

THE WALL STREET TRANSCRIPT

Connecting Market Leaders with Investors

Quick-Med Technologies, Inc. (QMDT.OB)



J. LADD GREENO has served as Chief Executive Officer of Quick-Med Technologies, Inc., since August 2007. Throughout his career, he has held significant leadership roles in companies where technology, innovation and entrepreneurial spirit have been leveraged for sustainable growth. Prior to joining Quick-Med, he served as Chairman, CEO and President of Agion Technologies, Inc., a leading provider of silver-based antimicrobial solutions. Previously, he built a highly diversified record of accomplishments during 25 years at Arthur D. Little, Inc., a global management and technology consulting firm. As Chief Operating Officer, Mr. Greeno led ADL's global business operations. Previously, he served as Senior Vice President and Managing Director of ADL's North American management consulting business. Mr. Greeno began his consulting career in the firm's strategy and organization practice,

and then built ADL's highly successful global environmental, health and safety consulting business with pioneering work in environmental assurance and sustainability. He received an MBA from Harvard Business School and a BBA from the University of Oklahoma.

SECTOR — PHARMACEUTICALS

TWST: Let's begin with an overview of Quick-Med Technologies, the company's history, products, activities, customers, etc.

Mr. Greeno: Quick-Med Technologies is a life sciences company that's developing innovative technologies for the health care and consumer markets. We have four platform technologies: NIMBUS®, which is a unique non-leaching antimicrobial technology that received FDA market clearance in February and is now being commercialized for various medical device applications; *Stay Fresh*™, a new technology that we just announced that represents a highly durable antimicrobial treatment that's been designed to withstand repeated laundering cycles and truly last through the life of a garment; NimbuDerm™, a long-lasting, comfortable hand sanitizer barrier technology that provides ongoing protection for hours after application; and MultiStat®, a family of compounds shown to be effective in the maintenance and repair of skin and eye tissues, has been commercialized in the consumer cosmetic market by a large retail chain.

Each of our four technologies offers features that we believe are vastly superior to current commercially available products. Quick-Med's NIMBUS technology, cleared by FDA

earlier this year, is unique in that it's non-leaching. Most antimicrobials must leach or release their active agent in order to work. Since the NIMBUS antimicrobial agent is bonded to the surface, many of the drawbacks common to other antimicrobials are avoided. NIMBUS does not leach active agent into the body or into the environment, thus improving the safety profile of the materials that are treated with it. And because it doesn't deplete, it remains at full strength and never drops below the minimum inhibitory concentration. That's the point where an antimicrobial stops killing microbes, increasing the likelihood of bacterial resistance. NIMBUS treatment can also be effectively performed at extremely low cost.

We've initially targeted wound care applications, where there is strong recognition of the value of antimicrobials. Our first licensee is Derma Sciences, and they introduced their first two products based on our technology in June. We also are partnering with Avery Dennison Corporation under a joint development agreement to develop medical-grade NIMBUS adhesives. We have a joint development agreement with Foster Corporation to develop NIMBUS-based catheters, and we are working in a variety of other medical device applications, including incontinence pads, where we think there'll be demand for a highly effective, non-leaching antimicrobial.

We believe that NIMBUS has the potential to significantly enhance public health worldwide because it addresses the bacteria that give rise to infections. NIMBUS is not only highly effective, but it's also very low cost, allowing it to be applied in situations where other antimicrobials are deemed too expensive.

Our second platform technology, *Stay Fresh*, is a remarkable technology that we developed specifically for textile applications. *Stay Fresh* greatly surpasses the performance of currently available antimicrobial textile treatments. It's both highly effective and highly durable. In fact, it's able to maintain performance through 75 laundering cycles in hot or cold water. This exceptional performance overcomes a major limitation common among today's leading antimicrobial technologies. *Stay Fresh* represents extraordinary value — superior antimicrobial performance at a fraction of the cost of today's antimicrobials. We plan to initially commercialize *Stay Fresh* in workwear and commercial uniforms, essential apparel and medical textiles.

Our third technology, NimbuDerm, is a derivative of NIMBUS chemistry that's being developed by Quick-Med as a new generation of hand sanitizers. When commercialized, NimbuDerm will not only offer the convenience and rapid action that's come to be expected of an instant hand sanitizer, but also provide continuous long-lasting protection that's currently missing in today's products. Current alcohol-based hand sanitizers provide instant sanitation of hands but without any lasting or continuing protection. In fact, as soon as the alcohol agent evaporates and your hands begin to feel dry — typically in less than 15 seconds — the antimicrobial protection properties vanish, leaving the sanitized hands vulnerable to re-contamination. We believe that persistent antimicrobial protection is important because

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many common touch surfaces can be contaminated with harmful microbes, and it's simply not practical to wash or even sanitize one's hands after each and every contact with a potentially contaminated surface. NimbuDerm is comfortable; it forms a breathable film barrier that adheres to skin and maintains a protective antimicrobial barrier for your treated hands.

