



QUEST SPECTRUM[®]

MAKING THE INVISIBLE VISIBLE

Obligatiehouders vergadering Quest
Photonic Devices B.V.
03-11-2020



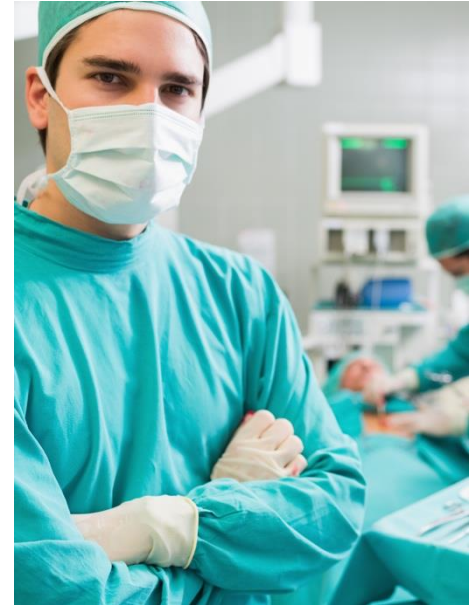
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**Let op! U belegt buiten AFM-toezicht.
Geen prospectusplicht voor deze activiteit.**



Agenda

- Welcome
- Opening “obligatiehouders” meeting
- Documents received; foundation announcements
- Clarification Financials over the year 2019
- Current standings, 2020 expectations, trends and developments
- COVID-19 pandemic
- Q&A
- Closing of meeting



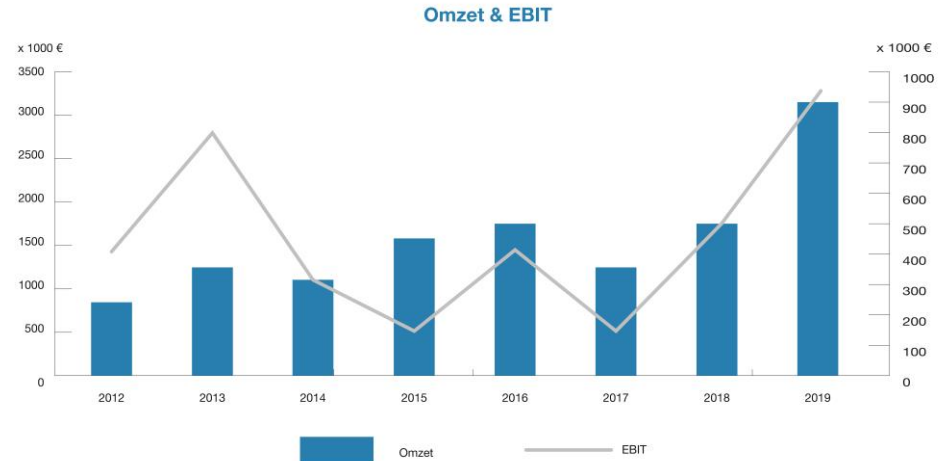
Opening obligatory note meeting

Documents received & foundation announcements

Clarification Financials over the year 2019

Revenue

- Revenue > 3M
 - Recurring revenue up
 - Service level agreements up
 - Project revenue up



Profit & Loss

- Increased revenue
 - Resulted in increased profit
 - Costs are stable and increasing due to R&D and investments in sales and stock

WINST- EN VERLIESREKENING

Kerncijfers

x 1000 €	2018	2019
Netto-omzet	1.765	3.122
Brutowinst	1.626	2.946
Som der bedrijfslasten	1.111	2.003
Bedrijfsresultaat	515	942
Financiele baten en lasten	-365	-448
Resultaat uit gewone bedrijfsuitvoering voor belastingen	150	494
Belastingen	24	-160
Resultaat deelnemingen	109	0
Resultaat na belastingen	283	334

Balance Sheet (activa)

- Immaterial active stable
 - Increase due to R&D
 - Decrease due to writeoff and transfer of production machine to material assets
- Trend is increase in 2020 due to increase of R&D for new generation product (Spectrum 3.0)
- Increase in stock and pay per use devices
- Increase in debtors over 2019 due to increased sale.
- Solid cash position (trend is solid positive cash position over 2020)

Balans Activa x 1000 €	2018	2019
Immateriele vaste activa	4.041	4.001
Materiele vaste activa	556	1.715
Financiele vaste activa	345	345
Totaal vaste activa	4.941	6.061
Vlottende activa	850	602
Debiteuren	396	774
Vordering groepsmaatschappijen	78	27
Leningen u/g	96	128
Belastingen en premies sociale verzekeringen	0	16
Overige vorderingen /overlopende activa	637	222
Liquide middelen	964	2.277
Totaal activa	7.962	10.107

Balance Sheet (passiva)

- Increase in NPEX funding
- Decrease in other loans (long and short term)
- Easier funding model
- Trends potentially future funding requirements depending on 2020 sales and COVID status

