will be made at the discretion of the Board and in accordance with the allocation criteria as set out in Section 5.3.8 "*Allocation criteria*".

Multiple subscriptions (i.e. subscriptions on more than one Subscription Form) are allowed. Please note, however, that each separate Subscription Form submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once, unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online system, all subscriptions will be counted.

Subscription Forms received after the end of the Subscription Period may be disregarded at the sole discretion of the Company without prior notice to the subscribers. The Company may, without prior notice to the subscribers, in its sole discretion disregard any incomplete and/or incorrect Subscription Forms or any subscription that may be unlawful. In the event that DNB Bank ASA needs to verify the identification of a subscriber under the Anti-Money Laundering Legislation, the subscriber is responsible for providing DNB Bank ASA with the necessary documentation. Non-compliance with these requirements may lead to the subscriber not being allotted Offer Shares in the Subsequent Offering.

5.3.8 Allocation criteria

Allotment of the Offer Shares is expected to take place on or about 16 September 2020 and will be allocated based on the number of Offer Shares subscribed for on the basis of Subscription Rights. In the event that not all Offer Shares are subscribed for on the basis of Subscription Rights, the remaining Offer Shares will be allocated among Eligible Shareholders who have over-subscribed, other shareholders and/or other investors at the discretion of the Board. The final size, allocation and issuance of the Offer Shares will be subject to formal approval by the Board following expiry of the Subscription Period.

Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

No fractional Offer Shares will be allocated and Subscription Rights for less than a whole Offer Share will hence not provide for guaranteed allocation. There is no pre-determined preferential treatment to certain classes of investors or certain affiliated groups (including friends and family programs) in the Subsequent Offering.

The Company reserves the right to reject or reduce allocation of Offer Shares based on subscriptions not covered by Subscription Rights, as described above.

General information regarding the result of the Subsequent Offering is expected to be published on or about 16 September 2020 in the form of a stock exchange release through www.newsweb.no. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed by post on or about 16 September 2020. Subscribers having access to a VPS account will be able to check the number of Offer Shares allocated to them on or about 16 September 2020.

5.3.9 Payment

Each subscriber must provide a one-time irrevocable authorization to DNB Bank ASA to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the Offer Shares allotted to such subscriber by signing the Subscription Form when subscribing for Offer Shares. The amount will be debited on or about 22 September 2020. Subscribers not having a Norwegian bank account or subscribers subscribing for Offer Shares for more than NOK 5,000,000 must ensure that payment for their Offer Shares with cleared funds is made on or before 16.30 hours CET on 20 September 2020 to the bank account designated by the Company in the Subscription Form.

If there are insufficient funds on a subscriber's bank account or if it is impossible to debit a bank account for the amount the subscriber is obligated to pay, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8% per annum. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the subscriber, and the Board reserves the right, at the risk and the cost of the subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued.

5.3.10 Warrants C

Warrants C will be granted free of charge to the subscribers of the Offer Shares on the delivery of the Offer Shares. For technical reasons, Warrants may not be delivered to share savings accounts (Nw.: *aksjesparekonto* or "ASK"). In order to receive and exercise Warrants, shareholders must have an ordinary, valid VPS account, as described in Section 5.3.13 *"Delivery and listing of the Offer Shares"*. Warrant C will be transferable, but will not be admitted to trading on Oslo Børs. Subscription for Warrant C is subject to the same conditions as in the Subsequent Offering, as described in this Section 5.3.

5.3.11 Publication of information relating to the Subsequent Offering

Publication of information related to any changes in the Subsequent Offering and the amount subscribed, will be published on www.newsweb.no under the Company's ticker code "THIN", and will also be available on the Company's website www.thinfilmsystems.com. The announcement regarding the amount subscribed for and the final size of the Subsequent Offering (based on subscription received before expiry of the Subscription Period) is expected to be made on or about 16 September 2020.

5.3.12 VPS Registration

The Offer Shares will be registered electronically in book entry form with VPS under ISIN NO 0010299068.

The Offer Shares will not be delivered to the subscriber's VPS accounts before they are fully paid, registered with the Company Registry and registered in the VPS.

The registrar for the Shares is DNB Bank ASA, Securities Services, Dronning Eufemias gate 30, NO-0191 Oslo, Norway.

5.3.13 Delivery and listing of the Offer Shares

All subscribers subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares.

Subject to timely payment by the subscribers, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Company Registry on or about 24 September 2020 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about 25 September 2020. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Company Registry, and hence for the delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three (3) months from the expiry of the Subscription Period, i.e. on 15 December 2020. The Offer Shares will be listed on Oslo Børs as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Company Registry and the Offer Shares have been registered in the VPS under ISIN NO 0010299068, which the Company expects will take place on or about 25 September 2020. None of the Company's shares (including the Offer Shares) are offered or admitted to trading at any other regulated market than Oslo Børs.

5.3.14 Dilution

The dilutive effect of the Private Placement for those shareholders who participate in the Subsequent Offering based on their Subscription Rights will be approximately 44%. For shareholders who do not participate in neither the Private Placement nor the Subsequent Offering, the dilutive effect will be approximately 53%.

The net asset value in the Financial Statements on 30 June 2020 was negative USD 25,002,000, which translates to approximately negative USD 0.036 per share outstanding subsequent to the Private Placement, but prior to the Subsequent Offering. The Subscription Price in the Private Placement and the Public Offering is NOK 0.15.

5.3.15 Transferability of the Offer Shares

The Offer Shares may not be transferred or traded on Oslo Børs before they are fully paid, the connected share capital increase has been registered with the Company Registry, and the Offer Shares have been registered in the VPS and delivered to the subscribers. The Offer Shares are expected to be delivered to the subscriber's VPS accounts on or about 25 September 2020.

5.3.16 Selling and transfer restrictions

The Company is not taking any action to permit an offering of the Subscription Rights or the Offer Shares (including the Warrants C) (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in those jurisdictions in which it would be illegal to make an offer or a solicitation and, in those circumstances, this Prospectus is for information purposes only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. No compensation will be given to shareholders not being eligible to exercise their Subscription Rights.

It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself or herself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights, Offer Shares and Warrants C have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Subscription Rights, Offer Shares and Warrants have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, in or into Australia, Canada or Japan or any other jurisdiction in which it would not be permissible to offer the Offer Shares, except pursuant to an applicable exemption from the registration requirements and otherwise in compliance with the securities laws of such country or other jurisdiction. A notification of exercise of Subscription Rights and subscription for Offer Shares and Warrants in contravention of the above restrictions may be deemed to be invalid.

By subscribing for the Offer Shares and Warrants C, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares and Warrants C, have complied with the above selling restrictions.

5.4 Shareholder's rights relating to the New Shares

The Private Placement Shares are, and the Offer Shares will be when issued, ordinary Shares in the Company, each having a par value of NOK 0.11. The Private Placement Shares are, and the Offer Shares will be, issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The rights attached to the New Shares, will be the same as those attached to the Company's existing Shares.

5.5 LEI number

The Company's legal entity identifier (LEI) is 5493007QXMCG0WPKFC96.

5.6 Lock-up, underwriting, stabilization and market-making

No lock-up agreements have been entered into in connection with the Private Placement and/or the Subsequent Offering.

The Company has not entered into any underwriting agreement, stabilization agreements, market-making agreements or similar agreements for trading of its shares on Oslo Børs. The Shares are not listed or traded on any other regulated market or stock exchange than Oslo Børs.

5.7 Expenses and net proceeds

Transaction costs and all other directly attributable costs in connection with the Private Placement and the Subsequent Offering that will be borne by the Company is estimated to approximately NOK 700,000, thus resulting in net proceeds of approximately NOK 59.4 million from the Private Placement and the Subsequent Offering, assuming full subscription in the Subsequent Offering.

The Company will not charge any expenses directly to any investor in connection with the Private Placement and the Subsequent Offering.

5.8 Advisors

Advokatfirmaet Ræder AS, Dronning Eufemias gate 11, P.O. Box 2944 Solli, 0191 Oslo, Norway serves as the Company’s Norwegian legal adviser in connection with the Private Placement and the Subsequent Offering.

DnB Bank ASA, Dronning Eufemias gate 30, NO-0191 Oslo, Norway, is acting as the Company’s settlement agent in connection with the Subsequent Offering.

5.9 Jurisdiction and choice of law

The Private Placement Shares have been, and the Offer Shares will be, issued in accordance with the rules of the Norwegian Public Limited Companies Act.

This Prospectus, the Private Placement, the Subsequent Offering including the Subscription Form, and the New Shares are subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect to this Prospectus, the Private Placement, the Subsequent Offering including the Subscription Form, and the New Shares, shall be referred to the ordinary courts of Norway and is subject to the exclusive jurisdiction of Oslo City Court as legal venue.

5.10 Interest of Natural and Legal Persons involved in the Private Placement and the Subsequent Offering

One member of the investor consortium in the Private Placement, who held shares in the Company prior to the Private Placement, provided a bridge loan to the Company of USD 1,000,000 on 10 August 2020, to secure financing of operations in the month of August 2020.

The Company is not aware of any other interest (including conflict of interests) of any natural and legal persons involved in the Private Placement and the Subsequent Offering.

6 THE COMPANY AND ITS BUSINESS

6.1 Principal Activities

Thinfilm is focused on becoming a premier provider of energy storage solutions designed for wearable devices and connected sensors. In January 2020, the Company announced a strategic shift from the development of NFC products and services to the design, development, and production of energy storage products based on SSLB technology. As of the date of this Prospectus, the Company's principal business activities include the design, development, production, and sale of battery solutions based on Thinfilm solid-state lithium battery (SSLB) technology. The Company's design and development activities take place at its global headquarters located at 2581 Junction Avenue, San Jose, California, USA. The Company intends to scale the manufacturing of SSLB products in its proven flexible electronics fabrication facility located at its San Jose, California headquarters.

The Company believes that energy storage innovation is critical to enabling future generations of wearable devices and connected sensors. Modern portable electronic devices are a combination of a small number of essential components: input collection (user input and/or sensing), memory and processing, wireless communication, display (optional), and a battery. Of these key elements, batteries have experienced a relatively slow pace of technology innovation compared to other critical system components. Today's electronic devices typically rely on batteries using chemistries developed decades ago, and fundamental electrochemical limitations hinder improvement in certain characteristics essential for the design of thinner, safer, longer-lasting, and more comfortable wearable devices, including medical devices.

To address this opportunity, Thinfilm's strategy is to develop a new class of premium microbatteries based on SSLB technology and market these to companies developing portable electronics for use in existing market segments as well as emerging applications. Thinfilm's rechargeable batteries are designed to overcome certain limitations of traditional rechargeable batteries that are currently used in wearable electronics and distributed sensor applications. Specifically, Thinfilm SSLB products are designed to be fundamentally safe (without risk of excessive heat buildup, fire, or explosion), ultrathin, and believed to be capable of storing more energy in a fixed volume compared to others in their class.

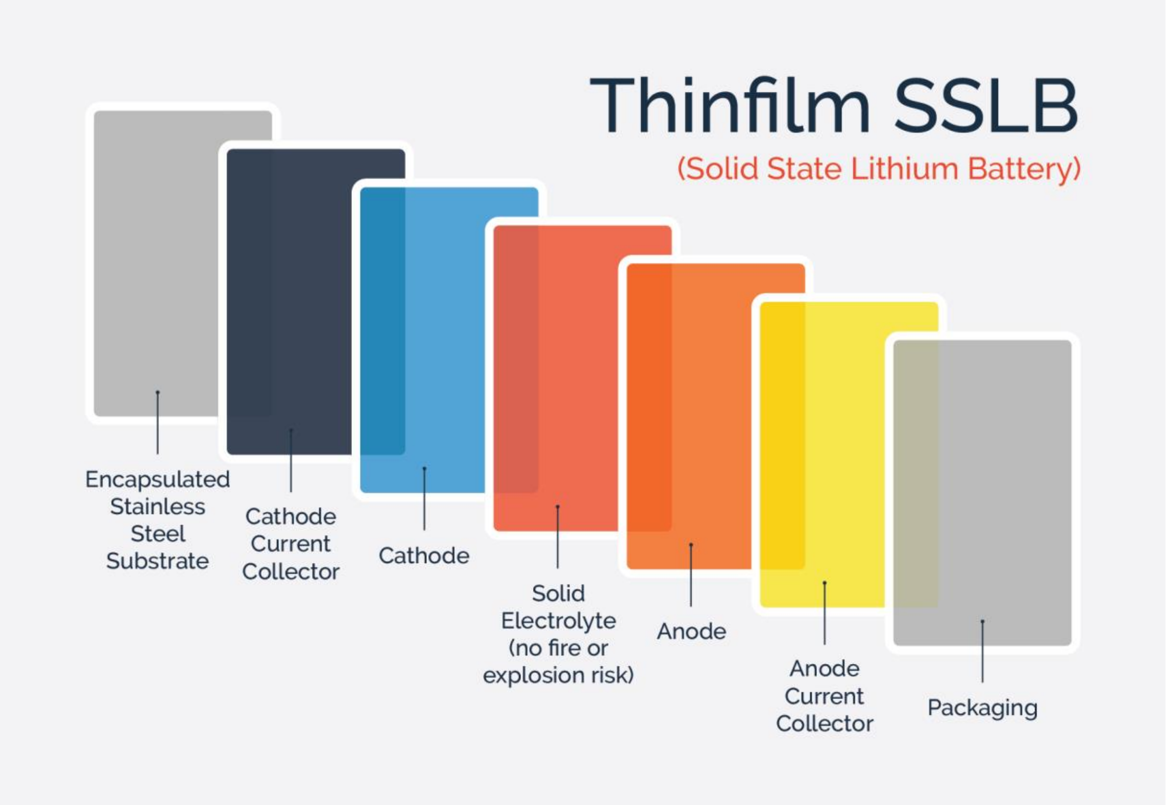
Thinfilm markets its rechargeable energy storage products to companies involved in the design and production of portable electronic devices and may also engage in paid joint development activities when the Company determines that such activities support the Company's business objectives.

