

# Quick-Med Technologies, Inc.



## Company Overview

September 2013

# Safe Harbor Statement

## **Forward Looking Statements**

*This presentation contains forward-looking statements (statements which are not statements of historical facts). Any statements contained in this presentation that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may", "will", "expects", "plans", "believes", "anticipates", "intends", "estimates", or statements concerning potential opportunities or variations thereof or comparable terminology or the negative thereof should be construed as forward-looking statements involving risks and uncertainties, including without limitation the launch and approval of the potential products described herein and the Company's results of operations. The Company is also subject to other risks as detailed from time-to-time in the Company's SEC filings.*



# A Research and Development Company

- Technologies for:
  - Infection prevention and control in the consumer and healthcare markets
    - Advanced medical wound healing products
    - Products to interdict pathogen transfer
    - Facilitating safety and comfort
    - Adding value to partners products
  - Skin therapy
- Commercial partners:



- QMT's products are **safe, cost-effective** and **easy to use**



# World Class Technology



**Wound Healing Society**  
*Blue Ribbon Industrial R&D Awards*  
2006, 2008, 2010, 2011



“NIMBUS poses no danger of bacteria developing resistance, or of releasing toxic material into the wound and impeding the healing process. It is a novel technology: bonded and effective even in high concentrations of body fluid.”

*-Gregory Schultz, PhD  
Professor, Institute for Wound Research  
University of Florida*

*Past President, Wound Healing Society*

**TIME**

*Microbe-Busting Bandages*  
Innovators Forging the Future



# Successful Track Record of Development

1997

2013

MultiStat®

\$



Nimbus®

\$



Stay Fresh®

\$



Doris

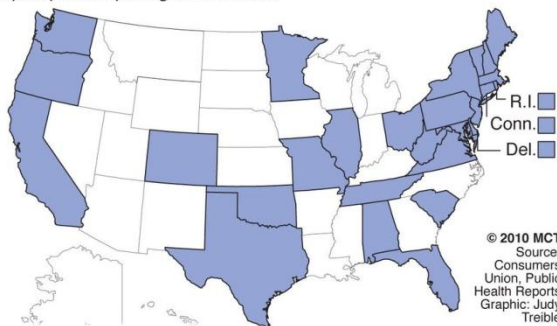


# The Company's Products Target Large Markets

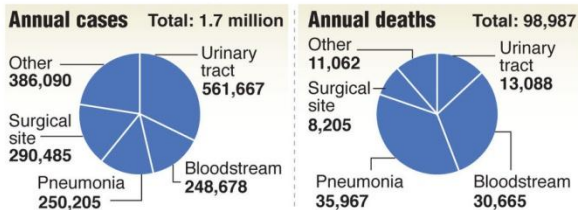
- The global wound care market is \$16.8BN and will exceed \$21BN in 2015
- The global medical textiles market represents another \$20BN

## Reporting infections

Between 5 and 10 percent of all patients contract at least one healthcare-associated infection (HAI) during their stay at U.S. hospitals. States that require public reporting of HAI cases:



Where HAI strikes Major sites of infection at hospitals 2002 data



**Staph Infection worries close 21 Virginia schools**  
WASHINGTON (Reuters) — A county in southern Virginia closed its 21 schools on Wednesday to clean them to prevent the spread of a dangerous bacterial infection that killed a 17-year-old high school student, officials said.

**U.S. deaths from deadly drug-resistant staph may surpass AIDS deaths**  
More than 50,000 Americans get potentially deadly infections each year from a drug-resistant staph bacterium, the government reported Tuesday in its first overall estimate of invasive disease caused by the bug.

**Eight outbreaks of MRSA reported this semester**  
CU health officials encourage vigilance against staph infections  
By: Katherine Spencer  
Posted: 10/23/07

**Case of MRSA staph reported in Rochester**  
By Jennifer S. McDonald  
C & O Staff Writer  
ROCHESTER — Rochester Community Schools are taking extra precautions after a student at Reuther Middle School was diagnosed with staphylococcus aureus, a strain known as MRSA, Thursday, Oct. 18.

**Arizona Daily Star**  
Marana schools confirm 3 MRSA cases  
With TUDR's four illnesses, area total at 7  
By Andrea Rivera  
ARIZONA DAILY STAR  
A letter sent to parents in the Marana Unified School District on Tuesday confirmed three new treated cases of MRSA — a bacterial infection of the skin — in Southern Arizona schools.  
Two Marana High School students and one Tansala Middle School student suffered from MRSA — methicillin-resistant staphylococcus aureus — infections and returned to school after being treated with antibiotics, district officials said.