Our fourth technology platform, MultiStat, has been shown to be highly effective in key skincare applications for medical and consumer markets. We've partnered with BASF, the world's largest chemical company, who is our exclusive global manufacturing and distribution partner for MultiStat cosmeceutical ingredients. BASF is marketing MultiStat to cosmetic companies. Additionally, we've received two research and development contracts from the U.S. Army, totaling approximately \$2 million for the development of MultiStat-based advanced treatments. So that's helping us to extend the capabilities of that technology as well. So that is a quick summary of our four platform technologies.

TWST: What do you consider to be the most appropriate markets for these technologies?

Mr. Greeno: There are four technologies and they're each somewhat different. Three of our technologies control harmful microbes. We believe that there are large unmet market needs, ranging from safer medical devices to germ-free medical textiles, to fresher, odor-free apparel and other functional textile applications, to a more effective approach for hand hygiene.

TWST: I've believe your company's technologies involve a family of organic molecules or polymers. Give us some background as to why they have such a wide range of applications.

Mr. Greeno: It is in the innovation and customization of advanced polymer structure and product processing that Quick-Med's polymers find their broad applications. They are specifically engineered to achieve the broadest range of properties for a given product market. NIMBUS polymers are very large polyelectrolyte molecules, 250,000 daltons or more in molecular weight with a high charge density. Our NIMBUS technology will work very, very quickly. It's not blinded in the presence of high concentrations of blood or body fluids and continues to perform when other antimicrobials can be blinded by organic material. These characteristics make NIMBUS polymers very effective and not prone to inducing the development of resistant bacteria. The permanent bond means that they don't deplete and remain at full strength. NIMBUS technology is also very economical, allowing application in clinically desirable situations where other antimicrobials can be nonviable due to cost restrictions.

TWST: What are the most significant trends, developments and changes that you anticipate to see in your markets over the next several years?

Mr. Greeno: The current threat of an H1N1 pandemic is an example of the events that are focusing global attention on the need for protection from cross contamination. Also resistant bacteria strains such as MRSA are now recognized as major health threats. So in the health care arena, growing attention is already being paid to infection control both in the United States and across the world. This is leading to increased demand for safe, effective and affordable antimicrobial technologies. In consumer markets, there will be interest in functional textiles that support today's active lifestyles. In both of these market segments, safe, eco-friendly materials will become increasingly important considerations. Overall, these factors have been at the cornerstone of the development of our antimicrobial technologies.

TWST: Earlier you mentioned strategic partnerships. What role will they continue to play as you grow the company?

Mr. Greeno: Strategic partnerships are vitally important to Quick-Med. Our business model is built around developing unique technologies to address unmet market needs and then partnering with our corporate licensees, who actually bring the technology to the targeted markets. With our out-licensing model, we heavily rely on our partners to not only deliver our technology, but also to position and differentiate our unique features. Our partners enable us to efficiently address a much broader set of customers than we could do on our own.

TWST: What are the greatest opportunities over the next several years? Is there a chain of events that could lead the company to substantially exceed expectations?

Mr. Greeno: Quick-Med has the opportunity to make a real difference in public health worldwide. Our technologies were developed specifically to address issues of safety and cost, with the ambition of creating a new generation of antimicrobials to supplant aging technologies where bacteria are showing reduced susceptibility and cannot be implemented broadly to serve the widest possible population due to cost. We believe our technologies can significantly enhance public health worldwide by helping tackle nosocomial infections, a major cause of death and disability, by bringing about a paradigm shift in the field of antimicrobial technology: safe, highly effective, rapid-acting and affordable protection.

TWST: Are any other companies working along

TWST: When you look at manufacturing requirements, what is your capacity there?

Mr. Greeno: We have a highly capital-efficient business model. Because we out-license our technologies to corporate partners, we don't face internal manufacturing capacity constraints or bottlenecks. In many applications, our technologies can be applied by our licensees without the addition of special production or processing equipment. So we are only limited by our ability to identify and develop customer licensees who share our vision of the value that our proprietary technologies can bring to and help differentiate their product offerings.

TWST: Are there any hurdles or barriers that you would like to address?

Mr. Greeno: Our biggest challenge is to accelerate our business development program while we seek the capital needed to build our business. We received our initial regulatory clearance from the Food and Drug Administration in late February of this year. As everyone knows, this was at a time when market conditions not only severely impacted available capital, but also were causing companies to curtail product innovation. However, we are confident that our technologies provide superior solutions to large and growing markets, and to provide companies with technologies that make their products effective, innovative and at a low cost. This in turn will help companies maintain or even expand the market share, and potentially increase their profitability in the current economic conditions.

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similar lines to yours? If so, what makes Quick-Med stand out?