Once commercial production of SSLB products has commenced, the Company expects the sales of SSLB devices to represent its primary source of revenue. Alongside product sales, the Company also intends to pursue other sources of revenue. Due to what Thinfilm believes is a unique manufacturing process based on stainless steel substrates, the Company believes that it has a positively differentiated capability to manufacture batteries in custom shapes and sizes, enabling superior energy storage options for thin and comfortable wearable form factors. The Company therefore expects to pursue additional revenue related to the development of custom products for space-constrained end products for which typical rectangular or circular shapes are impractical or undesirable and when Thinfilm's manufacturing platform can provide a superior alternative. Furthermore, the Company may also participate in government or industry grant processes when these activities support or extend Thinfilm's strategy.

6.1.1 Solid State Lithium Battery (SSLB) technology

Thinfilm's microbattery products are based on solid-state lithium battery (SSLB) technology. The technology was originally pioneered in the 1990s by Oak Ridge National Laboratory in Tennessee, USA in order to enable rechargeable batteries with high volumetric energy density[2], good cycling capability, high peak current output, improved performance at sub-freezing temperatures, and superior safety compared to alternatives.

The core advantage of SSLB technology is the use of a solid electrolyte that is stable and highly reliable. "Solid state" refers to the fact that a critical layer of the battery stack – the *electrolyte* – consists of a solid material. This contrasts with the use of a liquid or gel electrolyte in typical lithium-ion or lithium-polymer rechargeable batteries.



Battery cells based on solid electrolytes can provide several advantages over those based on liquid electrolytes, including superior safety, more extensive cell shape options, and improved performance and reliability. Safety has been a critical issue for rechargeable lithium-ion batteries used in portable electronics. The US Federal Aviation Administration reported increasing numbers of lithium-ion battery incidents each year between 2013 and 2018[3], reaching a level of approximately one incident per week in 2020. Unlike the liquid and gel polymer electrolytes responsible for these incidents, the solid electrolyte material used in SSLB products does not cause smoke, fire, excessive heat, or explosion and is not susceptible to leakage. These safety advantages are critical for on-skin and near-skin wearable applications.

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[2] *Volumetric energy density* is typically measured in units of energy storage per unit volume, often measured in units defined as *watt-hours per liter*

[3] "Events with smoke, fire, extreme heat or explosion involving lithium batteries", US Federal Aviation Administration, https://www.faa.gov/hazmat/resources/lithium_batteries/media/Battery_incident_chart.pdf

Beyond safety, the solid electrolyte has superior performance in sub-freezing temperatures. Liquid electrolyte performance decreases at subfreezing temperatures, effectively shortening battery life, while solid electrolytes retain a superior ability to deliver charge[4]. In addition, Thinfilm's SSLB manufacturing process enables shapes beyond standard rectangular and circular shapes, allowing for batteries that fit the exact shapes and sizes of sleeker, form-fitting wearable devices to deliver superior battery life and user comfort. Finally, Thinfilm SSLB devices are designed to operate across 1000+ charge/discharge cycles. In contrast, lithium-ion batteries are typically rated for only 300-500 cycles. To support wireless communication, Thinfilm devices are designed to support high peak currents that satisfy the power requirements of Bluetooth, Wi-Fi, and low-power wide area network (LPWAN) technologies.

Since the inception of SSLB technology, multiple companies worldwide have attempted to commercialize SSLB technology for the microbattery market. However, limited commercialization has been achieved to date, on a limited basis and at a relatively small scale, leading to usage of SSLB microbatteries primarily in niche applications including backup power for real-time clocks. The Company has concluded that despite the fundamental advantages of SSLB technology, the wide availability of SSLB microbatteries has been limited due to low manufacturing capacity, high costs, and limited energy storage capacity.

To unlock the advantages and potential of SSLB technology in the microbattery space with meaningful commercial scale, Thinfilm believes that its installed and operational factory, encompassing both sheet- and roll-based production equipment, uniquely positions the Company to efficiently commercialize milliamp-hour class microbatteries for wearable devices and connected sensors.

6.1.2 Sheet- and roll-based electronics manufacturing on stainless steel substrates

Flexible electronics is a branch of electronics manufacturing that combines traditional semiconductor and additive manufacturing techniques, to produce electronic components on flexible substrates. Thinfilm has a core technology focus and a significant history of developing intellectual property (IP) in the area of flexible and roll-based electronics manufacturing.

Thinfilm's approach to both sheet- and roll-based flexible electronics manufacturing leverages the Company's demonstrated expertise in manufacturing electronic devices on stainless steel substrates, which have advantages compared to conventional substrate materials such as silicon, ceramic, polyimide, or glass.

In January 2020, the Company announced a strategy of leveraging its San Jose, California factory to manufacture innovative solid-state lithium batteries (SSLBs) on stainless steel substrates. Steel is a preferred substrate for SSLB production due to its abundance, mechanical robustness, flexibility, high-temperature performance, and intrinsic moisture barrier properties. The mechanical and thermal properties of stainless steel, when suitably encapsulated using Thinfilm's patented techniques, are particularly well suited to SSLB production. Mechanical robustness enables large-area batteries without experiencing cracking possible in devises based on silicon wafers, while the flexibility of ultra-thin steel enables roll-based production and scale up. Furthermore, the thermal performance of steel is well suited for high-temperature processes that can increase the energy density of the batteries.

[4] "Why Electric Cars Struggle in the Cold – and How to Help Them", Wired, 30 January 2019, https://www.wired.com/story/electric-cars-cold-weather-tips/

In order to produce a new generation of safe, thin, and scalable SSLB products, Thinfilm is applying its IP and knowhow in the field of flexible electronics manufacturing on stainless steel substrates and generating new, complementary IP specific to SSLB manufacturing. In April 2020, the Company announced the filing of multiple provisional patent applications directly related to SSLB devices. In addition to manufacturing innovation, Thinfilm has also filed patents based on inventions in core battery technology, including solid-state battery materials and cell stack design. These core innovations are the work of Thinfilm's technical team, which has been expanded to include solid-state battery expertise. Thinfilm is preparing additional patent filings in new and adjacent areas to expand the Company's IP portfolio in SSLB design and manufacturing.

6.1.3 Cell stacking

In addition to the development of individual cells on stainless steel substrates, the Company is developing proprietary cell stacking techniques that combine multiple cells into a single, multilayer battery. Because individual Thinfilm SSLB cells are fundamentally thin, a vertical stack of multiple Thinfilm cells can store significantly more energy within the volume of competitors' single-layer products.

A stack of multiple layers of SSLB cells can achieve up to ten times the areal energy density of competing SSLB cells within the same or less overall thickness. Each cell, when layered, serves to increase the overall energy storage capacity of the battery, enabling longer battery life. By way of example, a ten-layer stack of Thinfilm SSLB cells would remain as thin or thinner than a competing SSLB product with a single layer, 750-micron thickness.

6.1.4 Product overview

To effectively serve its target markets, Thinfilm's initial go-to-market approach has two key elements: customized development services to maximize battery fit and performance in applications where form factor is critical, and the parallel development of a family of off-the-shelf rechargeable SSLB products. The Company expects that customers designing ultra-small, conforming, or other specialized devices will request customization services in order to specify a fit-for-purpose battery addressing critical requirements such as shape, size, and thickness. To support less constrained designs, Thinfilm's initial off-the-shelf SSLB product family is planned to consist of thin, rectangular products with capacities between 0.5 to 5 milliamp-hours (mAh). The Company intends to promote these products as examples of Thinfilm's SSLB capabilities, prototyping tools, and production-ready options for rapid integration into new and existing designs.

From an electrical standpoint, Thinfilm SSLB products are designed to be integrated into electronic systems in place of rechargeable lithium-ion or lithium-polymer batteries with minimal to no required changes to system-level design. To this end, Thinfilm SSLB products are designed to operate at voltages comparable to existing rechargeable lithium-ion batteries and to be charged by commonly available charging circuits. As a consequence, the Company does not believe that it is dependent on the creation of a new ecosystem of electronic components in order to effectively market its SSLB products. Thinfilm does, however, intend to collaborate with key participants in the electronic design ecosystem to promote the use of Thinfilm SSLB products in target markets.

6.2 Principal Markets

Thinfilm has identified target market segments that value safety, ultrathin form factors, and high energy storage capacity relative to currently available microbattery alternatives. In general, Thinfilm pursues opportunities in established and growing markets where the pace of innovation demands continual improvement in component performance and reduction in component size.

There have not been any material changes to the Company's regulatory environment since 31 December 2019.

6.2.1 Wearable Devices and Medical Wearables

Thinfilm has selected the wearable devices market, including the medical/healthcare wearables market, as an initial go-to-market focus due to its size, growth rate, and alignment to the core benefits of Thinfilm SSLB technology. IDTechEx forecasts the wearables market to grow to $92 billion by 2024 at a 9.5% CAGR[5] and the value of the market addressable by rechargeable batteries, including thin & flexible devices, to grow from $3 billion in 2020 to $3.5 billion in 2024[6]. Wearable applications include diabetes monitoring (including continuous glucose monitoring), cardiac monitoring, electronic skin patches, temperature sensing, sweat analysis, and motion sensing.

Thinfilm's analysis of the wearables market concludes that successful batteries must deliver on safety, form factor, product lifetime, charging time, wireless functionality, battery life, and commercial viability. Safety is particularly critical in medical, on-body, and near-body applications where the risk of excessive heat, fire, explosion, or electrolyte leakage introduces significant liability. Form factor options, including ultrathin devices and custom shapes, are critical to maximizing user comfort in all wearable applications, particularly on-skin and near-skin products. Batteries should reliably store as much energy as possible in the smallest possible form factor while delivering consistent performance across several years of frequent charging. In addition to supporting accelerated recharging, batteries must support peak discharge currents sufficient to enable wireless data transmission operations.

According to Dr. Xiaoxi He of industry analyst IDTechEx, "batteries are the main bottleneck of wearables." She states that current battery options are "bulky, heavy, rigid" and suffer from low energy storage capacity despite their large volumes.[7] Thinfilm believes that its safe, robust, thin SSLB products are well positioned to address the key requirements of the wearables and medical wearables industry.

6.2.2 Connected Sensors

The connected sensors market represents a broad range of applications broadly considered to be part of the "Internet of Things". ABI Research estimates that the number of connected devices will continue to grow rapidly, from approximately 30 billion in 2020 to 45 billion in 2023[8]. Each year, ABI forecasts the sale of five billion new connected devices that can enable such applications as smart parking, bicycle sharing, and asset position (track-and-trace) and condition monitoring. In addition to smart mobility applications, connected sensors can be deployed in smart home, smart (commercial) building, smart factory, and smart city applications to detect, record, and share data on location, temperature, humidity, noise and activity levels, and air quality. Sensor nodes may be connected to the network via short-range technologies such as Bluetooth and WiFi or longer-range

[5] "Wearable Technology Forecasts, 2019-2029", IDTechEx, July 2019

[6] "Flexible, Printed and Thin Film Batteries 2019-2029: Technologies, Markets and Players", IDTechEx, October 2018

[7] "Flexible, Printed and Thin Film Batteries 2019-2029: Technologies, Markets and Players", IDTechEx, October 2018

[8] "Moving into the Billions: Cellular Technologies in the Internet of Things", ABI Research, November 2019

radios and a potentially broad range of wireless sensors based on 5G wireless technology. ABI forecasts nearly 4 billion low-power wide area networking connections, driven primarily for asset tracking, for the smart factory by 2030.[9]

Thinfilm's analysis of the connected sensors market concludes that successful batteries must deliver sufficient power to support short- and long-range wireless communication, tolerate frequent recharging based on energy harvesting techniques, and provide a long service lifetime. At the system level, connected sensors need batteries that can operate in two distinct modes: a background data collection mode, where the current draw from the battery is consistently small, and a communication mode, where wireless radios are activated and higher currents are required. Primary (non-rechargeable) lithium-based batteries can support background standby and sensing operations but often lack the peak current output capability required to enable wireless transmission of the collected data through the network. In contrast, Thinfilm has designed its rechargeable SSLB products to have a very low self-discharge current to minimize wasted energy in low-power standby or sensing modes, while providing the necessary peak electrical currents to power wireless transceiver operations. Furthermore, Thinfilm has designed its products to support a larger number of charge/discharge cycles to enable a longer in-service lifetime compared to typical lithium-ion rechargeable batteries.

6.2.3 Additional Markets

Beyond Thinfilm's initial focus in wearable devices and connected sensors, the Company sees opportunities in defense applications and in-mold electronics (IME). Industry analyst IDTechEx estimates a $1.7 billion market for wearable defense electronics[10] related to 'smart soldier' initiatives and forecasts a $1 billion market for in-mold electronics[11]. The Company has identified promising alignment between its SSLB technology and the needs of these markets and plans to engage selectively to efficiently access appropriate opportunities.

In-mold electronics can benefit from SSLB products due to the strict form factor requirements of devices using in-mold manufacturing techniques and IME process requirements that exceed the thermo-mechanical limits of lithium-ion pouch batteries. Where batteries are completely encapsulated by the molded material, the application favors reliable rechargeable batteries capable of many charge/discharge cycles due to the inability to access the battery for service or replacement.

6.3 Competitive Position

As a manufacturer of solid-state lithium battery products, the Company competes in part with companies that develop technology and/or manufacture products based on thin battery and/or solid-state lithium battery technology.

Thinfilm believes that it has a unique in-house sheet- and roll-based manufacturing platform, which makes the Company positioned to manufacture its own high-performance microbattery products at commercially relevant production capacity and at production-grade yields. Thinfilm therefore differentiates itself from other companies that, to the Company's knowledge, have promoted solid-state lithium battery technology for microbattery applications. The Company believes that competitors generally rely on third-party 'foundry' manufacturing in multipurpose

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[9] "Unlocking the Value of Industry 4.0", ABI Research, October 2019

[10] 2020 market size estimate, "Wearable Technology Forecasts, 2019-2029", IDTechEx, July 2019

[11] 2029 market size estimate, "IDTechEx Research Analyzes In-Mold Electronics: Starting Simple to Reach 1 Billion Dollars", IDTechEx press release, 18 Feb 2020

facilities using substrates and equipment that are not well suited to scale production of SSLB products for wearable and connected sensor applications. As the Company is developing its products to meet customer needs that are not effectively addressed by existing technologies, the Company expects to pursue a value-oriented pricing strategy based on what is believed to be a premium positioning of its energy storage products. The Company expects to compete favorably on a cost-performance basis compared to other rechargeable microbattery technologies in high-volume applications.