**Schools take precautions after students contract MRSA**  
October 18, 2007  
WALTHAM, Mass. — Two Massachusetts communities are taking precautions after public school students were diagnosed with a drug-resistant staph infection.

**At least 4 Oakland County students diagnosed with MRSA**  
10/19/2007, 12:10 p.m. ET  
The Associated Press  
WALLED LAKE, Mich. (AP) — Two schools in Walling Lake are closed for cleaning after a student at each school was diagnosed with a form of staph infection.

**Guilderland CSD confirms case of MRSA**  
Updated: 10/19/2007 11:53:10 AM  
By: Web Staff  
GUILDERLAND, N.Y. — Guilderland school officials have confirmed that a high school student has been diagnosed with MRSA.

**Dist. 203: Two North students diagnosed with staph infection**  
By Marika Jenica | Daily Press Staff  
Published: 10/18/2007 12:13 AM | Updated: 10/18/2007 9:31 AM  
Two Haverhill North freshmen involved with the football program have been diagnosed with a contagious staph infection, according to a news release from Haverhill Unit District 203.



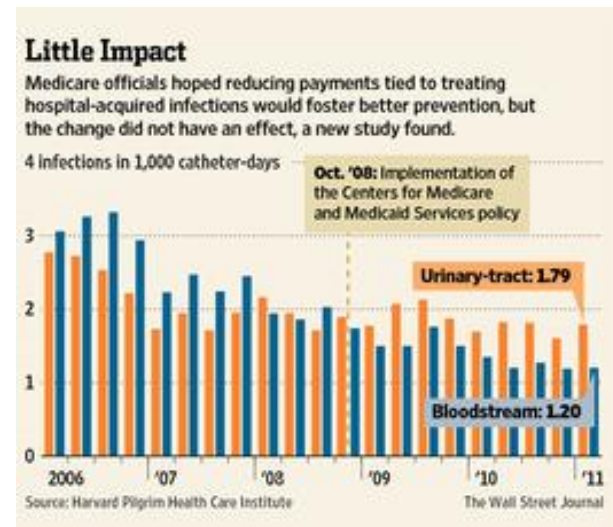
# Great Demand for Antimicrobial Solutions

Despite considerable attention, hospital infection rates remain alarmingly high

- Millions of nosocomial infections each year
- Longer hospital stays, more complications
- 100,000 deaths in the US annually
- Over \$10 billion in additional costs annually
- Cost reimbursement no longer allowed by Medicare or insurers

“Super-bugs” now a serious community problem in hospitals and the community at large

- MRSA rates are significant and rising
- Slow to diagnose, high cost, high fatality rates



#### 4 In-Pass Cases Here

A SENTRY found reporting from India, that we have visited some of the most advanced hospitals here in the world. The infection rates are high, and the quality of care is not what you would expect. The patients are very sick, and the staff is very busy. The patients are very sick, and the staff is very busy. The patients are very sick, and the staff is very busy.

