

Malmö 2020-01-21

Dear Sir/Madame,

Prospectus regarding the assets of QSO Interferometer Systems AB, 556925-6364, in bankruptcy

Background

I have been appointed by the district court of Halmstad, Sweden as bankruptcy administrator for QSO Interferometer Systems AB ("QISAB" or the "Company"). The Company, which is a limited liability company governed under the laws of Sweden, filed for bankruptcy on December 13th, 2019. The case number at the bankruptcy court is 2945-19.

Assets

While QISAB has several of its patented Coherent Wave Scatter ("CWS") systems currently installed (in Sweden, Germany and Japan) and several global industrial manufacturers have expressed interest in the technology and performed test measurements, the process of receiving actual orders for the systems has been slow as customers are hesitant to deal with such a small counterparty. Your organization should benefit from much greater credibility than QISAB in discussions with potential customers and I am therefore contacting you with an opportunity to purchase all or parts of the assets of QISAB. More information can also be found at QISAB's homepage, www.qisab.com.

In summary, the assets that are for sale include:

- Patents
 - QISAB's international patent (PCT) concerning the CWS system (WO 2014/126526 A1) was accepted and published August 21st, 2014 and is now in the national phase application in all material geographies. National patents have been approved in e.g. USA, Europe, Australia, Canada and China.
 - QISAB's international patent (PCT) concerning its white light interferometer band-width synthesis ("BWS") technology (WO 2017/028896 A1) was accepted and published in February 2017. National patent applications filed during 2018.

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- A third patent family is pending regarding the PWS system for detection of faults on very shiny objects.
- Hardware
 - Five assembled CWS systems (including one manual demo unit)
 - List price ca. €100k per unit; component costs ca. €7k per unit; Adjusted book value based on most recent sale price to Halmstad University (including academic discount) ca. €35k per unit
 - One manual PWS prototype unit
 - Adjusted book value ca. €20k
 - One prototype of a large area metrology unit (product development)
 - Adjusted book value ca. €25k
 - One ABB industrial robot Rb120 mounted in an Aluflex robot cell
 - Book value ca. €14k
 - Lasers, optics, and other components for instrument assembly; Computers; Tools and accessories
 - Book value (based on cost) ca. €95k
- Software
 - Company-developed software to run the CWS unit – robot control, data acquisition, data analysis, database management, SPC module, etc. Built in standard MATLAB and LabVIEW environments and running on Windows Server.
- Existing customer relationships
 - QISAB has sold and installed CWS systems to the IPCO group (www.ipco.com), Kennametal (www.kennametal.com) and Halmstad University (<https://www.hh.se/english.html>)
 - QISAB participated in a significant EU research project called SYMPLEXITY (<https://www.symplexity.eu/>) from 2015 to 2018 and thereby developed relationships with significant industry participants such as Fraunhofer, Autodesk, SIR S.p.a., Romagnani Stampi S.R.L, Aalen University and Halmstad University.
 - QISAB has developed a significant pipeline of customer opportunities that could be a valuable starting point for a new owner. Due to confidentiality this list of prospects and discussions will be shared at a later stage.

It should be noted that more than SEK 27 million (€2.6 million) of equity capital has been invested in QISAB since 2014 and that the last recorded book value of the Company's assets as listed above was approximately SEK 5 million (€0.5 million) (excluding software and customer relationships, which have continuously been expensed as incurred and not capitalized on the balance sheet).

It might be possible to enter into consulting agreements with inventor/founder Professor Lars Bååth, former commercial director Peter Larsson and/or technical engineer Ethem Bora to facilitate the transfer of QISAB's technologies, related know-how and customer relationships into your organization. Such agreement must be entered into directly between you and the individuals, although I can facilitate the discussions.

The sales process

I will entertain all offers, but the probability of success increases for offers above SEK 3.0 million (€300k) which is the estimated sum of unpaid liabilities and accrued costs in the bankruptcy.

As the assets are sold by a bankruptcy estate, the assets are sold as-is and without further guarantees. This is not negotiable and must be taken into consideration when placing an offer. Bids must also be clear about which assets are included in the offer, the price to be paid and if there are any other terms of relevance associated with the offer.

Time is also a factor that I take in account when I'm reviewing bids, especially since the bankruptcy estate has ongoing costs for maintaining patents, etc.

If you in any way have an interest in QISAB's assets, questions about the company or this sales process, then please contact me for an unconditional discussion.

In order to have structure in the sales process I would like to receive preliminary offers, preferably by e-mail, **no later than the 10th of March 2020**. If there are competing offers, I'm basically obliged to sell to the highest bidder.

I reserve a discretionary right to accept or reject offers and I also reserve the right to sell assets before the end of the deadline set out above.

Best regards,

Johan Klåvus, bankruptcy administrator

Attachments

1. Certificate of appointment (Swedish)
2. CWS product brochure
3. Pre-existing summary of QISAB's opportunity
4. Summary of intellectual property and patents
5. List of patents (Swedish)
6. Inventory of hardware assets and stock (Swedish)

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