UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended June 30, 2013

☐ Transition Report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file number: 000-27545

QUICK-MED TECHNOLOGIES, INC.

(Name of issuer in its charter)

Nevada	65-0797243
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
902 NW 4 Street, Gainesville, Florida	32601
(Address of principal executive offices)	(Zip code)

Registrant's telephone number: (352) 379-0611

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.0001 par value	

Securities registered under Section 12(g) of the Exchange Act:

Title of Class

Common Stock, $.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period than the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.
Yes ☐ No ☒

The aggregate market value of the common equity stock held by non-affiliates, computed by reference to the average bid and asked prices of such stock as of September 11, 2013, was approximately $2,987,692.

The number of shares outstanding of the issuer's common equity as of September 11, 2013 was 37,346,154.

Documents Incorporated by Reference

None

QUICK-MED TECHNOLOGIES, INC.

ANNUAL REPORT
ON FORM 10-K
For the Year Ended June 30, 2013

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PART I

ITEM 1. BUSINESS

This Form 10-K contains forward-looking statements based on our current expectations, assumptions and estimates and that involve risks and uncertainties. Any statements contained in this Form 10-K (including, without limitation, statements to the effect that we "estimate," "expect," "anticipate," "plan," believe," "may" or "will" or statements concerning potential or opportunity or variations thereof or comparable terminology or the negative thereof) that are not statements of historical fact should be construed as forward-looking statements. Actual results could differ materially and adversely from those projected or anticipated in the forward-looking statements as a result of a number of risks and uncertainties pertaining to our business, including, without limitation, those risks and uncertainties described in the section entitled "Risk Factors" in this Form 10-K. We undertake no obligation to revise or update any such forward-looking statements. Unless specified otherwise, as used in this Form 10-K, the terms "we," "us," "our," the "Company" or "Quick-Med" refer to Quick-Med Technologies, Inc.

Overview

Quick-Med Technologies Inc. ("we," "Quick-Med," or the "Company") is a life sciences company focused on developing proprietary, broad-based technologies in medical and consumer healthcare markets. Quick-Med's three core technologies are:

(1) NIMBUS® (Novel Intrinsically Micro-Bonded Utility Substrate) , a family of advanced polymers bio-engineered to have antimicrobial, hemostatic, and other properties that can be used in a wide range of applications;

(2) *Stay Fresh*™, a unique chemical formulation for textiles with a durable antimicrobial agent effective against an array of bacteria even after numerous laundering cycles; and

(3) MultiStat®, a family of advanced patented methods and compounds shown to be effective in skin therapy applications.

We were incorporated as a Nevada corporation on April 21, 1997 with the name "Above Average Investments, Ltd.". Other than issuing shares to ~~its~~ stockholders, Above Average Investments, Ltd. never commenced operations. In September 2000, Above Average Investments, Ltd. became a public reporting company 60 days following the voluntary filing of our Form 10-SB Registration Statement with the Securities and Exchange Commission. In March 2001, we acquired all of Quick-Med's issued and outstanding shares of capital stock in exchange for 10,260,000 shares of our common stock. Upon completion of the merger in February 2002, we changed our name to Quick-Med Technologies, Inc.

We have never been the subject of a bankruptcy, receivership or similar proceeding.

Our principal executive offices are located at 902 NW 4th Street, Gainesville, Florida 32601. Our telephone number is (352) 379-0611.

Technologies

We are a life sciences company that develops proprietary technologies for the medical and consumer healthcare markets with three core technologies which we called NIMBUS, *Stay Fresh* and MultiStat.

NIMBUS®

NIMBUS is a family of organic molecules or "polymers" that are bio-engineered to have antimicrobial, hemostatic, and other properties that can be used in a wide range of medical device applications. For example, NIMBUS is capable of being used to add a second, slowly releasable ingredient to a substrate to permit more than one mode of action or property (e.g., protease inhibitor or antibiotic).

We have initially developed our NIMBUS technology for traditional and advanced wound care products. We also believe that the size and growth characteristics of the medical device antimicrobial market represent another attractive opportunity for the NIMBUS technology. Additionally, we believe there are no competing technologies on the market today that offers the combination of safety, efficacy and cost-effectiveness offered by NIMBUS.

On May 22, 2013 the Company was awarded a contract by the U.S. Department of Defense for research on the "Development of Technologies to Control Scar Contracture after Burn Injuries." NIMBUS technology was competitively selected for this award under the Small Business Innovation Research (SBIR) program of the DOD Defense Health Program (DHP). The Phase I objective of this research is "to design a new innovative technology to intervene during the wound healing process, including inflammatory, proliferative and/or remodeling stages, to attenuate/control scar contracture and retain skin aesthetics following deep tissue burn injuries."

In July 2012, we and Derma Sciences, Inc. ("Derma") entered into a Patent and Technology License Agreement (the "Derma Agreement") to license our proprietary NIMBUS intellectual property exclusively on a worldwide basis other than India. The Derma Agreement supersedes a Patent and Technology License Agreement, as amended, dated March 23, 2007 to Derma on an exclusive basis within the United States and Canada. Under the Derma Agreement, we grant Derma certain rights under our proprietary NIMBUS intellectual property basis to make, use, sell and offer for sale the traditional wound care products, as defined, to the institutional market and the veterinary and dental institutional market, as defined.

In consideration for the execution of the Derma Agreement, Derma paid $1.3 million to us shortly after signing and future payments based on the sales of the licensed products reaching certain milestones. In addition, the royalty rate on the licensed products will be a sliding scale starting at 8.5% and declining as the sales volume increases as stipulated in the Derma Agreement. The Derma Agreement also provides for one time milestone payments of $300,000, $200,000 and $500,000 when twelve month sales equal or exceed $3,000,000, $5,000,000 and $10,000,000 respectively. Further, Derma agreed to commercialize products utilizing our intellectual property in certain geographic regions within certain time periods measured from the effective date in order to maintain the exclusivity of the intellectual property rights granted in these regions under the Agreement. The Agreement shall continue to be in effect until the expiration of the last to expire of the Company's proprietary intellectual property. The Company may revoke the exclusive nature of the license or terminate this agreement early if Derma fails to reach certain revenue milestones. Derma may terminate this agreement at any time upon 60 days notice.

In October 2011, we entered into a Patent and Technology License Agreement with Biosara Corporation (“Biosara Agreement”). Under the Biosara Agreement, we grant Biosara an exclusive license to our NIMBUS technology for use on 100% rayon sponge gauze for the institutional market in the United States and Canada. Biosara is required to achieve certain agreed minimum royalty fees in order to maintain the exclusivity provisions of the license. We have extended the exclusivity period while Biosara arranges financing to pay past due fees.

In July, 2010, we and Viridis BioPharma Pvt. Ltd., an India corporation, ("Viridis") entered into an exclusive Patent and Technology License Agreement (“Viridis Agreement”). Under the Viridis Agreement, we grant rights under our proprietary NIMBUS antimicrobial technology to Viridis to make, use, sell and offer for sale certain wound treatment products to the institutional market, pharmaceutical companies, distributors, hospitals, clinics, licensed chemists, pharmacists and medical wings of organizations in the Republic of India and its territories and possessions. Viridis agreed it would only manufacture the products in India, unless otherwise agreed to by us. In September 2010, Viridis obtained India FDA clearance to manufacture and market their product in India. Viridis has obtained all the appropriate production equipment and has produced and packaged NIMBUS treated gauze dressings that satisfy efficacy requirements. Viridis began selling the NIMBUS treated gauze dressings in early 2013.