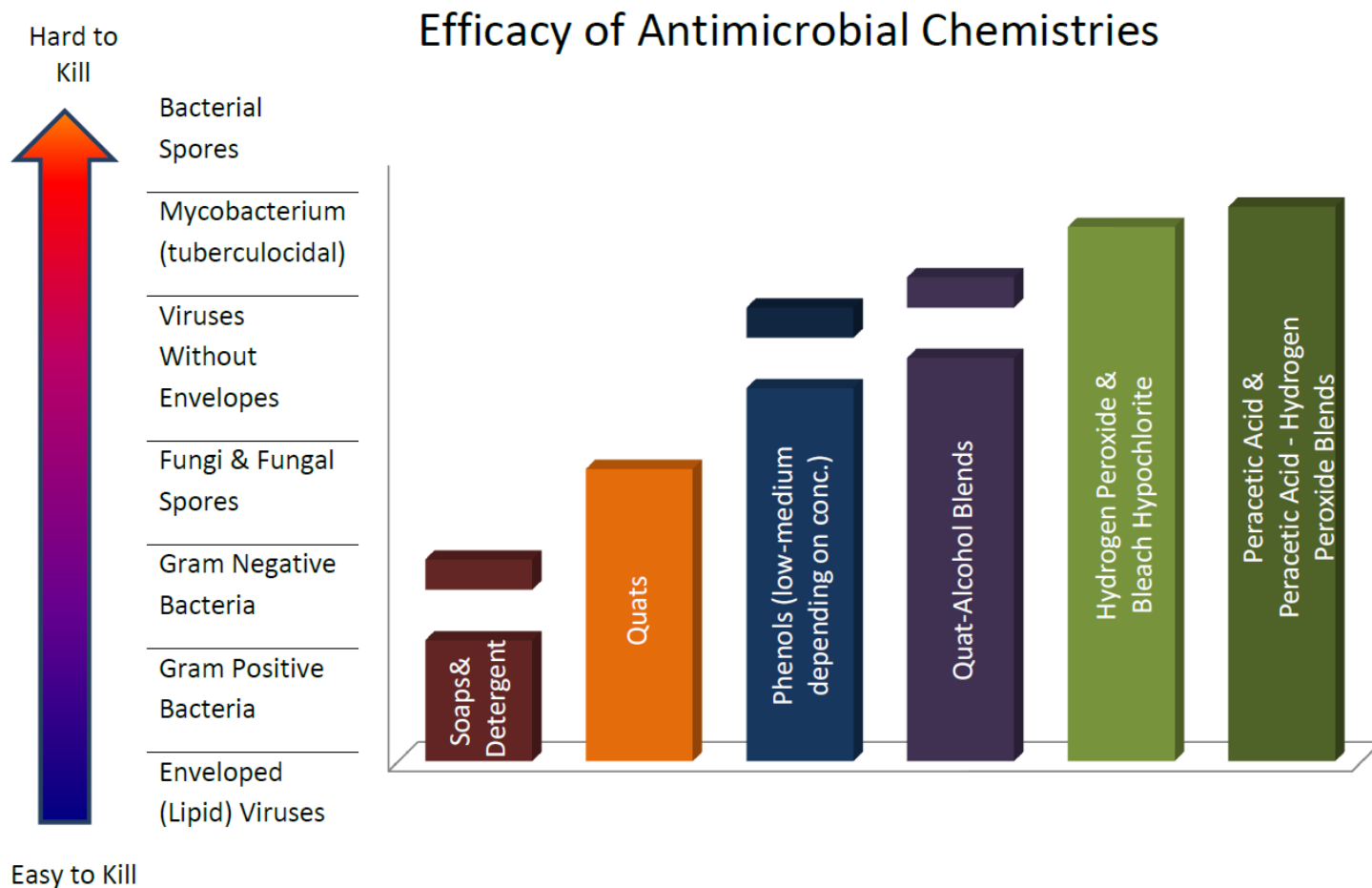
### New superbug found in two patients here

Both cases successfully contained as experts urge health officials to track deadly bacteria

MRSA is a common infection, usually in hospital settings, which has spread to the community. It is a type of superbug that is resistant to many antibiotics. It is a type of superbug that is resistant to many antibiotics. It is a type of superbug that is resistant to many antibiotics.



# Types of Antimicrobials

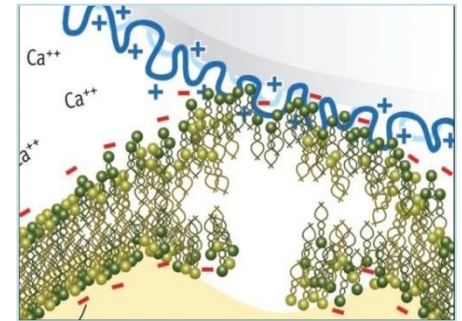




# NIMBUS<sup>®</sup> and Stay Fresh<sup>®</sup> are Next Generation Antimicrobials

The world's most advanced antimicrobials

- Rapid acting and long lasting
- Control both Gram-positive and Gram-negative bacteria (including MRSA, VRE, and other difficult strains)
- New level of safety (non toxic, non leaching, non depleting, no bacterial resistance concerns)
- Highly cost effective; superior to competing technologies
- Ideally suited for a wide range of health care and consumer applications



Quick-Med's Technologies  
Destroy the Bacterial Cell Wall



# NIMBUS® and Stay Fresh® Antimicrobial Competitive Advantage

The Company's products offer superior attributes ...