Therefore, Thinfilm's competitive position in solid-state lithium battery development and production rests on three main pillars:

1) Patented IP and manufacturing process know-how, especially in the areas of barrier technology and sheet- and roll-based manufacturing on stainless steel substrates, and applications thereof. The advantages of steel substrates are explained previously in this Prospectus.

2) Validated capability to manufacture electronic devices on both in-house sheet- and roll-based equipment to enable rapid process and product development and to scale production.

3) Installed, in-house manufacturing scale to serve target markets on the order of tens of millions of milli-amp hours annual capacity at low variable costs.

6.4 Industrialization Strategy - key milestones

To manufacture SSLB products and scale volume production, the Company utilizes its own flexible electronics manufacturing facility located at 2581 Junction Avenue, San Jose, California, USA. The facility, originally owned by Qualcomm, was leased for 12 years beginning in October 2016. This specialized fabrication facility, which earned the 2018 Technical Development Manufacturing award from leading industry analyst firm IDTechEx[12], features high-quality cleanrooms and a chemistry lab.

The Company's specialized San Jose fabrication facility takes advantage of Thinfilm's expertise in manufacturing electronic devices on stainless steel substrates. The Company believes that the use of a steel substrate can result in products that are thinner, more robust, and more scalable than competing devices built on silicon, ceramic, polyimide, or glass substrates. Stainless steel substrates are made from abundant, inexpensive materials and can be encapsulated with proven metal diffusion barrier materials to support device fabrication with high-temperature processes that help increase energy density. To support the most demanding end-product form factors, the steel can also be cut into various shapes and thinned. The flexibility of steel enables roll-based production and its durability can improve product reliability by virtually eliminating failures due to substrate cracking.

The facility is outfitted with two manufacturing lines: the first based on 300x300mm sheet processing and the second based on 320mm-wide roll-to-roll processing. While both lines have been previously used to manufacture radio frequency (RF) circuits in support of Thinfilm's previous product initiatives, they are particularly well suited to developing and scaling production of Thinfilm SSLB products. The approximate capital costs required to enable SSLB production are estimated at less than USD 100 thousand. The combination of sheet- and roll-based processing

[12] https://www.printedelectronicsworld.com/articles/15843/idtechex-printed-electronics-usa-2018-award-winners

provides a combination of accelerated R&D and prototyping capability alongside volume production, enabling flexible scaling based on demand.

Thinfilm's San Jose clean room occupies approximately 20,000 square feet of the headquarters facility and can be expanded if required. At present, the Company estimates that the factory has installed capacity to manufacture 10s of millions of mAh-class cells on an annual basis. Management believes this current capacity is sufficient to support the Company's business plan well beyond the point of cashflow breakeven. As warranted by future demand, the factory is capable of further expansion to significantly increase capacity with modest capital expenditures.

Since Thinfilm's announcement of its SSLB strategy in January 2020, the Company has been consistently focused on the development of its new SSLB technology. As a result, trend information regarding production, inventory, and sales of SSLB products is not currently available. Since the Company's most recent financial reports, issued 20 August 2020 for the period ended 30 June 2020, the Company has continued to develop its SSLB technology in order to create customer validation samples of its SSLB battery technology, with no change to the Company's plan to achieve initial product revenue in the second half of 2021. At this time, there are no known trends, uncertainties, demands, commitments, or events known to the Company that would lead to a revision of the Company's product sales or revenue plans.

The Company's industrialization strategy is intended to aggressively accelerate from process and product development to commercialization and production scaling. The Company expects to begin commercial shipment during the second half of 2021. While the pace of progress is partially dependant on the extent of the impact of COVID-19 on the ability of Thinfilm employees to access facilities and conduct necessary development activities, the ability of suppliers and supply chain partners to support the Company's activities in a timely fashion, and the timing of customer commercialization cycles for devices containing Thinfilm SSLB products, the Company currently targets following industrialization and commercialization milestones:

- Q3 2020: customer engineering samples
- Q4 2020: customer design-ins (2+)
- 2H 2021: first SSLB product revenue
- End-2022: cashflow breakeven
- 2023+: increasing volumes (10M+ units) drive strong cash generation

6.5 Intellectual Property Rights (IPR)

The Company maintains a substantial patent portfolio in order to protect the essential technologies of the Company and in order to ensure that competitors are sufficiently prevented from utilizing or developing technology that would threaten the Company's commercial assets and market position. The Company and its business are dependent on its patent portfolio. The portfolio consists partly of granted patents and partly of pending patent applications. Pending patent applications may be subject to amendments before being granted, or may, in worst case, not be granted.

6.5.1 Intellectual property portfolio

Thinfilm has an intellectual property portfolio encompassing registered and pending patents as well as extensive know-how related to key manufacturing processes relevant to SSLB production and assembly. Patents are registered or pending in several countries and regions, in most cases including the US, Japan, and the EU. Certain patents are also registered in Korea, China, and other jurisdictions. All patents are in the name of the Company.

Thinfilm's existing portfolio of Intellectual Property contains multiple patent families and related trade secrets and knowhow that help enable the production of advanced, differentiated energy storage products on stainless steel substrates. Such key intellectual property includes:

- Barrier materials and methods of depositing the same
- Processing on sheet- and/or roll-based steel substrates
- Solid-state lithium battery (SSLB) materials and manufacturing processes
- Stacking methods for SSLB production

In April 2020, Thinfilm disclosed the filing of multiple provisional patent applications related to the Company's work in developing SSLB products on stainless steel substrates. Specifically, the patent filings represent key Thinfilm intellectual property related to the encapsulation, assembly, and stacking of SSLB products based on stainless steel substrates.

As of the date of this Prospectus, the Company is actively developing further Intellectual Property related to solid-state lithium battery manufacturing. Certain newly developed IP is expected to build on Thinfilm's established materials and processing expertise to address the manufacture of SSLBs. In addition to IP built on Thinfilm's established expertise, the Company intends to develop entirely new families of IP focused on the design and manufacture of innovative solid-state lithium battery products and, for this purpose, has recently added SSLB expertise to its technical team.

6.6 Discontinuation of Previous Product Lines

As discussed in Thinfilm's financial reporting, public announcements, and strategy presentations, the Company is no longer actively developing Near Field Communication (NFC) hardware or software products, or related IP. As of the date of the Prospectus, the Company is negotiating with potential acquirers to monetize assets relating to the Company's former NFC business. With respect to the Company's Electronic Article Surveillance (EAS) label business, the Company has monetized substantially all of its EAS inventory during the first quarter of 2020.

6.7 Material Contracts Outside the Ordinary Course of Business

On 12 September 2019, the Company announced an equipment term loan facility with Utica Leaseco, LLC ("Utica") entered into by the US subsidiary, Thin Film Electronics, Inc., for financing of up to $13.2 million. As of 30 September 2019, Thinfilm had secured funding for the full amount of $13.2 million. The financing under the Master Lease Agreement with Utica established four-year term loans that funded in two tranches of $5.6 million and $7.6 million on 11 September 2019 and 17 September 2019, respectively. Interest-only monthly payments were due for the first six months, followed by three months of interim payments, and thereafter a four-year amortization period during which monthly principal and interest payments are due. As a result of the financial impact of COVID-19 on Thinfilm's cash position, Management has renegotiated the payback terms of the loans, in principle, established under an amendment to the Master Lease Agreement and that was signed during the second quarter of 2020. The negotiated agreement extends interest only payments through November 2020. The cash savings during the aforementioned period will be spread over the remaining amortization of the loan. In connection with the new arrangement, the Company has pledged additional collateral to secure the amended payment terms. In addition to the existing collateral pledge, which includes the roll-to-roll production line equipment and certain sheet-line tools, Thinfilm has pledged all remaining unsecured equipment located in the San Jose, California facility. Further, Utica has taken a first security position in certain of Thin Film Electronics ASA's intellectual property. Thinfilm Group is using the proceeds from the loans as well as the short term cash savings resulting from the renegotiation of payment terms for working capital to fund ongoing operations and to support its execution of strategic initiatives.

During the last two years and up until the date of this Prospectus, neither Thinfilm nor any Group company has entered into any other material contracts outside of the ordinary course of business. The Company or any Group company has not entered into any other contract which contains a provision under which any member of the Group has any obligation or entitlement which is material to the Group as of the date of the Prospectus.

6.8 Regulatory disclosures

In addition to annual and interim reports, and associated announcements, the Company has made the following public disclosures pursuant to the requirements of the Norwegian Securities Trading Act over the last 12 months that are relevant as of the date of this Prospectus:

Capitalization issues and other corporate actions

Date	Title	Desciption
2 October 2019	Thin – Notice of Extraordinary General Meeting 23 October 2019	Announcement of Extraordinary General Meeting to be held on 23 October 2019 to, inter alia, approve a reverse share split in the Company's shares.
1 November 2019	Ex reverse split and new face value 01.11.2019	The Company announced that the shares in the Company is traded with new par value of 2.20 as of 1 November 2019.
25 March 2020	THIN – Notice of Extraordinary General Meeting 15 April 2020	The Company announced an Extraordinary General Meeting to be held on 15 April, to approve, inter alia, share capital reduction, and intent of a private placement.
28 April 2020	Thin Film Electronics ASA has secured and proposes a private placement of shares raising NOK 25 million on amended terms	Announcement of a private placement of NOK 25 million. The Board received on 27 April 2020 an offer from a consortium of investors, who have provided a commitment to subscribe for shares for a total subscription amount of NOK 20 million, subject to certain conditions as to price and warrants. The offered and committed subscription price per share was NOK 0.11, equaling the par value of the share following the share capital reduction approved by the Extraordinary General Meeting held on 15 April 2020. In addition, the Company had received binding commitments for at least NOK 5 million on the same terms from certain other investors, including from members of the Board and

		management. Given the critical financial situation of the Company, the Board recommended to the Company's shareholders that the offer is approved as it constitutes the only meaningful investment offer on the table. The Company further announced a completated subsequent offering at the same subscription price as in the private placement of maximum NOK 7 million. The Company had also secured interim financing to bridge the Company to the upcoming extraordinary general meeting.
28 April 2020	New face value 29.04.2020	The Company announced that the Company's shares would be traded with new face value as of 29 April 2020, following reduction of par value being NOK 0.11.
29 April 2020	THIN – Notice of Extraordinary General Meeting 20 May 2020	Announcement of Extraordinary General Meeting on 20 May 2020, regarding the approval of a privat placement, subsequent offering and issuance of warrants, as announed on 28 April 2020.
14 May 2020	Thin Film Electronics ASA – Share Issue	Announcement of issuance of 5,859,357 shares under Board authorization, at NOK 0.11 per shares, equaling the subscription price in the private placement announced on 28 April 2020, in order to secure the commitment by the consortium of investors participating in the private placement.
27 May 2020	THIN – Change in CFO position	Announcement that Mallorie Burak will step down as CFO in the Company with effect from 28 May 2020, and that David Williamson has been appointed as acting CFO with effect from such date.
12 June 2020	Thin Film Electronics ASA – Approved prospectus and start of subscription period in the Subsequent Offering	The Company announced that a prospectus had been approved in connection with the listing of shares issued in the private placement and the listing and offering of shares offered in the subsequent offering, both announced on 28 April 2020. Such prospectus was included in the announcement and is available on the Company's website. Further, it was announced that the subscription period in said subsequent offering was scheduled to start on 15 June 2020.

30 June 2020	Thin Film Electronics ASA – Result of Subsequent Offering	The Company announced the result of the Subsequent Offering, disclosing that the offering was more than 6 times oversubscribed, including subscriptions from eligible shareholders, over-subscriptions and subscriptions without subscription rights.
13 July 2020	Thin Film Electronics ASA – Guidelines for Warrant Exercise	Announcement of the guidelines for the exercise of Warrants A and Warrants B, as issued in connection with the private placement and subsequent offering announced on 28 April 2020.
15 July 2020	Thin Film Electronics ASA – Registration of Share Capital Increase	The Company announced the registration of the share capital increase in connection with the subsequent offering announced on 28 April 2020. Following the registration, the Company's share capital is NOK 39,089,823.08 divided into 355,362,028 shares, each having a par value of NOK 0.11.
23 July 2020	Thin Film Electronics ASA has secured additional funding by way of a committed private placement of shares raising NOK 50 million	Announcement of the Private Placement of approx. NOK 50 million. The Board received on 22 July 2020 an offer from certain investors, who had provided a commitment to subscribe for shares for a total subscription amount of approx. NOK 50 million, subject to certain conditions as to price and warrants. The Private Placement will be proposed to and remains subject to approval by the general meeting. The Company further announced that the Board would propose to carry out a Subsequent Offering at the same subscription price as in the Private Placement of maximum NOK 10 million.
23 July 2020	Thin Film Electronics ASA – Key information relating to the subsequent offering	Announcement of key information related to the Subsequent Offering, herunder, inter alia, the maximum number of Offer Shares to be offered and key dates related to the offering. Further, the Company disclosed that the Subsequent Offering would be carried out on identical terms as the Private Placement.
27 July 2020	Thin Film Electronics ASA – Notice of Extraordinary General Meeting 19 August 2020	Announcement of Extraordinary General Meeting to be held on 19 August 20 to, inter alia, approve the Private Placement, Subsequent Offering and issuance of Warrants C.

19 August 2020	Thin Film Electronics ASA – Nomination Committee's proposal to the Extraordinary General Meeting	Announcement of the Nomination Committee's proposal to the Extraordinary General Meeting regarding a resolution to grant incentive subscription rights to the members of the Board, including an initial grant of an aggregate 13,800,000 subscription rights to the board members.
19 August 2020	Thin Film Electronics ASA – Extraordinary General Meeting Held	The Company announced that the Extraordinary General Meeting approving, inter alia, the Private Placement and Subsequent Offering had been held, and that all the proposals in the notice (with certain technical non-material clarifications) had been approved.
21 August 2020	Thin Film Electronics ASA – Warrant Exercise	Announcement of exercise of 3,292,217 Warrants A and 552,673 Warrants B, and the associated increase of the Company's share capital. Upon registration of said share capital increase, the Company's share capital would be 76,238,094.24 divided into 693,073,584 shares, each having a par value of NOK 0.11.