On May 14, 2013 we granted Viridis an expanded license to sell Microfoam™ dressings. Microfoam is the first advanced wound care dressing to utilize our proprietary non-leaching NIMBUS® technology. Viridis will have the right to sell the Microfoam dressings it produces under license from us to territories including the Commonwealth of Independent States (CIS). Countries within the expanded territory include Russia, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Uzbekistan, as well as Georgia, Turkmenistan and the Ukraine. Distribution into these territories will be handled by Unique Pharmaceutical Labs, a company based in India that has an extensive sales and commercial networks in the territories granted. The regulatory clearance process is already underway for Russia, with others following. This expanded contract has a term of five years. The core contract between Viridis and QMT that permits manufacture and sale in India of foam and gauze NIMBUS products is extended for the same period.

In April, 2009, we entered into a Joint Development and Exclusive Option Agreement with Avery Dennison Corporation to apply NIMBUS technology to adhesives for medical device and industrial applications. Upon the successful completion of this JDA, we entered into a license agreement with Avery Dennison Corporation in April, 2011.

Other important considerations of our flagship NIMBUS technology include:

- The raw material cost of NIMBUS is more economical than many other competing active ingredients, such as silver or PHMB (polyhexamethylene biguanide), used in healthcare today. Additionally, in wound care materials and other roll goods-based substrates, NIMBUS requires no more than standard textile or paper finishing equipment.

- The most deeply studied potential commercial application of NIMBUS is in medical devices where permanent bonding to various substrates can be performed using broad spectrum microbicides that are highly effective, as verified by independent laboratories. In certain prototype wound dressings, NIMBUS begins to eradicate bacteria immediately and is effective for seven days or more. Tested in a typical potential commercial application, NIMBUS killed 99.9999% of the bacteria or other microbes present in the environment.

- Third party testing and our research show that NIMBUS-treated articles are effective against MRSA (*Methicillin-Resistant Staphylococcus Aureus*) and VRE (*Vancomycin-Resistant Enterococcus*), two antibiotic-resistant organisms responsible for a significant and growing number of hospital and community-related infections. Other high bacterial kill levels have been demonstrated for contact lenses against Pseudomonas; in food preservation against bacteria that cause *Listeria monocytogenes* and *Salmonella typhimurium*; and in footwear protection against a wide range of other germs including *Trichophyton mentagrophytes*, a fungus that causes athlete's foot.

- While lethal to most bacteria, studies performed by us and third-party laboratories show that NIMBUS is not harmful to human cells. Independent laboratory tests have shown that NIMBUS is non-toxic, non-sensitizing and non-irritating to humans, using standard ISO or ASTM test methodologies.

- The NIMBUS technology permanently bonds the active agent to the substrate. This attribute is a source of differentiation from many competing technologies and gives NIMBUS potential advantages, including lower cost and the possible use in devices such as contact lenses, wound dressings, incontinence products, or disposable gloves where leaching chemicals into the body may pose unacceptable medical risk.

- A characteristic of NIMBUS medical devices relates to the reduced likelihood of bacteria to develop resistance to the microbicide employed – a growing concern in healthcare facilities. This characteristic results from the combined effect of (a) the mechanism by which bacteria are killed – by cell wall disruption; (b) the bonding of the microbicide to the substrate, which prevents concentrations of the active molecule from falling below minimum inhibitory levels and (c) the large size of the molecule which does not permit its entry into the bacteria cell where resistance can develop. A confirmatory *in-vitro* test of ten consecutive generations of *E. coli*, a particularly difficult to kill microorganism, showed no reduction in efficacy.

Included in the NIMBUS product line is NimbuDerm™. NimbuDerm is a novel copolymer developed by us for application as a persistent hand sanitizer that provides six or more hours of continuous protection and we believe will have significant benefit in the interruption of the transfer of germs by contact. The copolymer is a film former which can be deposited on skin or any hard surface until it is removed by washing with soap and water. For use on skin a foraminous film is deployed that acts as a barrier to microorganisms yet allows breathability and is comfortable and pleasing to the skin. For other applications the copolymer can be deposited as a non-porous film on hard surfaces or mixed with other polymers to form an adhesive or an extrudable or moldable thermoplastic which can be converted to solid medical devices such as catheters, tubing, films and coatings.

Stay Fresh **™**

Stay Fresh is a novel chemical approach to providing durable antimicrobial efficacy, which has applications developed for an increasing number of situations. *Stay Fresh* can be bonded to fibers or fabrics so as to retain the biocidal property through numerous launderings. *Stay Fresh* can help to preserve fabric integrity by aiding in the cleaning process, and can allow less damaging or energy intensive cleaning cycles to yield a more hygienic product. In addition to consumer textiles, for which *Stay Fresh* has been registered with EPA, an antibacterial medical textile based on *Stay Fresh* has been cleared by FDA.

Stay Fresh is based on hydrogen peroxide as the antimicrobial, and acts against the bacteria and fungi that are responsible for odor, staining and fabric degradation to preserve and protect the treated article or surface. *Stay Fresh* is ideally suited to the broad range of potential applications including clothing such as essential apparel, sportswear, active wear, and work wear as well as furnishings such as linens, drapes, and towels. Other incarnations of the *Stay Fresh* technology include solid surface coatings and treatments, paint integration, and superabsorbent powders that can function as a drop-in replacement for conventional superabsorbent powders.

The unique formulation that comprises *Stay Fresh* is eco-friendly as well as non-irritating and non-sensitizing. For textile applications, it can be bonded to fibers or fabrics using conventional textile finishing equipment at a low cost with chemicals used in many treating processes. For superabsorbent applications, the *Stay Fresh* superabsorbent chemicals can be easily substituted for conventional powder in the feedstock without significant process alteration.

On March 30, 2013 the National Science Foundation (NSF) awarded the Company a grant titled: "Regenerable Antimicrobial Coatings Containing Zinc Oxide Binders for Hydrogen Peroxide Cleaning Solutions." Quick-Med's *Stay Fresh*® technology was competitively selected for this award under the Small Business Innovation Research (SBIR) program of NSF.

The Phase I objective of this research is to develop Regenerable Antimicrobial Coatings with long-lasting efficacy for use in medical instruments, devices, and hospital equipment and facilities. The same coatings will also have broad utility in the consumer, industrial, and institutional markets.

The coating technology is an extension of the *Stay Fresh* technology, sequestering Hydrogen Peroxide (HP) in zinc oxide particles incorporated into the coatings. Exposure of coated surfaces to commercially-available HP-containing cleaning products will cause binding of HP to the zinc oxide particles -- allowing HP to be sequestered within the coating after the surface has dried. This technology is designed to provide durable and long-lasting antimicrobial effect sufficient to reduce or eliminate the proliferation and spread of pathogenic organisms in between cleaning cycles. Additionally, the antimicrobial effect should be regenerated each time the surface is cleaned with peroxide-containing cleaning products.

In May 2012, we entered into a license agreement ("Doris Agreement") with Doris Hosiery Mills, Limited ("Doris"). Under the Doris Agreement, we grant Doris exclusive right and license in Canada and non-exclusive rights and license in the United States to use our proprietary *Stay Fresh* Technology in the field of hosiery products, including dress socks, casual socks, work socks, sport/athletic socks, and diabetic socks. The Doris Agreement remains effective for five years from the effective date.