Characteristic	Quick-Med	Silver	Triclosan
Effectiveness	<b>High</b>	High	Medium
Durability	<b>High</b>	Medium	Medium
Leaching	<b>No</b>	Yes	Yes
Bacterial Resistance Concerns	<b>No</b>	Documented	Documented
Economics	<b>Low Cost</b>	Expensive	Medium Cost

... while key competitors are receiving increased scrutiny

## Silver

*(the major active in medical devices)*

- Impedes wound healing
- Susceptible to bacterial resistance
- Growing environmental concerns

## Triclosan

*(the major active in consumer products)*

- Toxic to fish; found in 60% of US streams (USGS)
- Believed to be an endocrine disruptor
- Found in urine of 75% of population (CDC)
- Recent congressional action urging regulatory ban



# NIMBUS<sup>®</sup> Product Description

- An **FDA-cleared** antimicrobial technology designed for a broad array of wound care and other medical applications
- Based on non-toxic, long chain polymers with high charge density that provide superior efficacy via a physical action on microbes
- By destroying bacteria at the cellular level it **eliminates the risk of developing drug resistance**
- The technology works by creating a non-leaching, permanent bond with a multitude of substrates
- Significantly **lower cost** than that of silver-based antimicrobials



# Stay Fresh<sup>®</sup> Product Description

- An antimicrobial textile treatment technology for a broad range of medical and consumer textile applications
- Maintains “full kill” efficacy even after 75 laundering cycles for both Gram-positive and Gram-negative bacteria
- Highly effective against drug resistant bacteria - even in cold water laundering
- Stay Fresh<sup>®</sup> is fungicidal and sporicidal, is safe and environmental friendly and free of organic halogens such as Triclosan or PCBs



# MultiStat<sup>®</sup> Product Description

- Based on Matrix Metalloproteinase Inhibitors (MMPi), that research has shown plays a key role in numerous skins conditions
- Demonstrated clinical success in improving the appearance of fine lines and wrinkles resulting from natural aging or sun damage, as well as significant benefits in other skin conditions (roughness or redness)
- BASF is the exclusive manufacturer and distributor, sold to producers under the name Noctafix<sup>™</sup>
  - Major retail brand is Patricia Wexler skin care line of products



# MultiStat® Comparative Advantages

- Performed as well, or better than hydrocortisone in reducing the appearance of aging
- 15% greater efficacy on pigmentation prevention compared to vitamin C
- A specific MMP1- and MMP2-inhibiting cosmetic active ingredient, which counter-regulates the damaging effects of UV and smoking on skin
- Mechanism of action
  - Inhibits the activity of MMP1 and 2 in a close dependent manner
  - Efficacy has been demonstrated in vitro regarding the protection of the basal membrane
  - Takes an innovative path to regulate pigmentation



# **Business Model** *High Margin, Low Infrastructure*

<b>Strategy</b>	R&D to create products Partners for production and distribution
<b>Revenues</b>	Recurring licensing/royalty fees R&D grants
<b>Very Low Cost of Sales</b>	No manufacturing No inventory carrying costs
<b>SG&amp;A</b>	Expenses focused on R&D No end-market sales force
<b>Profits Reinvestment</b>	To generate new R&D and new products



# Development Strategy

- QMT's three core technology families are **MultiStat®**, **Nimbus®** and **Stay Fresh®**
- The Company's strengths are in development of new technologies and new applications of existing technologies



- QMT works with partners seeking growth through innovation and who can provide strong sales and marketing capabilities





# Partnering Strategy

The Company seeks partnerships with enterprises that are seeking technology to enhance and support their market position; ideal partners are:

- Innovators
- Have a growth plan
- Strong sales distribution



# Partnerships are Critical to Marketing Strategy

The Company has a strong start in partnering with innovators in key target markets

✓ Traditional wound care (Worldwide, except India) – Derma Sciences



✓ Traditional wound care (India, CIS countries) – Viridis BioPharma



✓ Medical adhesives – Avery Dennison



✓ Rayon sports dressing – Biosara



✓ Hosiery (US and Canada) – Doris Socks

Doris

Several contract negotiations or discussions with other potential partners in other attractive markets



# Intellectual Property

QMT technologies are protected by patents and patent applications in the United States, Australia, Brazil, Canada, China, Europe, India, Japan, Korea, Mexico, Russia, and South Africa