Inside information

Date	**Title**	**Desciption**
12 September 2019	Thinfilm closes debt financing of up to USD 13.2 million, under an agreement with Unica Leaseco, LLC, and provides strategic update	Announcement that the Company's wholly owned US subsidiary closed an equipment term loan with Unica Leaseco, LLC for financing of up to USD 13.2 million, which was expected to fund in two tranches during the month of September 2019, the first of which was secured through a Master Lease Agreement with Utica, securing an initial USD 5.6 million four-year term loan that funded on 11 September 2019. Interest-only monthly payments were due for the first six months, followed by three months of interim payments, and thereafter a four-year amortization period during which monthly principal and interest payments are due. The subsidiary intends to borrow the second tranche of USD 7.6 million prior to 30 September 2019, under substantially the same terms and conditions. The proceeds were used for working capital to fund ongoing operations and to support its execution of strategic initiatives.

30 January 2020	Thinfilm to energize innovation in the wearables and sensor markets with ultrathin, flexible, safe batteries	The Company announced its updated corporate strategy, focused on the design, development, and production of innovative battery solution, targeting existing market demand with differentiated solutions to power wearable devices and connected sensors and using the Company's patented process technology innovations and state-of-the-art, production-scale roll-to-roll flexible electronics factory located in San Jose, California.
14 April 2020	Thinfilm announces multiple solid-state lithium battery patent filings	Announcement of filing of multiple provisional patent applications related to the encapsulation, assemply, and stacking of SSLB products based on stainless steel substrates. Thinfilm also made patent filings based on inventions in core battery technology, including solid-state battery materials and cell stack design.
15 June 2020	Thinfilm Achieves Key Milestone in Solid-State Lithium Battery	The Company announced that is successfully had completed the deposition of critical layers of its SSLB stack on Thinfilm steel substrates and that initial electrical testing has met and exceeded internal expectations.
10 July 2020	Thinfilm Announces First Complete Solid-State Lithium Batteries on Steel Substrates	Announcement of the successful fabrication of functional batteries on the Company’s stainless steel substrates. Initial characterization testing had demonstrated expected energy densities, thereby enabling differentiated product performance compared to alternatives. Further, the Company announced that, following completion of the above-mentioned milestone, it plans to accelerate the transfer of the remaining essential tool from its process technology development partner to the Company’s San Jose facility in order to speed development cycle times and guard against potential delays related to the ongoing pandemic.
3 August 2020	Thinfilm Updates Solid-State Battery Manufactoring Progress	Announcement of the Company’s successful completion of the accelerated consolidation of remaining SSLB process equipment in the Company’s San Jose facility, as well as the fact that the Company had successfully completed and passed its recent quality system audit, thereby

renewing the Company’s ISO 9001:2015 certification with an updated scope including the development, manufacturing and sales of solid-state lithium batteries.

Further, in the period from 31 August 2020 and up to the date of the Prospectus, four announcements have been issued by Thinfilm in relation to changes in shareholdings by primary insiders, and seven announcements on behalf of large shareholders in respect to transactions in the share causing a statutory threshold to be reached or passed by such shareholders.

7 BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

7.1 Board of Directors and management, other corporate committees

7.1.1 Board of Directors

The Company's Articles of Association provide that the number of directors shall be between three (3) and nine (9) members, as decided by the Company's general meeting.

At the general meeting of shareholders, the Board members are normally elected to serve for a term of one or two years from the time of election. There are presently four (4) Board members including the Chairman. Morten Opstad (Chairman), and members of the Board of Directors Jon S. Castor and Kelly S. Doss are elected for the period until the Annual General Meeting in 2021. Further, Preeti Mardia, a current member of the Board of Directors, was re-elected for a new term of two years at the Annual General Meeting on 3 June 2020.

Morten Opstad, Chairman

Mr. Opstad has served as Chairman of the Board in Thinfilm since 2 October 2006. He is a partner in the lawfirm Advokatfirmaet Ræder AS in Oslo. He has rendered legal assistance with respect to establishing and organizing several technology and innovation companies within this line of business. He is also Chairman of the Board in IDEX Biometrics ASA, a publicly listed technology company. His directorships over the last five years include current Board positions in Nikki AS (Chairman), Marc O Polo Norge AS (Chairman), Dobber Corporation AS (Chairman), K-Konsult AS (Chairman), Forenede Industrier Finans AS (Board member), Hammerfestgaten 1 AS (deputy), and Chaos Capital AS (deputy). He previously served as Chairman of the Board of Directors in Cxense ASA and Advokatfirmaet Ræder AS, in addition to previous directorships in Fileflow Technologies AS, Solli Consultants I AS and A.Sundvall ASA. Mr. Opstad has a legal degree (Cand.Jur.) from the University of Oslo from 1979. He was admitted to the Norwegian Bar Association in 1986. Mr. Opstad is a Norwegian citizen and has a business address at Dronning Eufemias gate 11, NO-0191 Oslo, Norway.

Preeti Mardia, Board member

Ms. Mardia has been a Board member in Thinfilm since 8 May 2013. She has executive and non executive Board experience across diverse sectors including Semi-conductors, Telecoms, Aerospace, and Food Industries. Ms. Mardia is a Non-Executive Board Director for GFinity Plc a publicly listed UK company. Previous senior executive positions include IDEX ASA, Moseley Wireless Group Inc., Filtronic Plc and Cadbury Schweppes Plc. She has technology and operational expertise in world-class high volume manufacturing and scaling businesses to commercial success. She has a degree in Food Science & Technology and Masters degree in Executive Management from Ashridge, UK. Ms. Mardia is a British citizen and maintains a business address at Fridtjof Nansens plass 4, 0160 Oslo, Norway.

Jon S. Castor, Board member

Mr. Castor has been a Board member in Thinfilm since 28 May 2019. Mr. Castor is an entrepreneur and active independent private and public company director. His 25 years of senior leadership experience has included building both classic Silicon Valley venture funded startups and two new divisions for Fortune 500 companies. He also has considerable private and public company M&A experience, including leading the team of a venture he co-founded through a double exit. Mr. Castor's industry experience includes ICs, systems, and software, digital media, consumer electronics and services, and multiple forms of advanced and renewable power generation. Jon's Silicon Valley venture successes include Omneon, where the team built the world leader in broadcast video servers, and TeraLogic, a pioneering HDTV venture supported by Sony, Mitsubishi, and Samsung, where he was co-founder and CEO. He holds an MBA from Stanford's Graduate School of Business, and a BA with Distinction from Northwestern University. Mr. Castor is a US citizen, and maintains a business address at 2581 Junction Avenue, San Jose, California 95134, USA.

Kelly S. Doss, Board member
Ms. Doss has served on the Board of Thinfilm since 28 May 2019. Ms. Doss is a senior marketing executive and brand consultant. She has over 25 years of experience in global brand management with a strong track record of delivering breakthrough revenue and sales growth in various channels of distribution. She has considerable expertise across the marketing, innovation, & operational functions in both the Alcohol Beverage and Beauty categories. Her industry experience includes 15 years in the global spirits category leading marketing for Beam Suntory in both EMEA (based in Madrid) and North America, and 10 years in the beauty industry across hair care, skin care. Over the course of her career, leading cross-functional teams, she has launched well over 100 new products & multiple global packaging restages. Ms. Doss holds a Masters in International Management from the Thunderbird School of Global Management, and a BA with honors from the University of Michigan. Ms. Doss is a US citizen, and maintains a business address at 2581 Junction Avenue, San Jose, California 95134, USA.

The composition of the Board complies with Oslo Børs' terms of listing and the applicable independency requirements. The Board also meets the statutory gender requirements.

7.1.2 Management

Kevin Barber, Managing Director (CEO)
Mr. Barber has served as the Managing Director (CEO) since 26 November 2018, and is situated in Thinfilm's Headquarters in San Jose, California. He is responsible for driving worldwide strategic growth, scaling product innovation and manufacturing operations while increasing market penetration and identifying new business opportunities. Prior to joining Thinfilm, from January 2011 through November 2018, Mr. Barber was Senior Vice President and General Manager; Corporate officer at Synaptics, where he drove the strategy, business development, M&A, growing revenue fourfold to more than 1 billion USD annually. Previously, Mr. Barber was CEO of ACCO Semiconductor, a venture capital funded startup. Prior to ACCO, he served as Senior Vice President, General Manager Mobile Business at Skyworks Solutions, where he led the strategy - achieving top RF power amplifier market share in the high growth mobile market. Before joining Skyworks, Mr. Barber served as Senior Vice President, Operations at Conexant, where he led strategic efforts of global manufacturing scale, technology development, and supply chain management, enabling Conexant to become a leader in diverse markets. His directorships over the last five years include a current board position in Intevac (director/member of audit committee and chairman of compensation committee). Mr. Barber holds a Bachelor of Science degree in Electrical Engineering from San Diego State University and a Master's degree in Business Administration from Pepperdine University. Mr. Barber is a US citizen and maintains a business address at 2581 Junction Avenue, San Jose, California 95134, USA.

David Williamson, Acting Chief Financial Officer (CFO)
Mr. Williamson joined Thinfilm in February 2020, and was appointed Acting Chief Financial Officer (CFO) in May 2020, and is situated in Thinfilm's headquarters in San Jose, California. He is an experienced financial executive with years of vice president and senior controller experience at large public international companies in addition to successful venture backed companies. Prior to joining Thinfilm, Mr. Williamson, inter alia, provided financial services to companies in high

tech and was Assistant Corporate Controller in InvenSense, Inc, which was acquired by TDK Corporation in 2017. Mr. Willamson has established a reputation for building world-class teams and for aligning financial and business metrics to support business strategy and growth. He holds a Bachelor of Science in Accounting from the San Jose State University and a Master of Business Administration from the University of Phoenix. He is a US citizen and maintains a business address at 2581 Junction Avenue, San Jose, California 95134, USA.

<u>Shannon Fogle, VP of Global Human Resources and Administration</u>
Ms. Fogle leads the Human Resources functions for Thinfilm. She joined Thinfilm in 2014 as part of Thinfilm's acquisition of Kovio's Technology and the opening of Thinfilm's NFC Innovation Center in San Jose. Ms. Fogle lead the Human Resources functions at Kovio from 2007 until 2014. Prior to Kovio, Ms. Fogle worked in various Operations roles at Spansion Inc. and Advanced Micro Devices. She holds a Bachelor of Science degree in Business Management from San Jose State University and is Certified by the Society of Human Resource Management. Ms. Fogle is a US citizen and maintains a business address at 2581 Junction Avenue, San Jose, CA 95134, USA.

<u>Dr. Arvind Kamath, EVP Technology Development</u>
Dr. Kamath joined Thinfilm in January 2014 from Kovio Inc. in San Jose where he served as Sr. Director, Technology Development. At Thinfilm he has built and led several teams in the areas of Technology Development, Engineering and Operations. Most recently he was responsible for the flexible substrate roll to roll PDPS (Printed Dopant Polysilicon) manufacturing scale-up and led the teams that built a global ecosystem to enable this. At Kovio his primary responsibility was in leading materials, process and integration of a revolutionary silicon ink based printed electronics platform from initial feasibility to qualified product and yield. Prior to Kovio, Dr. Kamath worked at LSI Logic R&D, Santa Clara in various managerial and individual contributor roles. This spanned process engineering, group management, R&D operations and SRAM integration and yield enhancement. Dr. Kamath earned a B.Tech degree in Metallurgical Engineering from the Indian Institute of Technology, Chennai and a Ph.D in Materials Science and Engineering from the microelectronics program at The University of Texas at Austin. Dr. Kamath is a US Citizen, and maintains a business address at 2581 Junction Avenue San Jose, CA 95134, USA.

7.2 Conflicts of Interest

The Chairman of the Board, Morten Opstad, is a partner in the Norwegian lawfirm Advokatfirmaet Ræder AS, which in the past has rendered and currently renders legal services for Thinfilm. Mr. Opstad and the Board are attentive to the fact that this, arguably, could represent a potential conflict of interest and monitor the situation closely to ensure that no conflict of interest materializes. No commitment has been made by the Board in relation to the use of Advokatfirmaet Ræder AS for future legal services and the Board selects the Company's professional advisors with the Company's best interests as the overriding priority. The legal services rendered by Advokatfirmaet Ræder AS are to a large degree performed by other lawyers than Mr. Opstad. Mr. Opstad will abstain from voting on any Board matters concerning the Company's affiliation with Advokatfirmaet Ræder AS.

The Company has had an agreement with the Chairman for remuneration for extra services beyond the role as Chairman of the board. This was ended by the end of December 2019. As part of the refinancing and funding of the Company, a new agreement will be put in place for the Chairman effective as of 1 January 2020. To be in a position to save cash, the Company is also in the process of proposing a program for issuing shares in exchange for part of the cash remuneration.

Members of the Board and management hold a number of Shares and/or Subscription Rights/warrants in the Company. The following table sets forth the number of such equity instruments held or controlled by the members of the Board and management as at the date of this Prospectus. The numbers include rights held or controlled by the respective persons' close associates, as that term is defined in the Norwegian Securities Trading Act.

Name/position	**Shares**	**Warrants A**	**Warrants B**	**Warrants C**	**ADRs**	**Incentive Subscription Rights**
Morten Opstad, Chairman	2,095,997	1,996,531	1,996,531		-	4,600,000
Preeti Mardia, Board member	342,053	-	-	333,333	-	2,300,000
Jon Castor, Board member	909,090	909,090	909,090		-	5,000,000
Kelly Doss, Board member	787,878	454,545	454,545	333,333	-	2,500,000
Kevin Barber, CEO	909,090	909 090	909,090		-	2,330,120
David Williamson, Acting CFO	-	-	-		-	132,000
Arvind Kamath, EVP Technology Development & Manufacturing	-	-	-		-	376,264
Shannon Fogle, VP Human Resources & Administration	-	-	-		-	183,006

Other than the foregoing, and to the best of the Company's knowledge, there are no potential conflicts of interests between any duties to the Company and private interest or other duties of the members of the Board or management. There are no family relationships among the directors, management or key employees.