On August 27, 2013 we announced that Polartec, LLC, a premium producer of textile solutions, has been granted a license to utilize our proprietary *Stay Fresh* technology for a range of products and fields of use.

MultiStat®

MultiStat is a family of patented organic compounds known as matrix metalloproteinase inhibitors ("MMPIs") that have been shown to have significant benefit in promoting the maintenance, healing and repair of skin and eyes. Both third party and Quick-Med research show that MultiStat is effective in certain medical (wound care) and consumer (cosmetic) applications.

Matrix Metalloproteinases, or "MMPs", are naturally occurring compounds in skin tissue. External or internal stimuli can trigger an overproduction of certain MMPs, which can produce chemical reactions within skin cells that induce adverse outcomes such as blistering, inflammation or accelerated collagen degradation. External triggers include prolonged sun exposure, as well as chemical burns from warfare agents such as mustard gas. Internal triggers include natural aging in which declining estrogen levels naturally result in the loss of the inhibition of MMPs and lead to accelerated skin wrinkling.

There are natural or synthetic compounds that safely inhibit MMP overproduction in the skin (MMP-inhibitors, or "MMPIs"). These MMPIs can be topically applied to mitigate the effects of triggering mechanisms. The bioscience of MMPI research includes the identification of safe compounds that individually or in combination yield a specific beneficial outcome. MultiStat represents our portfolio of patented compounds and techniques relating to MMP inhibition. Our MultiStat compounds are approximately 1,000 times more potent than the natural MMPIs that are present in human blood and in some plant extracts. Therefore, only small amounts of MultiStat compounds are needed to reduce the elevated levels in MMP activities that cause skin wrinkling or tissue destruction in chronic wounds. MultiStat's array of uses has been documented in a series of clinical findings by our scientists, third-party scientific laboratories, and in works published by other academic researchers.

External and internal stimuli that cause the overproduction of enzymes known as matrix metalloproteinase can adversely affect the skin and eyes. MultiStat works by inhibiting the activity of the matrix metalloproteinase enzymes. Independent laboratories as well as our research show that MultiStat is effective in medical (wound care) and consumer (cosmetic) applications. MultiStat is currently being sold as a performance ingredient to several cosmetics companies via an agreement with BASF, which was renegotiated and effective on March 31, 2011 ("BASF Agreement"). Under the BASF Agreement, we appointed BASF as an exclusive manufacturer and distributor of our MultiStat Compound, Ilomastat, in the over-the-counter retail cosmetic consumer products in the worldwide territory with the exclusive and non-exclusive licenses of certain patent rights.

Pharmaceutical Applications. Scientific studies have shown that MMP activity plays a major role in the deterioration of human tissue when exposed to chemical agents such as mustard gas. Ilomastat, a member of the MultiStat family of patented compounds and techniques relating to MMP-inhibition, has been demonstrated to be safe and highly effective in treating mustard gas exposures based on efficacy studies conducted in Israel and the Netherlands by third-party scientific laboratories. We are seeking to develop Ilomastat as a post-injury agent for mustard gas exposure.

Other potential pharmaceutical applications for Ilomastat include psoriasis, acne and chronic wounds.

Cosmetics. Based on clinical studies performed by us and by the Engelhard Corporation (now a unit of BASF), MultiStat has shown success in improving the appearance of fine facial lines and wrinkles associated with skin deterioration resulting from natural aging or sun damage. Additionally, MultiStat has been shown in the same clinical studies to have applications for other conditions, such as skin roughness or redness.

On May 16, 2008, we and BASF Beauty Care Solutions, L.L.C., a member of BASF Group ("BASF"), signed a Manufacturing and Distribution Agreement with an effective date of August 1, 2007. This agreement supersedes The Master Agreement for Product Development, Manufacturing and Distribution and the Product Development and Distribution Agreement for Ilomastat dated August 15, 2002, the Tolling Agreement dated October 20, 2005, as amended, and the Letter of Intent with the effective date of February 1, 2006, as amended, ("Prior Agreements") between us and BASF.

Under this agreement, we appointed BASF as an exclusive manufacturer and distributor of our MultiStat Compound, Ilomastat, ("QMT Compound") in the over-the-counter retail cosmetic consumer products in the worldwide territory with the exclusive and non-exclusive licenses of certain patent rights. In consideration of the rights and appointments, we are entitled to receive distribution fees on a quarterly basis of the contract year minimum sales of products containing QMT Compound in each of the three contract years under the renegotiated terms of the distribution fees as set forth in the agreement. For the period from the effective date of August 1 to December 31, 2007, the terms of the distribution fees under the Prior Agreements remained in effect. The contract year began January 1, 2008, and each consecutive 12-month period thereafter during the term of the Agreement. The term of the Agreement expires on December 31, 2010. We may terminate this Agreement prior to such expiration upon a material breach by BASF, or BASF's failure to meet minimum sales requirements. This agreement was extended through March 31, 2011 and we and BASF entered into a new agreement effective April 1, 2011 through December 31, 2014.

The license under the Agreement may be sublicensed to BASF's affiliates or third parties solely for the right to manufacture and to sell the licensed products for the purpose set forth in the Agreement.

Business Strategy

Our business strategy is built around the twin pillars of technology development and licensing. Our near-term focus is to further develop and execute commercialization strategies for each of our broad technologies. We seek to generate revenue through four sources:

(1) Licenses of proprietary technology to industry partners;
(2) Sales of product (compounds);
(3) Contracts with government agencies; and,
(4) Research and development support agreements.

We expect that the majority of future revenue from NIMBUS, *Stay Fresh* and MultiStat will be generated via licenses, royalties and profit-sharing agreements. We believe that our intellectual property is the value driver and, as such, manufacturing, sales and distribution are and will be conducted either through client partners or outsourced.

Competition

Quick-Med's NIMBUS and *Stay Fresh* antimicrobial technologies compete against the current advanced antimicrobial technologies including several manufacturers and marketers of antimicrobial silver technology (e.g., Milliken, Sciessent, Nano Horizons, and many others). NIMBUS also competes against earlier generation antimicrobial technologies marketed by Microban, Dow Chemical, Arch Chemicals, Thompson Research, and many other companies.

Relative to all of these competitors, we believe that Quick-Med's NIMBUS technology offers medical device companies high efficacy, low cost, and the best safety profile. It provides no risk of bacteria developing resistance to the agent. NIMBUS' extremely low cost will enable bringing antimicrobial protection to many wound care and other situations where cost requirements currently discourage or prohibit such protection.

If and when commercialized, our NimbuDerm technology will compete with alcohol-based skin sanitizers (such as Purell® from Johnson & Johnson) that are widely used in both the worldwide institutional and consumer markets. We believe that NimbuDerm has the important advantage that it not only offers the same or better initial activity against bacteria but it also continues to protect the skin surface against bacterial colonization for a period of 8 hours, thus preventing the immediate re-infection that can occur after the active in alcohol-based sanitizers quickly evaporates.

We believe that Quick-Med's *Stay Fresh* technology offers apparel manufacturers and other textile companies with a new level of highly durable, sustained antimicrobial efficacy over the course of numerous laundering cycles.

Quick-Med's cosmeceutical formulations compete against alternate protease inhibiting technologies such as isoflavone compositions and other anti-aging products. Competitors include Neutrogena (from Johnson & Johnson), Clinique (Clinique Laboratories LLC) and many others.