<p><b>Medical Devices</b> <i>(NIMBUS &amp; NimbuDerm)</i></p>	<ul style="list-style-type: none"><li>• 11 U.S. and 16 foreign patents granted</li><li>• 1 U.S. and 20 foreign patents pending</li></ul> <p><i>Granted patents expire in 2019, 2024, 2026, 2028 and 2029</i></p>
<p><b>Textiles</b> <i>(Stay Fresh)</i></p>	<ul style="list-style-type: none"><li>• 1 U.S. patent granted</li><li>• 2 U.S. and 2 foreign patents pending</li></ul> <p><i>Granted patent expires in 2030</i></p>

Key competing technologies, triclosan and ionic silver, are off-patent



# Research & Development

QMT has invested nearly \$10 million in research and development activities over the last ten years

- Core expertise in antimicrobial capabilities and integration into companion product lines
- Successful commercialization of multiple products with partners
- Decades of collective design, engineering and development expertise
- Significant future dividends from continued investment



# Scientific Team

**Bernd Liesenfeld, Ph.D**

*President*

Joined in 2004. Led the development of the Nimbus technology used the Bioguard line of products licensed to Derma Science. Has been involved in all aspects of commercializing Quick-Med's antimicrobial technologies including biochemistry, regulatory and production development.

**William Toreki, Ph.D**

*VP, Research & Development*

Joined in 2002. Served as QMT's Chief Scientist. An experienced researcher and inventor with 20 granted US patents. Responsible for the development of *StayFresh*®, *Nimbus*®, and *NimbuDerm*™ antimicrobial technologies.

**Jerry Olderman, Ph.D**

*Director & Scientific Advisor*

Joined in 1997. 45 years of healthcare, and R&D experience. C.R. Bard's Cardiopulmonary Division – Director of R&D; Baxter Healthcare – VP, R&D Pharmaseal Division; Surgikos, VP R&D. PhD, Physical Chemistry, Seton Hall

**Greg Shultz, Ph.D.**

*Director & Scientific Advisor*

Professor of Obstetrics/Gynecology and Director of the Institute for Wound Research, College of Medicine at the University of Florida. Past President, Wound Healing Society (1999-2001), PhD Biochemistry, Oklahoma State Univ. Post-doc Cell Biology, Yale

**Chris Batich, Ph.D.**

*Scientific Advisor*

Professor of Biomedical Engineering, and associate Director, Clinical and Translational Science Institute, University of Florida. PhD Organic Chemistry, Rutgers. Post-doc Physical Chemistry, Univ. of Basel

# Board Of Directors

**Dr. Bernd Liesenfeld, Ph.D.**  
*president*

Joined in 2004. Led the development of the Nimbus technology used the Bioguard line of products licensed to Derma Science. Has been involved in all aspects of commercializing Quick-Med's antimicrobial technologies including biochemistry, regulatory and production development.

**Gerald M. Olderman, Ph.D.**  
*director*

He has over 35 years of health care industry experience, including 31 years managing product development teams and 25 years heading research and development for major product divisions at three Fortune 500 companies.

**Gregory S. Shultz, Ph.D.**  
*director*

Dr. Schultz has served as a Board member and Scientific Advisor since July 2000. Served as President of the Wound Healing Society, and has consulted 12 major biotechnology companies. Professor of Obstetrics/Gynecology and Director of the Institute for Wound Research at the College of Medicine at the University of Florida.

**Dale Bergman**  
*director*

Mr. Bergman has practiced corporate and securities law for over 25 years, with specialty in advising emerging and mid-market public companies in their growth. Since March 2011, he has been a partner in the Ft. Lauderdale office of Roetzel & Andress, LPA. Mr. Bergman is a member of the Florida and New York bars.

**Paul Jenssen**  
*director*

CFO since January, 2013. Over 35 years in strategic planning, finance and accounting. Experience includes Jenssen Consulting, Rothschild North America Investment Bank - CFO/COO and Senior Managing Director, Associated Press - Treasurer and Deloitte Touche.

# Conclusion

- Quick-Med Technologies, Inc. (QMT) is a research and development company focused on infection prevention and control in the consumer and healthcare markets
- The Company's target markets include the wound care and medical textiles markets, which in combination exceed \$35BN
- Commercial partnerships are in place with companies such as Avery Dennison, BASF, Biosara, Derma Sciences and Viridis



- QMT's products are **safe, cost-effective** and **easy to use**



**Quick-Med**  
Technologies, Inc.



Advanced Technologies for Skin Therapy  
and Infection Prevention and Control