There is no arrangement or understanding in existence with major shareholders, customers, suppliers or others, pursuant to which members of the Board or management were selected for their respective positions.

7.3 Convictions for fraudulent offences, bankruptcy, etc.

None of the members of the Company's Board or management have during the last five years preceding the date of this Prospectus:

- Any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

8 FINANCIAL INFORMATION

8.1 Overview and basis of presentation

The financial information in the summary has been extracted from the Group's audited consolidated financial statements as of and for the year ended 31 December 2019 (the "**Financial Statements**"), and the unaudited consolidated statements as of and for the three months' periods ending on 30 June 2019 and 30 June 2020 (the "**Interim Financial Statements",** together referred to as the "**Financial Information**"). The Financial Information is incorporated herein by reference (see Section 14.5 "*Incorporation by reference*").

What is the key financial information regarding the issuer?

Financial Statements

Profit and loss	**First three months**		**First six months**		**Full Year**
Amounts in USD (1,000)	**2020**	**2019**	**2020**	**2019**	**2019**
Total revenue	558	781	495	1 096	1 181
Gross margin	491	(12)	488	587	(1 998)
Loss before interest, tax, depreciation (EBITA)	(2 827)	(10 648)	(5 561)	(20 516)	(30 761)
Net loss for the period	(2 827)	(11 775)	(8 083)	(22 597)	(78 446)
Loss per share, basic and diluted (USD)	(0,05)	(0,20) *	(0,07)	(0,39) *	(1,34)

* adjusted for 20 to 1 reverse stock split

Financial position	**31 March 2020**	**31 March 2019**	**30 June 2020**	**30 June 2019**	**31 December 2019**
Total assets	7 252	69 951	5 897	56 684	12 238
Total equity	(22 686)	47 528	(25 002)	35 692	(19 660)
Net financial debt	13 200	-	13 200	-	13 200

Cash flow	**First three months**		**First six months**		**Full Year**
Amounts in USD (1,000)	**2020**	**2019**	**2020**	**2019**	**2019**
Net cash flows from operating activities	(3 373)	(9 982)	(5 869)	(19 028)	(29 054)
Net cash flow from investing activities	22	(2 228)	(40)	(4 662)	(4 919)
Net cash flows from financing activities	(956)	(458)	700	474	10 257

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the Norwegian Accounting Act, and audited by Deloitte AS, the Group's independent auditor, see Section 14.2 "*Auditor*".

The unaudited report for the three-month's periods ending 30 June 2019 and 30 June 2020 has been prepared in accordance with International Accounting Standard 34 ("**IAS 34**").

The amounts are presented in USD, rounded to the nearest housand unless otherwise stated. USD is the reporting as well as the functional currency of the Group and the Company.

8.2 Auditor and information subject to audit

The Company's auditor Deloitte AS, ref. Section 14.2, has audited the Financial Statements. The auditor's reports are included in the Financial Statements. The auditor's opinion for 2019 was qualified as follows because the Company has insufficient working capital for a 12 month period and it exists significant uncertainty regarding ability for the Company and the consolidated entity to continue as going concerns:

The Group and the parent historically operated at a loss and are in immediate need of cash. There is no assurance that management will be successfull in raising funds. Failure to obtain funding would adversely affect the ability to continue as a going concern and consequently the Group and the parent might enter into liquidation. As stated in Note 2 in the financial statements of the Group and in Note 1 in the financial statements of the parent and in the Board of Directors report, the liquidity situation, along with other matters as set forth in the notes and the Board of Directors report, the liquidity situation, along with other matters as set forth in the notes and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company`s ability to continue as a going concern.

These concerns are reflected and elaborated in 2 *"Risk factors"* and 6 *"Company and its business"*.

Deloitte AS has not audited Interim Financial Statements.

8.3 Significant changes since 30 June 2020

On 12 September 2019, the Company announced an equipment term loan facility with Utica Leaseco, LLC ("Utica") entered into by the US subsidiary, Thin Film Electronics, Inc., for financing of up to USD 13.2 million. As of 30 September 2019, Thinfilm had secured funding for the full amount of USD 13.2 million. The financing under the Master Lease Agreement with Utica established four-year term loans that funded in two tranches of USD 5.6 million and USD 7.6 million on 11 September 2019 and 17 September 2019, respectively. Interest-only monthly payments were due for the first six months, followed by three months of interim payments, and thereafter a four-year amortization period during which monthly principal and interest payments are due. As a result of the financial impact of COVID-19 on Thinfilm's cash position, Management has renegotiated the payback terms of the loans, in principle, established under an amendment to the Master Lease Agreement, which was signed during the second quarter of 2020. The negotiated agreement extends the interest only payments through November 2020. The cash savings during the aforementioned period will be spread over the remaining amortization of the loan. In connection with the new arrangement, the Company has pledged additional collateral to secure the amended payment terms. In addition to the existing collateral pledge, which includes the roll-to-roll production line equipment and certain sheet-line tools, Thinfilm has pledged all remaining unsecured equipment located in the San Jose, California facility. Further, Utica has taken a first security position in certain of Thin Film Electronics ASA's intellectual property. Thinfilm Group is using the proceeds from the loans as well as the short term cash savings resulting from the renegotiation of payment terms for working capital to fund ongoing operations and to support its execution of strategic initiatives.

On 15 May 2020, the management became aware that the Company's Hong Kong subsidiary was victim to a cybersecurity breach resulting in the loss of approximately USD 236 thousand. Thinfilm maintains both crime and cyber insurance policies that are expected to cover the loss. Notifications have been sent to the insurance carriers. The Company has contacted the relevant legal authorities and has reviewed its internal controls and policies related to cybersecurity risks and incidents. Accordingly, additional controls have been implemented to mitigate future risk of cyber incidents.

Further, in the opinion of the Company's management, to the best of its knowledge, there have been no material changes in recent trends as regards the operations of the Company, since 30 June 2020 to the date of this Prospectus.

8.4 Investments

Thinfilm has no financial investments or off-balance sheet assets. Cash is held in the bank.

Thinfilm made significant investments in both 2017 and 2018 as well as the first three months of 2019, mostly related to equipment for the new roll-based production line at the San Jose site. The roll-to-roll line comprises of 20 modules and the Company has at the date of this Prospectus ordered all modules and received 17. The Company is well positioned to execute on its new strategy with minimal investment in equipment.

The future development and commercialization activities will be conducted by the Group, its production partners and various technical and academic laboratories and institutions. The future programs are committed only insofar as the staff has been employed and hired. There is little or no basis for estimating whether the results of future development projects will satisfy the criteria for capitalization.

Thinfilm intends to fund the future development activities through its own sources, supplemented by equity and/or debt financing if and when obtained.

8.5 Dividend Policy

Thinfilm has no established dividend policy in place except to state that the Company's aim and focus is to enhance shareholder value and provide an active market in its Shares.

Thinfilm has not yet declared or paid any dividends on its shares. The Company does not anticipate paying any cash dividends on its shares in the next few years. Thinfilm intends to retain future earnings, if any, to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Group's and the Company's financial condition, results of operations and capital requirements.

9 CAPITAL RESOURCES AND INDBETEDNESS

9.1 Capitalization and Indebtedness prior to the Subsequent Offering

The Group is funded by equity and supplier credit, and short term financing. The unsecured current debt, which comprises financial liabilities as reported in the balance sheet, consists of accounts payable, accrued expenses and similar working capital items.

On 12 September 2019, the Company announced an equipment term loan facility with Utica Leaseco, LLC ("Utica") entered into by the US subsidiary, Thin Film Electronics, Inc., for financing of up to USD 13.2 million. As of 30 September 2019, Thinfilm had secured funding for the full amount of USD 13.2 million. The debt facility is described in more detail in Section 8.3. Thinfilm Group is using the proceeds from the loans as well as the short term cash savings resulting from the renegotiation of payment terms for working capital to fund ongoing operations and to support its execution of strategic initiatives.

The Company had approximately USD 3,967,000 of unsecured debt for trade and other payables as of 30 June 2020.

Since 30 June 2020, new equity and liquidity from the subsequent offering resolved on 20 May 2020 in a net amount of NOK 7 million has been injected into the Company. The normal operations have consumed cash by payment of expenses, and increased cash through the collection of receivables and an increase in accounts payable.

In connection with the Private Placement, one member of the investor consortium provided the Company with a short-term bridge loan until the funds from the Private Placement become available to the Company.

There are no other material changes to the capitalization and indebtedness of the Group.

9.1.1 Captitalization and indebtness

The following table shows the Group's capitalization and indebtedness as of 30 June 2020 (06.30.2020) and significant changes since 30 June 2020 (per 07.31.2020) (unaudited):

Capitalisation and indebtedness
In thousands of USD

	30 June 2020	Adjustments after 30 June 2020	As Adjusted
Total Current Debt and liabilities	6 760	313	7 073
Guaranteed			
Secured - Current portion	1 798	272	2 070
Unsecured	3 967	41	4 008
Warrant liability	995	-	995
Total Non-Current debt (excluding portion of long-term debt)	24 139	(443)	23 696
Guaranteed			
Secured - Non-current portion	11 402	(272)	11 130
Unsecured (financial lease)	12 737	(171)	12 566
Shareholder's equity	(25 002)	(1 070)	(26 072)
a.....Share capital..........	3 576	726	4 302
b.....Legal Reserve.........	-	-	-
c......Other Reserves......	(28 578)	(1 796)	(30 374)
Total debt and shareholder's equity	5 897	(1 200)	4 697

The adjustments since 30 June 2020 consist of the following:

The decrease in non-current portion of secured debt is offset by an equal increase in current portion.

The the change in unsecured debt is USD 41,000.

The decrease of USD 171,000 in unsecured (financial lease) is the result of normal monthly amortization relating to the Company's building lease in San Jose, California.

The increase of USD 726,000 is the result of issuing 63,636,363 shares in the subsequent offering announced on 28 April 2020, which was completed in July 2020.

The decrease of USD 1,796,000 is the result of the subsequent offering announced on 28 April 2020, and monthly losses.

Net financial indebtness
In thousands of USD

	30 June 2020	Adjustments after 30 June 2020	As Adjusted
Total Current Debt and liabilities			
A. Cash………………………………………………	3 662	(584)	3 078
B. Cash equivalent (Detail)……………………	-	-	-
C. Trading securities……………………………	-	-	-
D. Liquidity (A) + (B) + (C)………………………	3 662	(584)	3 078
E. Current financial receviables………………	573	-	573
F. Current bank debt……………………………	-	-	-
G. Current portion on non current debt……	1 798	272	2 070
H. Other current financial debt………………	-	-	-
I. Current Financial Debt (F)+(G)+(H)	**1 798**	**272**	**2 070**
J. Net Current Financial Indebtedness (I) - (D) -(E)…..	(2 437)	856	(1 581)
K. Non current Bank loans………………………………	11 402	(272)	11 130
L. Bonds issued………………………………………	-	-	-
M. Other non current loans………………………	12 737	(171)	12 566
N. Non current Financial Indebtedness (K)+(L)+(M)…..	24 139	(443)	23 696
O. Net Financial Indebtedness (J)+(N)……………	21 702	413	22 115

The adjustments after 30 June 2020 consist of the following:

The decrease in cash of USD 582,000 is a result of funding the losses for the month offset by receiving USD 726,000 proceeds of the subsequent offering announced on 28 April 2020.

The decrease of USD 272,000 in the non-current portion of secured debt is offset by an equal increase in the current portion.

The decrease of USD 171,000 in other non-current loans reflect the normal amortization of the financial lease associated with the facility in San Jose, California.

9.2 Working capital statement

The Company is of the opinion that it does not have sufficient working capital for its present requirements and is actively undertaking initiatives to raise funds necessary for continued operation. As of 31 July 2020, the Company had a cash balance of approximately USD 3,078,000 (including restricted cash of USD 1,632,000), which is sufficient to fund the Company into Q3 2020. In connection with the proposed NOK 60 million equity investment approved at the 19 August 2020 Extraordinary General Meeting, one memberof the investor consortium agreed to and have provided the Company with a USD 1 million bridge loan to ensure that the Company has sufficient levels of cash to continue its operations until such time that the equity financing closes. In addition, the Company also expects to issue a Subsequent Offering of up to NOK 10 million. In aggregate, the proposed equity offerings total NOK 60 million. Following the successful completion of both the Private Placement and Subsequent Offering, the Company believes it will have sufficient working capital to continue operations into Q4 2020.

Beyond funds raised in this Private Placement and Subsequent Offering, the Company believes it will require additional funds in the range of USD 8-11 million to support the business plan into the third quarter of 2021. Sources of funding may include new and existing investors, including the US market, the potential exercise of warrants issued as part of the previous private placement and subsequent offering, both approved on 20 May 2020, this Private Placement and Subsequent Offering, potential Joint Devopment Agreements with customers, and the Company’s planned monetization of NFC assets.

However, if the Company is not able to successfully complete future fundraising as planned, significant uncertainty would exist as to whether the Company will continue as a going concern.

10 CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

10.1 Company corporate information

The Company's legal name is Thin Film Electronics ASA. In less formal circumstances and in the context of marketing, the Company/Group is often referred to as "Thinfilm". The Company is organized as a public limited liability company in accordance with the Norwegian Public Limited Companies Act, and is registered with the Company Registry under company organization no. 889 186 232.

The Company's registered office is at Fridtjof Nansens plass 4, 0160 Oslo, Norway. The Company can be reached on telephone + 47 22 42 45 00.

The Company was incorporated on 22 December 2005 with the name Thin Film NewCo ASA, which name was changed to Thin Film Electronics ASA on 11 May 2006. The Company's website can be found at https://thinfilmsystems.com/. Except as incorporated by reference, see Section 14.4, the information on the Company's website is not part of the Prospectus.