Competing antimicrobial technologies include such biocides as silver, PHMB, triclosan and the silane monoquaternary known as Microbe Shield and sold by Mircoban International. These biocides are antimicrobial treatment agents for textiles that are claimed to have protective effects on the fabric such as against mold and mildew, staining and perspiration odor.

Silver is an expensive agent that depends upon a slow release mechanism that gradually metes out the biocide until depleted during repeated launderings. Silver has the potential to discolor skin or the treated textile or other material. Silver can be continuously neutralized by chloride ions contained in body fluids. It is known to be toxic to fish and aquatic organisms. A study conducted in 2008 showed that washing socks containing nano-silver released substantial amounts into the effluent, a potential cause of toxicity in water entering natural waterways. The International Center for Technology Assessment (CTA) has filed a petition with EPA demanding that the agency stop the sale of several consumer products using nano-silver.

PHMB is also expensive and depends upon a slow release over the life of the product during repeated launderings. It is in the family of chemicals known as quaternaries and is quite effective against Gram positive species such as *Staphylococcus aureus*. However, the effective use of PHMB does require about ten to twenty-five times as much compared to the amount used for Staphylococcus aureus to kill Gram negative species such as *E. coli* and *Klebsiella pneumoniae* and 100 times as much to kill *Pseudomonas aeruginosa*.

The cost of silver is about one hundred times greater while PHMB is about ten times greater – than the costs of either our NIMBUS or *Stay Fresh* technologies.

Exposure to microbicidal chemicals in concentrations below their minimal inhibitory concentrations (MIC) can lead to the development of bacterial resistance when the depleted chemical agent enters the body through a cut or scrape or orally.

Microban Corporation's triclosan is used broadly in many consumer applications and costs about fifteen times per pound as much as *Stay Fresh* or NIMBUS. Lab in-vitro testing of triclosan in some products especially those in which the chemical is distributed within the bulk, has revealed low effectiveness. It is structurally in the family of chlorophenols, compounds that are suspected carcinogens which are ecologically problematic when entering effluent streams. Triclosan, which forms dioxins in sunlight, can cause skin irritation and is known to increase allergies and asthma. Currently triclosan is included in many voluntary restrictive substances lists. Excessive use of triclosan and its evidence in the environment and harmful long term endocrine effects are being investigated by the government. We will seek to overcome the competitive advantages of our competitors by entering into co-development agreements with industry leaders in the potential markets with exclusivity clauses for future license agreements.

The research and development pertaining to our technologies, which underlie our antimicrobial technologies (NIMBUS, *Stay Fresh* and NimbuDerm), MMP-inhibitors (MultiStat), and potential future products, is extremely competitive and is characterized by rapid technological change. Many of our competitors have substantially greater financial, scientific, and human resources, and greater research and product development capabilities. In addition, many of our competitors have greater experience in marketing such technologies and products and greater potential to develop revenue streams. As a result, our competitors may be able to develop and expand their competing product offerings more rapidly, adapt to new or emerging technologies and changes in customer requirements more quickly, devote greater resources to marketing and sales of their products and adopt more aggressive pricing policies than we can.

Intellectual Property: Patents, and Exclusive Patent Licenses

Our strategy is to research and obtain original patents or, to the extent reasonably available, to license exclusive composition and relevant use patents related to our core technology. We believe that a comparatively strong intellectual property position can be a source of differentiation from our competitors and their products.

NIMBUS technology and NimbuDermTM technology are covered by eleven (11) issued U.S. patents, sixteen (16) issued foreign patents (Australia, Canada, China, India, Korea, Mexico, Russia, and South Africa), as well as seventeen (17) international patent applications filed under the Patent Cooperation Treaty (PCT, a treaty adopted by 142 countries), and a number of foreign patent applications.

MultiStat technology is covered by two issued U.S. patents, one issued foreign patent and five pending international patent applications.

*Stay Fresh*TM technology is covered by one issued U.S. patent, two pending U.S. patent applications and fifteen international patent applications. Several disclosures are in preparation for filing.

Agreements with Employees and Consultants

With the exception of Drs. Gregory S. Schultz and Christopher Batich discussed below, all of our employees and scientific consultants have signed agreements that assign to us all intellectual property rights to any inventions or other proprietary information in any area in which that person is working with us. These agreements do not provide for the payment of any royalties. Drs. Schultz and Batich, who are on the faculty of University of Florida at Gainesville, are the only consultants who currently have any rights in any intellectual property that may be shared with us. Under the University of Florida policy, any rights obtained by Drs. Schultz and Batich are assigned to the University of Florida Research Foundation (UFRF). Drs. Schultz and Batich may be paid a royalty by the UFRF out of royalties paid by us to UFRF. Please see the section entitled “Patent Related Agreements” below for further information.

Issued and Pending - U.S & Foreign Patents/Applications
We have filed or own joint rights to patents and applications for:

NIMBUS Technology and NimbuDerm Technology

United States Patents	U.S. Patent No.	Date Granted/ Date Expires
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	7,045,673	16 May 2006/ 8 December 2019
€Improved Antifungal Gypsum Board	7,473,474	6 January 2009/ 25 February 2024
* Materials With Covalently Bonded, Nonleachable Polymeric Antimicrobial Surfaces	7,709,694	4 May 2010/ 8 December 2019
* Method Of Attaching An Antimicrobial Cationic Electrolyte To The Surface Of A Substrate	7,790,217	7 September 2010/ 25 April 2028
€ Gypsum Board Containing Antimicrobial And Antibacterial Compounds	8,007,921	30 August 2011/ 25 February 2024
€ Disinfectant With Quaternary Ammonium Polymers And Copolymers	8,088,400	3 January 2012/ 14 April 2028
* Method Of Attaching An Antimicrobial Cationic Electrolyte To The Surface Of A Substrate	8,092,854	10 January 2012/ 18 September 2026
* System and Method for Enhancing the Efficacy of Antimicrobial Contact Lenses and Other Surfaces	8,227,017	24 July 2012/ 10 February 2029
€ Disinfectant with Durable Activity Based on Alcohol-Soluble Quaternary Ammonium Polymers and Copolymer	8,343,523	1 January 2013/ 22 August 2026
* Antimicrobial Bandage Material Comprising Superabsorbent and Non-Superabsorbent Layers	8,333,743	18 December 2012/ 8 December 2019
* Polyelectrolyte Complex for Imparting Antimicrobial Properties to a Substrate	12/830,062	2 July 2010

Granted Foreign Patents	Patent No.	Date Granted
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	Australia 773,532	9 Sept. 2004/ 8 December 2019
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	Canada 2,353,436	8 January 2008/ 8 December 2019
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	China ZL 99814229.8	12 January 2005/ 8 December 2019
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	Korea 100689020	23 February 2007/ 8 December 2019
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	Mexico 248078	15 August 2007/ 8 December 2019
*Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	Russia 004160	26 February 2004/ 8 December 2019
* Antimicrobial Cationic Polyelectrolyte Coatings	Australia 2006283043	16 June 2011/ 22 August 2026
* Antimicrobial Cationic Polyelectrolyte Coating	China ZL 200680039436.5	27 March 2013/ 22 August 2026
* Method Of Attaching An Antimicrobial Cationic Polyelectrolyte To The Surface Of A Substrate	Mexico 297242	20 March 2012/ 22 August 2026
*Antimicrobial Cationic Electrolyte Coating	South Africa 2008/01601	27 May 2009/ 22 August 2026
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	Australia 2006283042	28 June 2012/ 22 August 2026
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	Canada 2620175	30 April 2013/ 22 August 2026
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	China ZL200680039366.3	14 November 2012/ 22 August 2026
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	India 253984	11 September 2012/ 22 August 2026
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	Mexico 303044	4 September 2012/ 22 August 2026
€ Disinfectant With Quaternary Ammonium Polymers And Copolymers	South Africa 2008/01557	24 June 2009/ 22 August 2026

