

THIN FILM ELECTRONICS ASA

INTERIM BALANCE SHEET 31 December 2019

Disclaimer: The Interim Balance Sheet is prepared as Thin Film Electronics ASA will conduct a reduction of capital in accordance with the Norwegian Public Limited Companies Act § 12-2). As a result, the Interim Balance Sheet may not be suitable for another purpose.

Thin Film Electronics ASA

Balance sheet

Amounts in NOK 1,000

	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Intangible assets		-	19,494
Investment in subsidiaries		37,376	198,969
Total non-current assets		37,376	218,463
Current assets			
Trade and other receivables		1,304	104,124
Cash and bank deposits		27,717	242,819
Total current assets		29,021	346,943
Total assets		66,397	565,406
EQUITY			
Ordinary shares		128,906	128,906
Other paid-in capital		2,420,318	2,425,538
Total paid-in equity		2,549,223	2,554,444
Retained profit/uncovered losses		(2,557,286)	(2,070,966)
Total equity	1	(8,063)	483,478
LIABILITIES			
Current liabilities			
Deferred revenue		-	222
Accounts payable		6,389	1,736
Withheld tax and public duties payable		313	1,549
Debt to group companies		63,403	72,380
Other payables and accruals		4,355	6,041
Total liabilities		74,460	81,928
Total equity and liabilities		66,397	565,406

The notes on page 2 are an integral part of these interim balance sheet.

The board of directors of Thin Film Electronics ASA, Oslo, Norway, 2 April 2020.

Morten Opstad

Morten Opstad
Chairman

Jon Stuart Castor

Jon Stuart Castor
Board Member

Preeti Mardia

Preeti Mardia
Board Member

Kelly Doss Kevin Barber

Kelly Susan Doss
Board Member

Kevin Barber
CEO

Notes to the interim balance sheet

1. Basis for preparation

The Interim Balance Sheet is prepared as Thin Film Electronics ASA (the Company) will conduct a reduction of capital by reduction in par value of the shares in accordance with the Norwegian Public Limited Companies Act (PLCA) § 12-2, to facilitate for a subsequent issuance of shares in a Private Placement as announced in the Notice of Extraordinary General Meeting dated 25 March 2020.

These Interim Balance Sheet has been prepared in accordance with the Norwegian accounting act 1998 and generally accepted accounting principles in Norway. The principal accounting policies applied in the preparation of this Interim Balance Sheet are set out in the annual report for 2018, which can be obtained at the Company's webpage (<https://thinfilmsystems.com/investor-relations/reports/>). These policies have been applied consistently. The currency of Thin Film Electronics ASA is NOK. The financial statements have been prepared using the historical cost convention.

The report was resolved by the Board of Directors on 2 April 2020.

2. Going concern

A going concern assumption has been applied in preparing this interim balance sheet. Pursuant to Section 3-5 of the PLCA, the Board is obligated to act on loss of equity in the Company, and shall propose to the general meeting measures to restore the equity and to give a statement on the Company's financial position to the shareholders. If the Private Placement as announced in the Notice of Extraordinary General Meeting dated 25 March 2020 is not approved and / or the Company fails to raise sufficient capital to restore the Company's equity, the Board will consider proposing a dissolution of the Company.