Balans Passiva		
x 1000 €	2018	2019
Groepsvermogen	3.421	3.734
Achtergestelde leningen	2.449	4.877
Voorzieningen	116	277
Langlopende schulden	1.049	414
Kortlopende schulden		
Banken (rek. courant)	17	18
Aflossingsverplichtingen	450	443
Crediteuren	260	216
Schulden aan groepsmaatschappijen	0	0
Belastingen en premies sociale verzekeringen	139	58
Overige schulden en vlottende passiva	61	69
Totaal passiva	7.962	10.107

Cashflow from operations

- Trend is we will have higher cash burn due to
 - Increase of debtors and sales activities
 - Increase of product developments in 2020
 - Higher stock levels
- Very solid cash position, so no problems expected
- Cashflow from recurring revenue becomes more significant
 - Easier and better estimations
 - Better process control
- Due to COVID-19 we expect a negative cashflow until 2022 instead of earlier 2021.
 - Sales pipeline and expected partner orders may shorten the negative cashflow term
 - Extended COVID regulations may increase the negative cashflow term.

Current standings, 2020 expectations, trends and developments

Trends

- Q1 2020 showed on track increase in pay per use and SLA.
- Steep decline in Q2 2020 due to lockdowns
- Increase again in Q3 to Q1 level due to release of lockdown
- Second wave lockdown shows decrease
- Biggest impact is not being able to place machines and demo despite consistently filled pipeline

Trends

- Expectations with 3.0 Product is we are able to compete and place systems in rapid pace
- Preparing stock levels to fulfill increase PPU levels based on Q1 2020 increase (20% plus without new placements of systems, so utilization is higher)
- Preparing ready systems (20 units ready to ship in December, after validation is closed).
- We see a large uptake in general utilization of the technology

Trends smart agents

- Avelas press release shows power of the technology (reduced surgery with > 20%)
- Increased investor interest for our partners to new phase (pre-market)
- Increased demand for test systems
 - New orders expected in Q4 for special systems, to be delivered in 2021

Trends technology & applications

- Differentiation between our technology and competitions starts to be seen
 - Due to more usage and more presentations, the sharp images and higher resolution start to make a difference.
 - This opens up more competitive advantages
 - New applications emerge, require additional approvals. (will be submitted in Q4 2020)
- EU patent granted on our prism technology, worldwide filed and pending
- Increase in process efficiency
- Requirement for more office space
 - FTE increased to > 40

New building impression



Requirement to house between 50
– 100 employees

Sufficient lab and production
facility for testing, validation and
new technology development

3500 m² as opposed to current
1200.

Increased manufacturing quantity
capabilities

Increased product differentiation

Covid-19 pandemic

- Impact in sales reduction (revenue) pay per surgery
 - Due to shutdown of standard care in most of our active markets
- Impact in placements
 - Due to shutdown sales process has mostly halted due to access restrictions
- Impact on new product release
 - Later release due to readiness of product -> production slowdown in general
 - Validation cycle started later (due to lockdowns)
 - Longer validation cycle (limited access to hospitals)








Covid-19 pandemic

- Impact on developments
 - Work from home -> less efficient in product development
 - No access to customers due to lockdowns -> lower sales pipeline
 - New work force relatively easy to find due to increase layoffs
- Relative High sales pipeline
 - Our new product has attracted a lot of interest. Sales Pipeline > 2.5M of new sales
- Filled order pipeline
 - Project based revenue supplies steady revenue stream less impacted by covid. Although here also lower efficiency due to challenges.

Covid-19 pandemic

- Quest made use of NOW rulings and may continue to do so
- Depending on Second wave timings and impact for 2021 we may need more funding to execute sales plan
- Solid cash position expected at end of 2020 and no direct necessity for cash
- Focus on product release scheduled for 2021
- Adequate stock levels have been setup for 2021
- Adequate sales pipeline has been filled
- Key will be ability to execute in the field.
- Decision may be taken in early Q2 2021 if required at all.

5 Year strategy update

-  **Focus on sales expansion**
 - Quest Spectrum product placements (rental/sales)
 - Increase disposable use
 - Increase installations
 - Both research and production hospitals
 -  **Partnerships**
 - Smart contrast agents
 - Robotics
 -  **New product developments for**
 - reducing costs for hospitals
 - New surgery because of recurrence
 - Lower OR times
 - Improving patient outcome
 - Recurrence reduction by complete tumor removal
 - Less damage & quicker recovery by more precise cutting
 -  **Increase product differentiation against competition**
 -  **5 Year Goal:**
 - Exit strategy through strategic takeover (sale of medical business or product lines) or
 - IPO on worldwide Stock Exchange (Nasdaq, AEX,) or
 - Continue growth and turn into dividend certificates.
 - Increased yearly growth to 25M-30M Revenue in 2023
 - 45.000 surgical cases per year (aprox. 1.5% market share estimated)
- 
-  **Requires more cash**

Q&A



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