Pending United States Patent Applications	U.S. Application No.	Date Filed
None		

Pending Foreign Patent Applications	Application No.	Date Filed
* Intrinsically Bactericidal Absorbent Dressing and Method of Fabrication	Europe 1156766	8 December 1999
* Method Of Attaching An Antimicrobial Cationic Electrolyte To The Surface Of A Substrate	Brazil PI0617099-4	22 August 2006
* Method Of Attaching An Antimicrobial Cationic Electrolyte To The Surface Of A Substrate	Canada CA 2620203	22 August 2006
* Method Of Attaching An Antimicrobial Cationic Polyelectrolyte To The Surface Of A Substrate	Europe 1937418	22 August 2006
* Method Of Attaching An Antimicrobial Compound To The Surface Of A Substrate	India 1397/CHENP/2008	22 August 2006
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	Brazil PI0617092-7	22 August 2006
€ Disinfectant with Quaternary Ammonium Polymers & Copolymers	Japan 2008-528125	22 August 2006
€ Disinfectant Alcohol-Soluble Quaternary Ammonium Polymers	Australia 2009204189	8 January 2009
€ Disinfectant Alcohol-Soluble Quaternary Ammonium Polymers	Brazil PI0905679-3	8 January 2009
€ Disinfectant Alcohol-Soluble Quaternary Ammonium Polymers	China 200980107500.2	8 January 2009
€ Disinfectant Alcohol-Soluble Quaternary Ammonium Polymers	Europe 09701395.7	8 January 2009
€ Disinfectant Alcohol-Soluble Quaternary Ammonium Polymers	India 710/DELNP/2011	31 January 2011
€ Disinfectant Alcohol-Soluble Quaternary Ammonium Polymers	Japan 2010-542339	8 January 2009
€ Polyelectrolyte Complex For Imparting Antimicrobial Properties To A Substrate	Brazil P10911004-6	18 January 2011
€ Polyelectrolyte Complex For Imparting Antimicrobial Properties To A Substrate	Canada 2731072	18 January 2011
€ Polyelectrolyte Complex For Imparting Antimicrobial Properties To A Substrate	China 200980132939.0	23 February 2011
€ Polyelectrolyte Complex For Imparting Antimicrobial Properties To A Substrate	India 709/DELNP/2011	31 January 2011

Stay Fresh **Technology**

United States Patents	**U.S. Patent No.**	**Date Granted/ Date Expires**
€ Antimicrobial Textiles Comprising Peroxide	8,277,827	2 October 2012/ 8 June 2030

Pending United States Patent Applications	**U.S. Application No.**	**Date Filed**
€ Superabsorbent Materials Comprising Peroxide	12/796,708	9 June 2010
€ Antimicrobial Textiles Comprising Peroxide	13/616,209	14 September 2012

Pending Foreign Patent Applications	**Application No.**	**Date Filed**
€ Superabsorbent Materials Comprising Peroxide	Australia 2010215966	29 July 2011
€ Superabsorbent Materials Comprising Peroxide	Brazil P11006008-1	17 August 2011
€ Superabsorbent Materials Comprising Peroxide	Canada 2,751,852	8 August 2011
€ Superabsorbent Materials Comprising Peroxide	China 2010080017268.6	18 October 2011
€ Superabsorbent Materials Comprising Peroxide	Europe 10744319.4	9 September 2011
€ Superabsorbent Materials Comprising Peroxide	India 6115/DELNP/2011	11 August 2011
€ Superabsorbent Materials Comprising Peroxide	Japan 2011-550328	15 August 2011
€ Antimicrobial Textiles Comprising Peroxide	Australia 2010258863	14 November 2011
€ Antimicrobial Textiles Comprising Peroxide	Brazil SPO18110047902	8 December 2011
€ Antimicrobial Textiles Comprising Peroxide	Canada 2,763,073	22 November 2011
€ Antimicrobial Textiles Comprising Peroxide	China 201080035258.5	8 February 2012
€ Antimicrobial Textiles Comprising Peroxide	Europe 10786726.9	9 December 2011
Antimicrobial Textiles Comprising Peroxide	Hong Kong HK 12111295.5	8 November 2012
€ Antimicrobial Textiles Comprising Peroxide	India 9534/DELNP/2011	5 December 2011
€ Antimicrobial Textiles Comprising Peroxide	Malaysia PI 2011005923	25 November 2011

MultiStat® Technology♠

United States Patent	U.S. Patent No.	Date Granted/ Date Expires
♠Synthetic Matrix Metalloprotease Inhibitors and use Thereof	5,773,438	3 June 1998/ 30 June 2015
*Cosmetic Composition and Method	6,713,074	30 March 2004/ 29 June 2021

Granted Foreign Patents	Patent No.	Date Issued
*Cosmetic Composition and Method	Australia 2001273115	30 September 2005
*Cosmetic Composition and Method	Canada 2,414,247	27 November 2012/ 29 June 2021
*Cosmetic Composition and Method	Japan 5106739	12 October 2012/ 29 June 2021

Pending Foreign Patent Applications	Application No.	Date Filed
* Cosmetic Composition and Method	Europe 01952355.4	29 June 2001
* Composition and Method for Minimizing or Avoiding the Adverse Effects of Vesicants	Israel 161057	25 September 2002

€ Owned by Quick-Med Technologies, Inc. (QMT, Inc.)
* Exclusive to QMT, Inc. (joint ownership with the Univ. of Florida Research Foundation, Inc. exclusive license back from Foundation).
♠ QMT also is licensed under patents from the University of Michigan and certain individuals relating to Ilomastat and associated MMPIs.

Our business and competitive position are dependent upon our ability to protect our proprietary technologies. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. We will rely on patent, trade secret and copyright law and nondisclosure and other contractual arrangements to protect such proprietary information. We will file patent applications for our proprietary methods and devices which we believe are patentable.

There can be no assurance that others will not independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our proprietary information, that such information will not be disclosed or that we can effectively protect our rights to unpatented trade secrets or other proprietary information.

There can be no assurance that others will not obtain patents or other legal rights that would prevent us from commercializing our technologies in the United States or other jurisdictions.

There can be no assurance that our technologies will not be subject to environmental or other regulation that would impede their adoption and commercialization in the United States or other jurisdictions.

Our strategy is to obtain original patents or, to the extent reasonably available, exclusive composition and use licenses to patents relating to core technologies and their use in targeted applications.

Patent Related Agreements

University of Florida

On December 3, 2002, we entered into a licensing agreement with University of Florida that gave us exclusive worldwide rights for the manufacturing, marketing, and distribution of our NIMBUS and topical Ilomastat technologies. The license, which covers both awarded patents and patent applications, builds on intellectual property already owned by us, that includes, non-exclusive rights to these same technologies or other rights obtained through prior agreements. The agreement was amended to extend the date of the commercialization of products to the retail customer for the group of licensed patents to December 31, 2010, unless the delay is caused by governmental regulatory agency, including but not limited to the Food and Drug Administration, in which case we shall be afforded the opportunity to toll the December 31, 2010 date for a period equal to the period during which such regulatory review is diligently prosecuted by us. To date, we have commercialized through our licensees all of the products covered under these license agreements except one.