10.2 The Shares

The Company's Shares have been listed and traded on Oslo Børs since February 27, 2015. Prior to this, since 30 January 2008, the Company's Shares had been listed on Oslo Axess.

In addition, Thinfilm has established a sponsored Level 1 American Depositary Receipt ("**ADR**") program. On 24 March 2015, Thinfilm's ADRs were available for trading in the United States on the OTCQX International under the symbol "TFECY". Thinfilm's ADR was moved to OTCQB with effect on 23 June 2020.

The Company's Shares are not listed on any other stock exchange, regulated market or other equivalent markets and no such other listing is sought or contemplated.

The Company only have one class of shares and all Shares have equal rights, including voting rights and right to the Company's capital, in the event of liquidation and to receive dividends, unless all the shareholders approve otherwise. The Shares are issued under Norwegian law and pursuant to the Norwegian Public Limited Companies Act. All Shares have been fully paid. See Section 11 "*Shareholder Matters and Company and Securities Law*" for further details of the rights relating to the Shares. The Company's Articles of Association as of the date of this Prospectus are incorporated hereto by reference, see Section 14.5 "*Incorporation by reference*".

There are no dividend restrictions or specific procedure for non-Norwegian resident shareholders in the Norwegian Public Limited Companies Act or otherwise applicable for the Company.

For the Private Placement Shares and the Offer Shares issued under the Private Placement and the Subsequent Offering, the subscribers will obtain rights to receive dividends from the time at which the share capital increase was registered in the Company Registry, being on or about 26 August 2020 and on or about 24 September 2020, respectively.

The Private Placement Shares and the Offer Shares are freely transferable according to Norwegian law and the Company's Articles of Association. There are no voting restrictions in the Company. The Articles of Association of the Company does not contain any provisions restricting foreign ownership of Shares.

The Company is not aware of any shareholder agreements or other similar understandings among its shareholders that may result in a change of control in Thinfilm. To the best of the Company's knowledge and belief, no shareholders, or group of shareholders, control the Company, directly or indirectly. The Shares have not been subject to any takeover bids by third parties during the current or last financial year.

10.3 Board Authorization to issue Shares

On 19 August 2020, the Extraordinary General Meeting approved a Board authorization to issue shares for up to 10% of the resolved share capital in connection with private placements and/or rights issues. At the date of the resolution, the authority extended to new shares to a resolved capital of NOK 7,581,515,634. Exisisting shareholders' pre-emptive right was deviated from in case of private placements. As of the date of this Prospectus, the authorization has not been used.

At the Annual General Meeting on 3 June 2020, the Board was granted an authorization to issue shares in connection with the 2020 Employee Share Purchase Plan. The authority allows issue of new shares for up to NOK 644,529.39 in total nominal value, corresponding to 10% of the registered capital as of the date of the Notice of the Annual General Meeting, in connection with the award of shares to employees under the 2020 Employee Share Purchase Plan in return for the employees accepting a corresponding reduction in their cash employee remuneration. The Board authorization was first approved at the 15 April 2020 Extraordinary General Meeting, but for registration purposes was ratified and restated at the 3 June 2020 Annual General Meeting. The number of shares that may be awarded to the employee shall be calculated based on the volume-weighted average price of the share over the 10 trading days immediately preceding the subscription date. The authorization is valid until the Annual General Meeting in 2021, but not later than 30 June 2021. As of the date of this Prospectus, the authorization has not been used.

There are no other board authorizations to issue shares in effect as of the date of this Prospectus.

10.4 Subscription Rights, Warrants and other financial instruments

10.4.1 Subscription Rights

On 19 August 2020, the Extraordinary General Meeting resolved a right to issue subscription rights to employees of the Group and to individual consultants under a new 2020 Subscription Rights Incentive Plan.

The maximum number of subscription rights that may be granted under the 2020 plan is 173,824,687 subscription rights, which equals 10% of the Company's fully diluted share capital as of the date of the Extraordinary General Meeting on 19 August 2020 ("fully diluted" includes Offer Shares and Warrants C that may be issued in the Subsequent Offering, as well as issued and outstanding Warrants A, B and C, but excluding issued and outstanding incentive subscription rights); provided, however, that the number of subscription rights that may be issued under the 2020 plan and collectively under all the Company's subscription rights plans remains limited to 10 % of the issued and outstanding number of shares in the Company at any given time.

In general, and unless the Board approves an accelerated vesting schedule at its sole discretion, subscription rights granted under the 2020 Plan will vest as to 50% on the first anniversary of the vesting commencement date, and as to the remaining 50% on the second anniversary of the vesting commencement sate. Unless otherwise determined by the Board, the exercise price for each subscription right under the 2020 plan shall be the greatest of (i); the average closing price of the Company's share, as reported by Oslo Børs, over ten trading days immediately preceding the Grant Date, and (ii) the closing price of the Company's share, as reported by Oslo Børs, on the trading day immediately preceding the Grant Date. Under special terms of the 2020 plan, the Board is expressly authorized to issue up to 139,059,749 subscription rights, which equals 8% of the Company's fully diluted share capital (as defined in the preceding paragraph) with an exercise price of NOK 0.15 per share. The Board retains the discretion to set the NOK 0.15 exercise price higher to avoid any issues with taxation in the jurisdiction of the employee or individual consultant.

As of the date of this Prospectus, no subscription rights have been granted and are outstanding under the 2020 plan.

The 2020 plan replaced the preceding 2019 plan, meaning that no new subscription rights may be granted under the 2019 plan after the 2020 plan became effective. The 2019 plan is based on substantially the same terms and conditions as the general terms of the 2020 plan; provided, however, that i) subscription rights issued pursuant to the 2019 plan generally vest as follows: 1/12 of the Shares subject to the subscription rights become vested and exercisable on each January 15, April 15, July 15 and October 15 following the grant date (commencing with the first such date following the grant date).

Further, the 28 May 2019 Annual General Meeting resolved a right to issue subscription rights under the 2019 Plan to employees of the Group and to individual consultants that held issued, outstanding and not expired subscription rights granted under the plans from 2014 to 2018 ("Existing Subscription Rights"), provided that the individual holder of Existing Subscription Rights waived any right to claim Shares under the Existing Subscription Rights. Of the subscription rights issued pursuant to the said resolution, 33.3% are to be considered vested at the date of grant of the new subscription rights under the 2019 Plan. The remaining subscription rights vest 22.3% one year from the Vesting Commencement Date, and 22.2% shall vest the two following years, respectively.

As of the date of this Prospectus, 4,912,339 subscription rights have been granted and are outstanding under the Company's prior Subscription Rights. The lowest strike price under the 2019 Subscription Rights Plan is NOK 0.113.

The Extraordinary General Meeting on 19 August 2020 further issued 13,800,000 incentive subscription rights to members of the Company's Board of Directors.

10.4.2 Warrants

The 20 May 2020 Extraordinary General Meeting resolved to issue warrants (*Nw.: tegningsretter*) to investors participating in the private placement and subsequent offering announced on 28 April 2020. The Company issued two warrants for each share subscribed for and allocated in said placement and offering.

The first warrant ("Warrant A") has an exercise price of NOK 0.11 per share and will be exercisable at any time from the date of grant until 31 December 2020. The second warrant

("Warrant B") has an exercise price of NOK 0.25 per share and will be exercisable at any time from the date of grant until 20 August 2021.

On 19 August 2020, the Extraordinary General Meeting further resolved to issue warrants to investors participating in the Private Placement and Subsequent Offering. The Company will issue one warrant for each share subscribed for an allocated in the Private Placement and Subsequent Offering. Such warrants ("Warrant C") have an exercise price of NOK 0.25 and will be exercisable at any time from 31 March 2021 until 30 June 2021. Reference is otherwise made to Sections 5.2.5 and 5.3.2 of the Prospectus, stating the resolutions to issue Warrants C in connection with the Private Placement and Subsequent Offering, respectively, and Section 5.3.10.

Each Warrant (including, for the purpose of this paragraph, Warrants A, B and C) shall entitle the holder to demand the issuance of one share in the Company; provided, however, that in the event the Company's share capital or number of shares is changed by way of a capitalization issue, stock split, stock consolidation etc., the number of Warrants that may be issued , and the consideration for the shares to be issued in the Company upon exercise of the Warrants, shall be adjusted accordingly and rounded downwards to the nearest whole number. Any shares that are issued by the Company upon exercise of Warrants shall carry shareholder rights subsequent to the subscriber having paid the exercise price and the associated share capital increase having been registered in the Register of Business Enterprises.

290,909,090 Warrants A and 290,909,090 Warrants B have been resolved issued to investors participating in the private placement and the subsequent offering announced on 28 April 2020. Out of these, 3,292,217 Warrants A and 552,673 Warrants B have duly been exercised and the related share issuance has been approved by the Board as of the date of this Prospectus. Further, as of the date of this Prospectus, 333,866,666 Warrants C have been resolved issued to investors participating in the Private Placement. Subsequently, a total of 911,839,956 Warrants are currently issued and outstanding in the Company.

10.4.3 Other financial instruments

As of the date of this Prospectus, the Company has no other outstanding rights to shares, convertible loans, convertible securities, exchangeable securities or other financial instruments in issue giving the holder the right to convert or subscribe for Shares in the Company.

10.5 Authority to Repurchase Shares

No Shares in Thinfilm are held by or on behalf of the Company itself or by any of its Subsidiaries. At the 3 June 2020 Annual General Meeting, the Board was authorized to acquire, through ownership or a charge, up to 10% of the Company's registered share capital, corresponding to a total nominal value of NOK 3,208,982.31, for a maximum price of NOK 1,000 per Share. As of the date of this Prospectus, the authorization has not been used to purchase Shares in the Company. The authorization expires at the date of the Company's annual general meeting in 2021, however, no later than 30 June 2021.

10.6 Major shareholders

Pursuant to the Norwegian Securities Trading Act, shareholders that obtain holdings of shares, or rights to shares, that exceed 5% of the Company's share capital or a corresponding portion of the votes, have an interest in the issuer's capital or voting rights which is notifiable. As of 18 August 2020, the following registered shareholders in Thinfilm have holdings in excess of the statutory thresholds for disclosure requirements. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the Shares. The overview does not include Offer Shares.

Name of registered shareholder	Number of Shares held	%
Alden AS	45,454,545	12.79%
UBS Switzerland AG	34,955,735	9.84%
Nordnet Bank AB	25,504,061	7.18%
Tigerstaden AS	20,000,000	5.63%
Middelborg Invest AS	17,893,009	5.04%

Robert N. Keith disclosed on 20 August 2020 that he and close associates own 115,862,601 Shares in the Company, which represents 16.81% of the total number of outstanding Shares following the Private Placement, as well as 174,242,423, out which 45,454,545 are Warrant A, 45,454,545 are Warrant B and 83,333,333 are Warrant C.

UBS Switzerland AG and Nordnet Bank are nominee shareholders. Note that shareholders may have several accounts and/or their Shares may be held by one or more nominee(s). All shares in the Company have equal voting rights.

11 SHAREHOLDER MATTERS AND COMPANY AND SECURITIES LAW

11.1 Introduction

This section includes certain aspects of Norwegian legislation relating to shareholding in a Norwegian public limited liability company, with its shares listed on Oslo Børs. The following summary does not purport to be a comprehensive description of all the legal considerations that may be relevant to a decision to purchase, own or dispose of Shares.

The Company is a Norwegian public limited company and is as such subject to, inter alia, Norwegian company and securities law, including the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act with regard to disclosure of inside information and ongoing disclosure requirements, market abuse, mandatory take-overs, squeeze-out, etc.

11.2 Voting rights

Each share in the Company (other than treasury shares) gives the holder the right to cast one vote at general meetings of shareholders. There are no limitations under Norwegian law on the rights of non-residents or foreign owners to hold or vote the Shares.

As a general rule, resolutions that shareholders are entitled to make pursuant to the Norwegian Public Limited Companies Act or the Company's Articles of Association require a simple majority of the votes cast. In the case of election of directors to the Board of Directors, the persons who obtain the most votes cast are elected to fill the positions up for election. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any share issue, to approve a merger or de-merger, to amend the Company's Articles of Association or to authorize an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting.

Norwegian law further requires that certain decisions which have the effect of substantially altering the rights and preferences of any Shares or class of Shares receive the approval of the holders of such Shares or class of shares as well as the majority required for amendments to the Company's Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered Shares. For example, Oslo Børs has held that in its opinion "nominee-shareholders" may vote in general meetings if they actually prove their shareholding prior to the general meeting.

11.3 Additional issuances and preferential rights

All issuances of Shares by the Company, including bonus issues, require an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. Furthermore, under Norwegian law, the Company's shareholders have a preferential right to subscribe for issues of new shares by the Company against cash contribution. The preferential rights to subscribe in an issue may be waived by a resolution in a general meeting by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares, irrespective of class.

Under Norwegian law, bonus issues may be distributed, subject to shareholder approval, by transfer from the Company's free equity or from its share premium reserve. Such bonus issues may be effected either by issuing Shares or by increasing the par value of the Shares outstanding.

11.4 Dividends

Dividends may be paid in cash or in some instances in kind. Pursuant to the Norwegian Public Limited Companies Act, a public limited liability company may only distribute dividends to the extent it will have net assets covering the company's share capital and other restricted equity after the distribution has been made. The calculation shall be made on the basis of the balance sheet in the Company's last approved financial statements, provided, however, that it is the registered share capital at the time of decision that applies. Further, extraordinary dividend payments may be resolved based upon an interim balance sheet not older than six (6) months.

In the amount that may be distributed, a deduction shall be made for (i) the aggregate nominal value of treasury shares held by the company, (ii) credit and collateral pursuant to Sections 8-7 and 8-10 of the Norwegian Public Limited Companies Act, with the exception of credit and collateral repaid or settled prior to the time of decision or credit which is settled by a netting in the dividend and (iii) other dispositions after the balance day which pursuant to law shall lie within the scope of the funds that the Company may use to distribute dividend. Even if all other requirements are fulfilled, the Company may only distribute dividend to the extent that it maintains a sound equity and liquidity post distribution.