Mr. Greeno: There are several companies with antimicrobial technologies, but we don't believe any of them come close to what we are doing. Many of them have older-generation, leaching antimicrobials without the superior safety, durability or cost profiles of our technologies.

TWST: Please tell us about the company's management team. Do you anticipate any changes or additions there?

Mr. Greeno: We've got a truly exceptional core team in place. Our science side is led by our Vice President of Research & Development, who has decades of experience working in this field. Our scientists are truly top-notch, and we also enjoy the active support of two professors at the University of Florida who serve as scientific advisers to the company. Our business development is led by an individual with 20 years of experience in wound care and medical devices. And our CFO is a CPA with 24 years' experience in public accounting and corporate financial reporting. I bring a background that includes 25 years as a management consultant and followed by three years as a CEO of Agion Technologies, a leading provider of ionic silver antimicrobials.

TWST: When you look out at the next 12 months, what would make that time frame a success?

Mr. Greeno: Securing several additional licensees will be important over the coming months. We'd also like to find the right development partner for NimbuDerm, a company with the marketing, distribution and regulatory resources that is looking for a game-changer product.

TWST: For a long-term investor sitting down with your financial report, what would you suggest he/she focus on?

Mr. Greeno: A long-term investor with a corresponding longer-term perspective would be ideal for Quick-Med. We have developed some extraordinary technologies and are at the very early stages of its commercialization. I would suggest that they start by reviewing and understanding the superiority of Quick-Med's technologies and how those differences match up with the competing products in today's markets. For example, FDA's clearance of our NIMBUS wound care product on the basis of the rarely employed de novo process exemplifies the strategic nature of our technologies. With that understanding, I think investors would want to evaluate our intellectual property portfolio, our

regulatory strategies and the pipeline of prospective licensees that we are targeting. As with any company, they would also want to evaluate our management and our plans to augment the current core team. Finally, our scientific team is key to sustained value creation for our shareholders.

TWST: Do you get the sense from investors that they have a pretty solid understanding of the company? Or might there be some misconceptions there?

Mr. Greeno: My sense is that there are misconceptions and misunderstanding about our company and our technologies. Quick-Med needs to do a much better job of keeping our shareholders and potential investors informed of our achievements and our plans. As a very small company, we don't have the investor relations program that we need. It's one of the areas that we've targeted for significant improvement as we build Quick-Med and gain the resources for investment in this aspect of our company.

TWST: Please give us some insight into your own personal management philosophy.

Mr. Greeno: As I stated earlier, Quick-Med has a truly exceptional scientific team and a very seasoned core management group. We are addressing important market needs, having developed technology solutions that have broad applicability to many market segments and to a wide range of potential applications. And our employees believe in Quick-Med's technologies, and in the impact that they make. Given these factors, one of my major roles is to set the overall direction and priorities in consultation with our board. My philosophy is to engage our employee team in identifying and considering alternatives. This is relatively easy to do because we have very smart, highly talented, resourceful and highly motivated people in this company. In fact, I think it would be difficult to do otherwise. When all has been said and done, we need to carefully select our priorities as we continue to operate with very limited resources.

TWST: Are there international aspects to your business or to your strategies over the near or long term?

Mr. Greeno: The market needs that we are addressing have no geographic boundaries. As we've been reminded recently, bacterial and viral concerns can emerge somewhere far away and quickly move across the globe. So we are pursuing partners in regions beyond North America.

TWST: Please give us your summary statement — the one or two reasons that would compel an investor to include Quick-Med Technologies in his/her portfolio.

Mr. Greeno: Quick-Med is leading the way to a paradigm shift in the important and growing field of antimicrobial technology: safe, highly effective, rapid-acting, long-lasting

and affordable protection. Now well beyond proof of principle, we believe the company is poised for significant contributions to infection control and for significant value creation for our shareholders.

TWST: Thank you. (KL)

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Safe Harbor Statement

Forward-looking statements (statements which are not historical facts) contained herein and subsequent statements made by and on behalf of the Company are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this interview 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," "to," "expect," "plan," "believe"~ "anticipate," "intend," "could," "would," "estimate," and/or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements involve risks and uncertainties, including those risks that are discussed in the Company's filings with the Securities and Exchange Commission ("SEC"), which may be accessed at the SEC's Edgar System at www.sec.gov.

Antimicrobial Efficacy Data

This interview includes references to microbiology data to assist in technology evaluation. Data discussed herein were collected using standard laboratory methods and are presented solely to substantiate the efficacy of Quick-Med's antimicrobial technologies. Discussion of this data is not intended to be a public health claim. NIMBUS® technology received FDA market clearance for use in a wound dressing in February, 2009. Stay Fresh™ technology has not yet received EPA antimicrobial registration. Nimbu-Derm™ technology is neither FDA-cleared nor EPA-registered at this time.