We have executed a license agreement with University of Florida at Gainesville, DermaCo, Inc., Dr. R. Galardy and Dr. D. Grobelny granting us certain rights under patents relating to a family of MMPIs. We are using these rights to develop both the cosmetic anti-aging products and vesicant skin treatment products. U.S. and foreign patent rights, including but not limited to Germany, Spain, France, United Kingdom, and Italy have been licensed to us for these applications.

University of Michigan

In June 2007, we entered into a patent license agreement with the University of Michigan (“U-M”) that significantly expands our MultiStat technology – its patented family of compounds for the cosmetic treatment of skin conditions, including chronological aging and photo-aging. The license grants us the exclusive right to commercialize important U-M patents in the field of cosmetic products.

We own exclusive rights for topical use of the MultiStat compounds for cosmetic and military applications, but previously had non-exclusive patent rights for use of U-M patents in the anti-aging cosmetic arena. The agreement covers the exclusive rights to eight U.S. and numerous foreign patents as well as three US patents and corresponding foreign patents on a non exclusive rights basis in cosmetics applications.

Exclusive-Licensed U-M Patents/Application Technology

Jurisdiction & Patent/Application Number	Issue Date	Expiry Date	Description
Australia AU 701132	1/21/1999	1/17/2017	Method of Inhibiting Photoaging of Skin
Canada CA 2241981	3/19/2002	1/17/2017	Method of Inhibiting Photoaging of Skin
Japan JP 3705820	10/12/2005	1/17/2017	Method of Inhibiting Photoaging of Skin
Mexico MX 208066	5/31/2002	1/17/2017	Method of Inhibiting Photoaging of Skin
New Zealand NZ 330860	3/27/2000	1/17/2017	Method of Inhibiting Photoaging of Skin
United States US 5,837,224	11/17/1998	1/19/2016	Method of Inhibiting Photoaging of Skin
Australia AU 737376	8/16/2001	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Canada CA 2,281,944	5/15/2007	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
China CN 1251989	1/9/2008	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Germany DE 69828620	2/17/2005	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Europe Pat Off. EP 1005333	3/14/2005	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
France FR (EP1005333)	1/12/2005	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
United Kingdom GB (EP1005333)	1/12/2005	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin

Israel IL 131543	8/31/2005	2/23/2018	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Japan JP 2002515898 (unexamined)			Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Japan JP 2010195817	pending		Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Japan JP 2010107925	pending		Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
Mexico MX 245349	4/25/3007	8/24/2019	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
United States US 6,630,516	10/7/2003	2/25/2017	Methods and Compositions for Preventing and Treating Chronological Aging in Human Skin
United States US 6,919,072	7/19/2005	2/25/2017	Methods and Compositions for Reducing Collagen Loss Due to Chronological Aging in Human Skin
Mexico MX 283269	1/24/2011/	4/2/2019	Methods and Compositions for Reducing Collagen Loss Due to Chronological Aging in Human Skin
United States US 6,683,069	1/27/2004	4/2/2018	Compositions for Reducing UV-Induced Inhibition of collagen synthesis in Human Skin
United States US 7,141,238	11/28/2006	10/17/2018	Methods and Compositions for Reducing UV-Induced Inhibition of collagen synthesis in Human Skin
United States US 7,268,148	9/11/2007	5/20/2019	Compositions and methods for Use Against Acne-Induced Inflammation and Dermal Matrix-Degrading Enzymes
Japan JP 2004536781	pending		Methods and Compositions for Protecting and Restoring Skin Using Selective MMP Inhibitors
Mexico MX 282908	1/14/2011	12/18/2021	Methods and Compositions for Protecting and Restoring Skin Using Selective MMP Inhibitors

Mexico MX 244071	11/9/2003	5/9/2022	Use of Compositions for Treating Rosacea
United States US 7,078,048	7/18/2006	10/28/2022	Method and Compositions for Treating Rosacea
United States US 7,795,302	9/14/2010	12/22/2024	Method and Compositions for Treating Rosacea
Canada CA 2,446,356	7/10/2012	5/9/2022	Use of Compositions for Treating Rosacea

Non-Exclusive U-M Patents/Applications

Jurisdiction & Number	Issue Date	Expiry Date	Description
Australia AU 2002301116	8/31/2006	6/3/2018	Compositions and Methods for Inhibiting Photoaging of Skin
Canada CA 2,292,600	11/27/2007	6/3/2018	Compositions and Methods for Inhibiting Photoaging of Skin
Canada CA 2,601,462	3/15/2011	6/3/2018	Compositions and Methods for Inhibiting Photoaging of Skin
Israel IL 133194	5/4/2009	6/3/2018	Compositions and Methods for Inhibiting Photoaging of Skin
Japan JP 3554339	8/18/2004	6/3/2018	Compositions and Methods for Inhibiting Photoaging of Skin
New Zealand NZ 501634	2/1/2002	6/3/2018	Compositions and Methods for Inhibiting Photoaging of Skin
New Zealand NZ 513045	2/3/2003	6/3/2018	Protection of Vehicle Passengers from UV Radiation
Taiwan TW 234467	6/21/2005	6/4/2017	Compositions and Methods for Inhibiting Photoaging of Skin
United States US 6,130,254	10/10/2000	6/4/2017	Composition and Method of Inhibiting Photoaging of Skin
United States US 6,365,630	4/2/2002	4/2/2019	Composition and Method of Inhibiting Photoaging of Skin
United States US 6,942,870	9/13/2005	6/4/2017	Compositions and Methods Using Direct MMP inhibitors for Inhibiting Photoaging of Skin
South Africa ZA 98/4791	6/1/1999	6/4/2017	Compositions and Methods for Inhibiting Photoaging of Skin

BASF Corporation

We have an agreement with BASF that grants BASF Corporation, exclusive and non exclusive worldwide right to develop and market certain products relating to skin care that employ our MultiStat® family of MMPIs.

Derma Sciences, Inc.

In April, 2007, we entered into a license agreement with Derma Sciences Inc. for NIMBUS treatment of select substrates used in traditional wound care. In February, 2009 we received FDA market clearance for the NIMBUS gauze wound dressing licensed to Derma Sciences and in June, 2009 Derma Sciences reported first commercial sale of a product, BIOGUARD® wound dressings, employing our NIMBUS technology. Derma Sciences is marketing and selling the BIOGUARD product to the professional health care market including acute care hospitals, extended care hospitals, nursing homes, and wound care centers. In July 2012, we entered into a new license agreement with Derma Sciences that grants Derma a worldwide (except for India) exclusive license to our NIMBUS treatment of traditional wound dressings in return for $1.3 million in upfront payment, additional milestone payments and ongoing royalty payments.

Viridis BioPharma Pvt. Ltd.

In July, 2010, we and Viridis BioPharma Pvt. Ltd., an India corporation, ("Viridis") entered into an exclusive Patent and Technology License Agreement as stipulated in the binding term sheet on March 16, 2010. Under the agreement, we grant rights under its proprietary NIMBUS antimicrobial technology to Viridis to make, use, sell and offer for sale certain wound treatment products to the institutional market, pharmaceutical companies, distributors, hospitals, clinics, licensed chemists, pharmacists and medical wings of organizations in the Republic of India and its territories and possessions. Viridis agreed it would only manufacture the products in India, unless otherwise agreed to by us. In September 2010, Viridis obtained India FDA clearance to manufacture and market their product in India. In December 2011, we amended the agreement to include NIMBUS-treated foam wound dressings. In March 2012, we extended the term of the agreement.