Distribution of dividends is resolved by the general meeting of shareholders with simple majority, and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors. The general meeting can also, following its approval of the annual financial statement, provide the Board of Directors with an authorization to resolve distribution of dividends on the basis of the company's financial statement. Such authorization is however limited in time to the next ordinary General Meeting.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Under the Norwegian Limitations Act, the general period of limitation is three (3) years from the date on which an obligation is due. The payment date may not be set later than six (6) months from the resolution to distribute dividends. Further, there are no dividend restrictions or specific procedures for non-Norwegian resident shareholders in the Norwegian Public Limited Companies Act.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank. Banks are required to report transfers of capital greater than NOK 25,000 to the Currency Register.

Any potential future payments of dividends on the Shares will be denominated in NOK and will be paid to the shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the Company's registrar based on information received from the VPS. Investors registered in the VPS with an address outside Norway who have not supplied VPS with their bank account details or who do not have valid bank account number will receive a letter from the Company's VPS registrar, which needs to be completed and returned before the dividend payment can take place.

11.5 Rights on liquidation

Under Norwegian law, a company may be liquidated by a resolution in a general meeting of the Company passed by a two thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The Shares rank pari passu in the event of a return on capital by the Company upon a liquidation or otherwise.

11.6 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

Shares held or acquired or disposed of by close associates, as defined in Section 2-5 of the Norwegian Securities Trading Act, are regarded as equivalent to the acquirer's or disposer's own Shares.

11.7 The VPS and transfer of Shares

The Company's principal shareholder register is operated through the VPS under the securities identification code ISIN NO 0010299068. The Company's registrar is DNB Bank ASA, Securities Services, Dronning Eufemias gate 30, NO-0191 Oslo, Norway.

The VPS is the Norwegian paperless centralized securities register. It is an electronic book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly-owned by Euronext N.V.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the shareholder rights with respect to such shares until such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's by-laws or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control, of which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

11.8 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

11.9 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

11.10 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

11.11 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a Norwegian company whose shares are listed on a Norwegian regulated market to, within four (4) weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered when a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four (4) weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obligated to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four (4) weeks, the Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian company listed on a Norwegian regulated market is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four (4) weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

11.12 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the acceptance of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three (3) months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless special circumstances indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two (2) months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

11.13 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

12 LEGAL MATTERS

12.1 Legal and arbitration proceedings

The former Chief Financial Officer of the Company, Mallorie Burak, was terminated effective 28 May 2020. On 7 July 2020, Ms. Burak, as plaintiff, filed a complaint before the Superior Court of the State of California, County of Santa Clara, regarding her employment with Thin Film Electronics, Inc.

On 10 July 2020, Ms. Burak made an *ex parte* application to the Court to attach a portion of Thinfilm's assets while the litigation was pending, which the Court granted summarily in the amount of USD 123,270.83 without a hearing on the matter. On 30 July 2020, Thinfilm moved to vacate or set aside the attachment order and increase the amount of Ms. Burak's undertaking/bond. That motion is currently pending before the Court.

Having taken legal advice on the matter, Thinfilm firmly believes that Ms. Burak has no meritorious claim in the matter and that Thinfilm ultimately will prevail in the lawsuit. Further, under any circumstances, the Company believes that there is no ground for any attachment of its assets as security for any claim by Ms. Burak, and the Company expects that the attachment order will be vacated or set aside.

The Group is not involved in any other governmental, legal or arbitration proceedings, nor is the Company aware of any such pending or threatened proceedings, which may have or have had any significant effects on the Group's financial position or profitability.

12.2 Related Party Transactions since 31 December 2019 until the date of the Prospectus

In the period 1 January – 30 June 2020, Thinfilm has been invoiced approximately NOK 2.2 million (net of VAT) for legal services provided by Advokatfirmaet Ræder AS, in which Morten Opstad, Thinfilm's Chairman of the Board, is a partner.

Further, Morten Opstad (Chairman), Board members Jon S. Castor and Kelly S. Doss, and Mr. Kevin Barber, CEO, participated in the private placement announced on 28 April 2020. Mr. Opstad subscribed for 1,181,182 Shares, 1,181,182 Warrants A and 1,181,182 Warrants B. Each of Mr. Barber and Mr. Castor subscribed for 909,091 Shares, 909,091 Warrants A and 909,091 Warrants B, while Ms. Doss subscribed for 454,545 Shares, 454,545 Warrants A and 454,545 Warrants B.

Also, each of Board members Kelly Doss and Preeti Mardia has participated in the Private Placement. Reference is made to Section 5.2.3 regarding members of the Board and management's participation in the Private Placement.

All agreements terms including pricing are based on the arm's length principle. Since 31 December 2019, the Group does not have other transactions with related parties. The number of Shares and Subscription Rights held by members of the Board and Management are set out in Section 7.2 above.

No related party transaction form part of the turnover of the Company.

13 TAXATION

13.1 General

Set out in this chapter 13 is a summary of certain tax matters related to purchase, holding and disposal of shares. The statements herein are, unless otherwise stated, based on the laws, rules and regulations in force in Norway as of the date of this Prospectus, and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. Tax rates indicated below are applicable for the income year 2020. The tax legislation of the investor's member state in the European Economic Area or country of residence/incorporation and of the issuer's country of incorporation may have an impact on the income received from the securities.

The following summary is of a general nature and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose Shares or Subscription Rights. Furthermore, the summary only focuses on the shareholder categories explicitly mentioned below (individual shareholders and limited liability companies). Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares. The summary does not address foreign tax laws. In particular, this document does not include any information with respect to U.S. taxation. Prospective investors who may be subject to tax in the United States are urged to consult their tax adviser regarding the U.S. federal, state, local and other tax consequence of owning and disposing of shares in Thinfilm.

13.2 Norwegian Shareholders

13.2.1 Taxation of dividends – Individual shareholders

Dividends distributed to Norwegian individual shareholders are taxable as general income. The taxable dividend, less a calculated tax-free allowance, is grossed up to 144%, which amount is taxed at the general income tax rate of 22% (resulting in an effective tax rate of 31.68%). The tax-free allowance shall be calculated on a share by share basis, and the allowance for each share will be equal to the cost price of the share, multiplied by a risk-free interest rate. This risk-free interest rate is set in January of the year following the income year. Any part of the calculated allowance one year exceeding the dividend distributed on the share will be carried forward to the following years and reduce the taxable dividend income. Unused allowance will also be included in the basis for calculating the tax-free allowance later years. The tax-free allowance is calculated for each calendar year, and is allocated solely to Norwegian individual shareholders holding shares at the expiry of the relevant income year.

13.2.2 Taxation of dividends – Corporate shareholders (Limited liability companies)

Dividends distributed to a shareholder which is a limited liability company resident in Norway for tax purposes ("**Norwegian corporate shareholders**") and holding more than 90% of the shares and votes in the distributing company are fully exempt from taxation. To other corporate shareholders 3% of the dividends shall be subject to general income tax at the 22% rate (resulting in an effective tax rate of 0.66%).

13.2.3 Taxation on realization of shares – Individual shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of disposal. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The capital gain is calculated on the consideration received less the cost price of the share and transactional expenses. The taxable gain, less any unused calculated tax-free allowance, is grossed up to 144%, which amount is taxed at the general income tax rate of 22% (resulting in an effective tax rate of 31.68%). The tax-free allowance for each share is equal to the total of any unused tax-free allowance amounts calculated for this share for previous years (ref. “Taxation of dividends – Individual shareholders” above), which exceeded dividends distributed on this share. The calculated tax-free allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the share, and may not be deducted in order to produce or increase a loss for tax purposes.

If the shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

13.2.4 Taxation on realization of shares – Corporate shareholders (Limited liability companies)

Norwegian corporate shareholders are not taxable for capital gains related to realization of shares in a Norwegian company, and losses related to such realization are not tax deductible.

13.2.5 Taxation related to independent subscription rights – Individual shareholders

A Norwegian individual shareholder’s subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price of the independent subscription right.

Exercise of independent subscription rights is not taxable; the cost price of the subscription right shall be added to the tax base of the shares acquired.

Sale and other transfer of subscription rights is considered as realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a realization of independent subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is generally included in or deducted from the basis for computation of general income in the year of disposal. The general income grossed up to 144% and taxed at the rate of 22% (resulting in an effective tax-rate of 31.68%).

However, please note that the gains related to independent subscription rights granted to employees as a consequence of their employment will be included in the basis for calculating their salary payments. Such salary payments are subject to taxation at a marginal tax rate of 46.4%. In addition, the employer will be obligated to pay social security contributions at a rate normally of 14.1%.

13.2.6 Taxation related to independent subscription rights – Corporate shareholders

A Norwegian corporate shareholder’s subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price of the independent subscription rights.

Norwegian corporate shareholders are generally exempt from tax on capital gains upon the sale or other realization of independent subscription rights to shares in a Norwegian company, and losses are not tax deductible.

13.2.7 Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian individual shareholders. The marginal wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for shares on Oslo Børs is 65% (from 1 January 2020) of the listed value as of 1 January in the year of assessment. Norwegian corporate shareholders are not subject to net wealth tax.

13.2.8 Inheritance tax

Effective 1 January 2020, there is no inheritance tax in Norway.

13.3 Non-Resident Shareholders

This section summarizes Norwegian tax rules relevant to shareholders who are not resident in Norway for tax purposes ("**Non-resident shareholders**"). Non-resident shareholders' tax liabilities in their home country or other countries will depend on applicable tax rules in the relevant country.

13.3.1 Taxation of dividends

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-resident individual shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

The above generally applies also to shareholders who are limited liability companies not resident in Norway for tax purposes ("**Non-resident corporate shareholders**"). However, dividends distributed to Non-resident corporate shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax, provided the shareholder genuinely is established and conducts business activity within the EEA.

Non-resident individual shareholders resident within the EEA area are subject to ordinary withholding tax, but entitled to apply for a partial refund of the withholding tax, equal to a calculated tax-free allowance similar to the calculated allowance used by Norwegian individual shareholders, ref above.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the shareholder has fulfilled specific documentation requirements and the nominee has obtained approval from the Norwegian Tax Administration for the dividend to be subject to a lower withholding tax rate. Non-resident shareholders that have suffered a higher withholding tax than set out by an applicable tax treaty or the Norwegian Tax Act may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

If a Non-resident shareholder is carrying on business activities in Norway, and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

13.3.2 Taxation on realization of shares or independent subscription rights

Realization of shares or independent subscription rights by a Non-resident individual or corporate shareholder will not be subject to taxation in Norway unless the Non-resident shareholder is holding the shares or warrants in connection with the conduct of a trade or business in Norway, in which case the tax treatment is as described for Norwegian shareholders.

13.3.3 Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Foreign individual shareholders can however be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

13.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer of shares whether on acquisition or disposal.

14 ADDITIONAL INFORMATION

14.1 Auditors

The Company's auditor is Deloitte AS (Dronning Eufemias gate 14, NO-0191 Oslo, Norway), who has acted as the Company's auditor since being elected at the Extraordinary General Meeting on 11 May 2006. Deloitte AS is a member of the Norwegian Institute of Public Accountants. Accordingly, no auditor of the Group has resigned, been removed or failed to be re-appointed during the period covered by the historical financial information discussed herein.

The auditor's report on the Financial Statements is included together with the Financial Statements as incorporated hereto by reference; see Section 14.5 "*Incorporation by reference*". Other than Deloitte's report on the Financial Statements, neither Deloitte nor any other auditor has audited, reviewed or produced any report on any other information provided in this Prospectus.

14.2 Expert Statements

There are no reports, letters, valuations or statements prepared by any expert at the Company's request referred to in the Prospectus.

14.3 Third party information

The Company confirms that where information has been sourced from a third party, it has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no fact has been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of information has been identified.

14.4 Documents on Display

Copies of the following documents (or copies thereof) will be available for inspection during normal business hours on any business day free of charge at the offices of the Company's legal advisor Advokatfirmaet Ræder AS, Dronning Eufemias gate 11, 0191 Oslo, Norway:

a) This Prospectus;
b) The Memorandum of Incorporation and Articles of Association of the Company;
c) Audited annual reports 2018 and 2019 for the Group, and separate financial statements for all Subsidiaries apart of TFE Inc., which is not required by law to prepare official financial statements; and

d) Unaudited interim reports for the first and second quarter of 2020 for the Group.

The above documents are also available at the Company's website at www.thinfilmsystems.com. The above documents are available for inspection for the life of this Prospectus.

14.5 Incorporation by reference

The information incorporated by reference in the Prospectus shall be read in connection with the cross-reference list as set out in the table below. Expect as provided in this section, no other information is incorporated by reference into this Prospectus.

The following documents have been incorporated hereto by reference:

Section in the Prospectus	**Minimum disclosure requirement of the Prospectus (Annex XXV)**	**Reference document and link**
Section 8.1	Item 20.1: Historical financial information	Consolidated Annual Report 2018: https://thinfilmsystems.com/wp-content/uploads/2019/11/Thinfilm_Annual_Report_2018_Final.pdf Consolidated Annual Report 2019: https://thinfilmsystems.com/wp-content/uploads/2020/05/Thinfilm_Annual_Report_2019_Final.pdf
Section 8.1	Item 20.3: Audit reports	Auditor's Report 2018: https://www.thinfilmnfc.com/wp-content/uploads/2019/04/Thinfilm_Annual_Report_2018_Final.pdf Auditor's Report 2019: https://thinfilmsystems.com/wp-content/uploads/2020/05/Thinfilm_Annual_Report_2019_Final.pdf
Section 8.1	Item 20.1: Audited historical financial information	Accounting principles: https://thinfilmsystems.com/wp-content/uploads/2020/05/Thinfilm_Annual_Report_2019_Final.pdf
Section 8.1	Item 20.5: Interim financial information	Interim Report: First quarter 2020 (unaudited): https://thinfilmsystems.com/wp-content/uploads/2020/05/Thinfilm_Interim_Report_2020-Q1_Final.pdf

Interim Report: Second quarter 2020 (unaudited): https://thinfilmsystems.com/wp-content/uploads/2020/08/Thinfilm_Interim_Report_2020-Q2_Final.pdf

15 DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus. Words importing the plural shall be construed to include the singular and vice versa.

"2019 Plan"	A subscription rights plan available for employees in the Company and its Subsidiaries and affiliated companies, and for individual consultants performing similar work, adopted by the Company's 28 May 2018 annual general meeting.
"ADR"	American Depositary Receipt
"Anti-Money Laundering Legislation"	Collectively the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324
"Articles of Association"	The Articles of Association of Thinfilm
"Board"	Board of Directors of Thin Film Electronics ASA
"CEO"	Chief Executive Officer
"CET"	Central European Time
"CFO"	Chief Financial Officer
"Company Registry"	The Norwegian Register of Business Enterprises or "Foretaksregisteret"
"Company" or "Thinfilm"	Thin Film Electronics ASA
"EAS"	Electronic article surveillance tags
"EU"	European Union
"EU Prospectus Regulation"	Regulation 2017/1129 of the European Parliament and of the Council, as amended from time to time and as implemented in Norway
"Financial Statements"	The audited consolidated annual financial statements for the Group as of and for the years ended 31 December 2018, and 2019
"Forward-looking Statements"	Statements regarding future developments, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives, all of which are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus
"Group"	Thinfilm and Subsidiaries
"IAS"	International Accounting Standard
"IFRS"	International Financial Reporting Standards
"Interim Financial Statements"	The unaudited interim consolidated financial information for the Group as of and for the three month period ended 30 June 2019 and 2020
"IP"	Intellectual Property
"IPR"	Intellectual Property Rights
"LEI"	Legal Entity Identifier
"NFC"	Near Field Communication
"Norwegian FSA"	Financial Supervisory Authority of Norway (Nw.:*Finanstilsynet*)
"Norwegian kroner" or "NOK"	Norwegian Kroner, the lawful currency of the Kingdom of Norway
"Norwegian Public Limited Companies Act"	The Norwegian Public Limited Companies Act of 13 June 1997 No. 45 (as amended from time to time)

"Norwegian Securities Trading Act"	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (as amended from time to time)
"Offer Shares"	The 66,666,666 shares offered in the Subsequent Offering
"Oslo Børs"	Oslo Børs ASA
"OTCQB"	Also known as the OTCQB Venture Market, being one of three market places for trading over-the-counter stocks provided and operated by the OTC Markets Group
"Private Placement"	The private placement of 333,866,666 Private Placement Shares in Thinfilm
"Private Placement Shares"	333,866,666 shares offered in the Private Placement
"Prospectus"	This Prospectus dated 28 August 2020
"Record Date"	27 July 2020
"RF"	Radio Frequency
"Roll-to-Roll"	Refers to manufacturing processes that utilize a continuous substrate that is transferred from one roll to another during manufacturing, and during the transfer, layers are patterned to form active electronic components
"Shares"	The issued and outstanding shares in the Company, each share having a par value of NOK 0.11
"SSLB"	Solid-state Lithium batteries
"Subscription Form"	The Subscription Form in the Subsequent Offering, included as Appendix 1 to this Prospectus
"Subscription Period"	The subscription period in the Subsequent Offering commencing on 1 September 2020 and expire at 16:30 (CET) on 15 September 2020
"Subscription Price"	NOK 0.15 per New Share
"Subscription Rights"	Transferable subscription rights in the Subsequent Offering that provide preferential rights to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering
"Subsequent Offering"	The subsequent offering in the Company of NOK 7 million as set stipulated by this Prospectus
"Subsidiaries"	The following wholly-owned (directly or indirectly) subsidiaries of Thinfilm: TFE AB, TFE Holding, TFE Inc., Thinfilm KK, Thinfilm HK, Thinfilm Singapore, and Thinfilm UK.
"TFE AB"	Thin Film Electronics AB, a Swedish company
"TFE Inc."	Thin Film Electronics, Inc., a California corporation, USA
"Thinfilm HK"	Thin Film Electronics HK Limited, Hong Kong
"TFE Holding"	TFE Holding, a Nevada corporation, USA
"Thinfilm KK"	Thin Film Electronics KK, Japan
"Thinfilm Singapore"	Thin Film Electronics Singapore Pte. Limited, Singapore
"Thinfilm UK"	Thin Film Electronics UK Limited, an English company
"U.S. Securities Act"	US Securities Act of 1933, as amended from time to time
"USD" or "$"	United States Dollars, the lawful currency of the United States
"VPS"	The Norwegian Central Securities Depository or "Verdipapirsentralen", which organizes the Norwegian paperless securities registration system
"Warrant A"	Warrant with exercise price of NOK 0.11 and exercisable at any time by notice to the Company until 31 December 2020

“Warrant B”	Warrant with exercise price of NOK 0.25 and exercisable at any time by notice to the Company until 20 August 2021
“Warrant C”	Warrant with exercise prive of NOK 0.25 and exercisable at any time from 31 March 2021 until 30 June 2021

APPENDIX 1 SUBSCRIPTION FORM IN THE SUBSEQUENT OFFERING

THIN FILM ELECTRONICS ASA SUBSEQUENT OFFERING

SUBSCRIPTION FORM

For information regarding the Subsequent Offering (the "**Subsequent Offering**") with subscription rights ("**Subscription Rights**") for shareholders in Thin Film Electronics ASA (the "**Company**") as of end of 23 July 2020, who were not allocated shares in the private placement of shares resolved by the Extraordinary General Meeting in the Company dated 19 August 2020, as well as corresponding terms for subscription, allotment and other information, reference is made to the prospectus dated 28 August 2020 (including annexes) issued in connection with the Subsequent Offering (the "**Prospectus**"). Such information may also be requested from the Company. Subscription for new shares (the "**Offer Shares**") may take place through correctly completing this subscription form (the "**Subscription Form**") and thereafter returning it to DNB Bank ASA, Securities Services, Dronning Eufemias gate 30, NO-01-91 Oslo Norway **by ordinary post, by e-mail to retail@dnb.no or hand-delivery so that it is received in the period from and including 1 September 2020 to 15 September 2020 at 16:30 CET** (the "**Subscription Period**"). It is not sufficient for the Subscription Form to be postmarked within the expiry of the Subscription Period. **Subscribers who are residents of Norway with a Norwegian personal identification number may also subscribe for the Offer Shares through the VPS online subscription system by following the link on https://thinfilmsystems.com/investor-relations/ (which will redirect the subscriber to the VPS online subscription system).** Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period. Subscribers for Offer Shares bear the risk of any postal delays or technical computer problems relating to the above-mentioned internet addresses which result in a subscription or a Subscription Form not being received within the Subscription Period.

The subscribers will be issued one Warrants ("**Warrant C**") for each share subscribed for in the Subsequent Offering. Warrant C will have an exercise price of NOK 0.25 per share and be execisable at any time from 31 March 2021 until 30 June 2021. The further terms and conditions for the issuance of Warrants are set out in the Prospectus. **Subscription for Offer Shares below will also be deemed to represent subscription for the accompanying Warrants in accordance with sections 11-13 and 10-7 of the Public Limited Companies Act.**

DETAILS OF THE SUBSCRIPTION

The Company reserves the right to disregard improperly completed, delivered or executed Subscription Forms, or any subscription that may be unlawful. By delivering the Subscription Form to DNB Bank ASA for registration, or by subscription through VPS online subscription system, the subscription for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified. By subscribing for Offer Shares and Warrants, the subscriber (i) represents and warrants that it has read the Prospectus and is eligible to subscribe for Offer Shares and Warrants in accordance therewith, and that it accepts the terms and conditions set out in this Subscription Form and in the Prospectus as applicable to its subscription for Offer Shares and the Warrants, and (ii) authorizes each of the Company and DNB Bank ASA to take all actions required to transfer such Offer Shares and Warrants to the subscriber's account with the VPS.

The Company's Articles of Association, the notice of the Extraordinary General Meeting dated 19 August 2020 with appendices, minutes from the Extraordinary General Meeting dated 19 August 2020 including the wording of the resolutions of the shareholders meeting to increase the Company's share capital and issue warrants, as well as the annual accounts and the annual report for the two last years, is available at the Company's office, c/o Advokatfirmaet Ræder AS, Dronning Eufemias gate 11, NO-0230 Oslo, Norway and on the Company's website www.thinfilmsystems.com.

Guidelines for the subscriber (See back page) shall be considered a part of this Subscription Form.

Subscriber's VPS-account no.	**No. of Subscription Rights**	**Subscribes for (number of shares) at NOK 0.15 per Offer Share**	**Total amount to be paid** **NOK**

Irrevocable authorisation to debit account (must be filled in):

The undersigned hereby grants an irrevocable authorization to DNB Bank ASA to debit the Norwegian bank account set out herein for the allotted amount (the value in NOK of: number of allotted shares * NOK 0.15)

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Norwegian bank account no. (11 digits)

Subscribers, who are allocated Offer Shares in the Subsequent Offering and who do not have a Norwegian bank account must pay the aggregate subscription price for the Offer Shares to the following bank account by the payment deadline of 22 September 2020:

Account number:	1644 33 79537
Name:	Thin Film Electronics ASA
IBAN:	NO04 1644 3379 537
BIC (SWIFT):	DNBANOKKXXX
Bank:	DNB Bank ASA

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Place and date of subscription. Telephone (at daytime)/e-mail. (Must be dated within the Subscription Period)

Binding signature. The subscriber must have legal capacity. When signed by proxy, documentation in the form of company certificate or power of attorney must be enclosed.

INFORMATION ON THE SUBSCRIBER (ALL FIELDS MUST BE COMPLETED):

Subscriber's VPS account no. (12 digits):	**PLEASE NOTIFY THE REGISTRAR OF ANY CHANGES**
Subscriber's name/company name etc.:	
Street address etc. (private subscribers; home address):	
Postal code, area and country:	

Date of birth/national ID number/company: Organization/registration number	
Dividends to be credited to bank account no. (11 digits):	
Nationality:	
Telephone (daytime)/e-mail:	

GUIDELINES FOR THE SUBSCRIBER

Subscription for Offer Shares in the Subsequent Offering is made on the terms and conditions set out in this Subscription Form and in the Prospectus, including the limitations set out in Section 5 "Information concerning the securities being admitted to trading" of the Prospectus. Shareholders as of the end of 23 July 2020 as appearing in the Norwegian Central Securities Depository ("**VPS**") on 27 July 2020, *who were not allocated shares in the private placement of shares resolved by the Extraordinary General Meeting in the Company dated 19 August 2020* ("**Eligible Shareholders**", as defined in the Prospectus), will receive 0.337792737987746 Subscription Right for each share in the Company held as of this date, which will be registered on each Eligible Shareholder's VPS account. One Subscription Right will give the right to be allocated one Offer Share at the Subscription Price on the terms and conditions set out herein. The Subscription Rights are transferable and are registered with the VPS under the ISIN NO0010890981. Oversubscription and subscription without Subscription Rights are permitted, although with no guarantee that any Offer Shares will be allotted for such subscriptions. In case of oversubscription and subscription without Subscription Rights, the allocation will be made in accordance with the principles set out in section 5.3 "The Subsequent Offering" of the Prospectus. The Subscription Price is NOK 0.15 per Offer Share, which is identical to the subscription price per Share in the private placement resolved by the Extraordinary General Meeting dated 19 August 2020. Notifications of allocations of Offer Shares are expected to be issued on or about 16 September 2020. By subscribing for Offer Shares and Warrants in the Subsequent Offering, the subscriber (i) authorizes and instructs each of the Company and DNB Bank ASA to take all actions required to transfer the Offer Shares and Warrants to the VPS Registrar and ensure delivery of the Offer Shares and Warrants to the subscriber's account with the VPS, and (ii) grants the DNB Bank ASA an irrevocable authorization to debit the allotted subscription amount in NOK from the bank account designated by the subscriber. The debiting of the account will take place on or about 22 September 2020. The entire subscription amount must be available on the designated bank account at the latest within 20 September. The Company and the Manager reserve the right to make up to three debit attempts if there are insufficient funds on the account on the first debiting date. If payment is not received when due (i.e. 22 September 2020), the Company reserves the right to re-allot, cancel or reduce the subscription in total or in part in accordance with the Public Limited Liability Companies Act Section 10-12, cf. Section 2-13. Interest will accrue on late payments at the applicable rate according to the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of this Prospectus is 8 per cent per annum.

The share capital increase pertaining to the Offer Shares will be registered with the Norwegian Register of Business Enterprises (*Foretaksregisteret*) as soon as payment of the entire proceeds for the Offer Shares has been received by the Company and the conditions for the registration of the increase in share capital are fulfilled. The Offer Shares allocated to subscribers in the Subsequent Offering will thereafter be distributed to the subscribers' VPS accounts. Provided that all conditions for the Subsequent Offering have been fulfilled, the earliest date the Offer Shares can be registered with the Norwegian Register of Business Enterprises is on or about 24 September 2020 with a subsequent delivery of the Offer Shares in the VPS on or about 25 September 2020. Such conditions may not have been fulfilled on that date, in which case registration and delivery of the Offer Shares will be postponed accordingly. In the event the Subsequent Offering will be cancelled, the Subscription Rights will lapse without value, subscriptions for, and allotments of, Offer Shares that have been made will be disregarded and any subscription payments made will be returned without interest.

APPENDIX 2 SELLING RESTRICTIONS

The attention of persons who wish to subscribe for Offer Shares is drawn to Section 5.3.16 *"Selling and transfer restrictions"* of the Prospectus. The Company is not taking any action to permit an offering of the Subscription Rights or the Offer Shares (including the Warrants) (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares.

It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself or herself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights, Offer Shares and Warrants have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Subscription Rights, Offer Shares and Warrants have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, in or into Australia, Canada or Japan, except pursuant to an applicable exemption from the registration requirements and otherwise in compliance with the securities laws of such country, or any other jurisdiction in which it would not be permissible to offer the Offer Shares. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. A notification of exercise of Subscription Rights and subscription for Offer Shares and Warrants in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares and Warrants, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares and Warrants, have complied with the above selling restrictions.