On May 14, 2013 we granted Viridis an expanded license to sell Microfoam™ dressings. Microfoam is the first advanced wound care dressing to utilize OUR proprietary non-leaching NIMBUS® technology. Viridis will have the right to sell the Microfoam dressings it produces under license from us to territories including the Commonwealth of Independent States (CIS). Countries within the expanded territory include Russia, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Uzbekistan, as well as Georgia, Turkmenistan and the Ukraine. Distribution into these territories will be handled by Unique Pharmaceutical Labs, a company based in India, that has an extensive sales and commercial networks in the territories granted. The regulatory clearance process is already underway for Russia, with others following. This expanded contract has a term of five years. The core contract between Viridis and QMT that permits manufacture and sale in India of foam and gauze NIMBUS products is extended for the same period.

Avery Dennison Corporation

In April, 2011, we entered into a license agreement (the "Agreement") with Avery Dennison Corporation (“Avery”). Under the Agreement, we grant Avery a worldwide exclusive right and license to use our proprietary NIMBUS® antimicrobial technology in antimicrobial adhesives for medical devices. In addition, we grant Avery a three-year exclusive single right of first option to negotiate with us for exclusive licenses of a Next Generation Antimicrobial Adhesives Technology and our *Stay Fresh* Technology within the adhesives market both of which are our proprietary technologies. As consideration, Avery will pay us lockout fees over a three to four year period and royalties for products to which our technologies are incorporated. Avery will lose the exclusivity of license unless it pays the lockout fees and minimum royalty at agreed times and makes commercially reasonable efforts to generate sales of its products. The Agreement will remain effective until the expiration of the last to expire of our proprietary intellectual property. In 2013 Avery elected to not pay the lockout fees so it no longer has the exclusive rights to this technology.

Biosara Corporation

In October 2011, we entered into a Patent and Technology License Agreement with Biosara Corporation. Under the agreement, we grant Biosara an exclusive license to our NIMBUS technology for use on 100% rayon sponge gauze for the institutional market in the United States and Canada. Biosara will lose the exclusivity of license unless it pays agreed minimum royalty fees. We have extended the exclusivity period while Biosara arranges financing to pay past due fees.

Doris Hosiery Mills, Limited

In May 2012, we entered into a license agreement with Doris Hosiery Mills, Limited ("Doris"). Under the agreement, we grant Doris exclusive right and license in Canada and non-exclusive rights and license in the United States to use our proprietary *Stay Fresh*™ Technology in the field of hosiery products, including dress socks, casual socks, work socks, sport/athletic socks, and diabetic socks. The agreement remains effective for five years from the effective date.

Polartec, LLC

On August 27, 2013 we announced that Polartec, LLC, a premium producer of textile solutions, has been granted a license to utilize our proprietary *Stay Fresh*® technology for a range of products and fields of use.

Government Regulation

The research and development, manufacture, and marketing of human pharmaceutical and diagnostic products and devices are subject to regulation, in the United States primarily by the Food and Drug Administration, and by comparable authorities in other countries. These national agencies and other federal, state, and local entities regulate, among other matters, research and development and the testing, manufacturing, safety, handling, effectiveness, labeling, storage, record keeping, approval, advertising, and promotion of the products like those we are developing.

Failure to comply with applicable regulatory requirements can result in the refusal by regulatory agencies to approve product licensing or the revocation of approvals previously granted. Non-compliance can also result in fines, criminal prosecution, recall or seizure of products, total or partial suspension of production, or refusal to enter into additional contracts.

Any regulatory clearances that are received for a product may be subject to limitations on approved uses for the product. After obtaining marketing clearance for any product, the manufacturer and the manufacturing facilities for that product will be subject to continual review and periodic inspections by the Food and Drug Administration and other regulatory authorities. If previously unknown problems with the product or with the manufacturer or facility are discovered, restrictions may be imposed on the product or manufacturer, including an order to withdraw the product from the market. If we, and any contract manufacturers we choose to engage, fail to comply with applicable regulatory requirements, we may be fined, suspended or subject to withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

We utilize the services of FDA and EPA consulting firms with experience in antimicrobial medical device regulatory filings and EPA filings. These firms will be able to assist us with the following regulatory activities when required:

- Regulatory Strategy and Liaison with the Food and Drug Administration;
- Regulatory Strategy and Liaison with the Environmental Protection Agency;
- Non-clinical and clinical program assessment/development;
- Non-clinical and clinical protocol review/monitoring of studies;
- Regulatory affairs management/guidance;
- Product development and launch strategy;
- Validation of methods/processes;
- Product development strategies/assessment;
- Product compliance; and
- Label and labeling compliance.

Food and Drug Administration

Many of the end-user applications for our technology are regulated in the U.S. as medical devices by the United States Food and Drug Administration ("FDA"). The FDA is responsible for enforcement of the Federal Food, Drug and Cosmetic Act ("FDC Act"), as amended, which regulates drugs and devices manufactured and distributed in interstate commerce.

The FDC Act requires that all devices for human use marketed in the United States after May 28, 1976 be classified by the FDA, based on recommendations of expert panels, into one of three regulatory classes. Class I products are subject only to the general controls which apply to all devices, irrespective of class. General controls include the registration of manufacturers, record-keeping requirements, labeling requirements, and Good Manufacturing Practice ("GMP") regulations.

Class II devices are those for which general controls are not sufficient to ensure safety and effectiveness, and for which enough information exists to develop a standard. These devices are required to meet performance standards established by the FDA. Performance standards may specify materials, construction components, ingredients, labeling and other properties of the device. A standard may also provide for the testing of devices to ensure that different lots of individual products conform to the requirements.

The most restrictive controls are applied to devices placed in Class III. Class III devices are required to have FDA approval for safety and effectiveness before they can be marketed unless the FDA determines that pre-market approval is not necessary. Pre-market approval necessitates the compilation of extensive safety and effectiveness data which is normally expensive to compile. Approval of Class III devices may require several years.

Devices marketed after May 28, 1976 are considered to be one of two kinds: those that are and those that are not substantially the same as a Pre-Amendment Device (a device that was introduced or delivered for introduction into interstate commerce for commercial distribution before May 28, 1976). Those that are substantially equivalent to a Pre-Amendment Device are given the same classification as the equivalent Pre-Amendment Device. New devices which are not substantially equivalent to Pre-Amendment Devices are automatically placed in Class III thereby requiring pre-market approval.

All manufacturers are required to give the FDA ninety days' notice before they can introduce a device on the market. During the ninety-day period, the FDA will determine whether the device is or is not substantially equivalent to a Pre-Amendment Device.

Pre-Market Approval Pathway

If the FDA determines that the device is not substantially equivalent to a Pre-Amendment Device, it is automatically placed in Class III and the manufacturer will have to provide the FDA with a Premarket Approval Application ("PMA") containing evidence that the device is safe and effective before the device may be commercially distributed to the public. However, the manufacturer may request that the FDA reclassify the device by filing a reclassification petition.

The PMA process is much more demanding than the 510(k) pre-market notification process. A PMA must be supported by extensive data and information including, but not limited to, technical, pre-clinical, clinical, manufacturing and labeling to establish the safety and effectiveness of the device to the FDA's satisfaction. A PMA usually also requires a substantial application fee, which is over $100,000 for a small business entity.

After the FDA determines that a PMA is complete, the agency accepts the application and begins an in-depth review of the submitted information. The FDA, by statute and regulation, has 180 days to review an accepted PMA, although the review generally occurs over a significantly longer period of time, and can take up to several years. During this review period, the FDA may request additional information or clarification of information already provided. Also, during the review period, an advisory panel of experts from outside FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. In addition, the FDA will conduct a pre-approval inspection of the manufacturing facility to ensure compliance with the Quality System Regulations. New PMA applications or supplemental PMAs are required for significant modifications to the manufacturing process, labeling, use and design of a device that is approved through the PMA process. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may not require as extensive clinical data or the convening of an advisory panel.

***De Novo*: Alternative Pathway to PMA**

If a medical device is found NSE (not substantially equivalent) by the FDA, an alternative pathway to the lengthy and costly PMA is available for low risk devices. The FDA Modernization Act of 1997 amended Section 513 (f) (2) of the Federal Food, Drug and Cosmetic Act (the Act) to provide this mechanism to reclassify statutorily classified Class III products. This is considered a fairly unique pathway for clearance and typically is only allowed for new technologies of low risk. The FDA allows unlimited responses when on this pathway, different than the three allowed responses under a normal 510(k). A device placed into Class I or II in this written order can then be commercially distributed, subject to other applicable provisions of the Act. A device classified into Class I or II under this new provision becomes a predicate device for future premarket notification submissions, which means that a manufacturer may show that a new device is substantially equivalent to this predicate. This route to clearance is referred to as *de novo* because it establishes a new alternative for a new technology.

FDA Status

In February, 2009, we received clearance from the FDA for our *De Novo* application of our patented NIMBUS barrier gauze wound care dressings. This represents the first FDA clearance for NIMBUS – an innovative technology that was put through FDA's *De Novo* process, a special clearance program for medical devices that are found to be "not substantially equivalent" to any predicate device.

In October, 2009, the FDA issued a guidance document specific to the NIMBUS active agent, pDADMAC. The guidance protects the future applications and submissions for pDADMAC to our patented claims and uses.

In September, 2011, we submitted a 510(k) application for NIMBUS Adhesive Dressings, a medical device incorporating our novel NIMBUS Polyurethane Quat (PUQ) technology. This submission represents our first application for the NIMBUS PUQ technology. We are in communication with the FDA regarding the classification of the medical device.

In June 2012, we submitted a 510(k) application for the *Stay Fresh* Skin Fold Management Textile, a medical device incorporating our novel *Stay Fresh* technology. This represents our first FDA submission involving our *Stay Fresh* antimicrobial technology. We received clearance for this 510(k) application on May 24, 2013.

Environmental Protection Agency

The EPA regulates, among other things, antimicrobial products that are intended to destroy, prevent, repel, or mitigate any microorganism declared by EPA to be a "pest" pursuant to its authority under the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"). Microorganisms declared to be pests by EPA are "any fungus, bacterium, virus, or other microorganisms, except for those on or in living man or other living animals and those on or in processed food or processed animal feed, beverages, drugs (as defined in sec. 201(g)(1) of the Federal Food, Drug, and Cosmetic Act ("FFDCA")) and cosmetics (as defined in FFDCA sec. 201(i)). 40 C.F.R.§ 152.5(d). The principal EPA requirement is that antimicrobial products subject to EPA's jurisdiction under FIFRA be "registered" for the intended use under Section 3 of FIFRA. States also require registration of such products under state law. EPA registration requires among things the submission of data and information sufficient to allow EPA to make a determination that the product will perform its function without unreasonable adverse effects on health or the environment.

A number of the NIMBUS and *Stay Fresh* applications may require FIFRA registration for the specific end-use application. We successfully registered *Stay Fresh* with EPA as an antimicrobial textile treatment in January 2011 and we have obtained selected state registrations. *Stay Fresh* is the only antimicrobial technology containing hydrogen peroxide approved by the U.S. Environmental Protection Agency for imparting antimicrobial preservation of textiles. The major component of NIMBUS is currently registered with EPA by a third-party for certain unrelated uses, and Quick-Med intends, in collaboration with strategic corporate partners, to obtain its own EPA and state registrations for NIMBUS for antimicrobial use. After the registrations are secured, articles treated with the NIMBUS or *Stay Fresh* technologies will not be required to be registered separately with EPA or the states, provided the antimicrobial claims made for such articles meet the requirements of the Treated Articles Exemption. The intended use of NIMBUS or *Stay Fresh*-treated articles for the control of pathogenic organisms will require that the article itself be registered with EPA in those cases where the treated article falls under EPA jurisdiction.

Distribution of Technologies /Future Products

Because we plan for industry partners in the medical and consumer healthcare markets to market and distribute co-developed products or products that incorporate our technologies, we will not directly distribute such products. Instead, we will rely upon our industry partners to utilize their advertising, name recognition, and other marketing techniques to promote such products or products that incorporate our technologies.

Customers

Our customers are companies interested in licensing our technologies or otherwise partnering with us. Because our technologies are intended to be used in potentially widely used products that are used by the general public, such as cosmetic anti-aging products, wound care products, apparel and personal care, we do not anticipate becoming dependent upon a few customers; however, to the extent that we enter into agreements with industry partners upon which we will become dependent for the marketing and distribution of such products, should any such agreements be terminated for any reason, our potential revenues and operations will be negatively impacted.

Employees

We have a total of seven employees, five of whom are full time and two are part time.

In addition to employees, we have consulting agreements with several scientists with PhDs in their fields to provide the necessary expertise in performing testing and participating in certain of our development projects.

Cost of Compliance with Environmental Laws

Because our potential products will be manufactured and sold by third parties, we are not directly subject to environmental laws other than the requirements applicable to the operation of our Research and Development Center.

Research and Development

We spent $519,836 and $847,350 on research and development in fiscal years 2013 and 2012 respectively. We intend to continue spending on research and development in the current 2014 fiscal year.

ITEM 1A. RISK FACTORS

An investment in the shares of our common stock involves a substantial risk of loss. You should carefully read this entire report and should give particular attention to the following risk factors. You should recognize that other significant risks may arise in the future, which we cannot foresee at this time. Also, the risks that we now foresee might affect us to a greater or different degree than expected. There are a number of important factors that could cause our actual results to differ materially from those indicated by any forward-looking statements in this document. These factors include, without limitation, the risk factors listed below and other factors presented throughout this document and any other documents filed by us with the Securities and Exchange Commission.

Our independent registered public accounting firm has issued a going concern opinion on our audited financial statements for the fiscal years ended June 30, 2013 and 2012 because, during those periods, the Company experienced recurring losses and negative cash flows from operations as well as a net capital deficiency at June 30, 2013. These matters raise substantial doubt about our ability to continue as a going concern.

We have been dependent primarily on private placements of our equity securities and stockholder loans to fund our operations, including research and development and efforts to license our products. Such funding may not be available to us when needed, on commercially reasonable terms, or at all. If we are unable to obtain additional financing if needed, we will likely be required to curtail our operating plans and possibly cease our operations. In addition, any additional equity financing may involve substantial dilution to our then-existing stockholders.

We have a history of significant losses and we may never achieve or sustain profitability. If we are unable to become profitable, our operations will be adversely effected.

We have incurred annual operating losses since our inception and our operations have never been profitable. At June 30, 2013, we had an accumulated deficit of $28,361,944. Our gross revenues for the years ended June 30, 2013 and 2012 were $928,493 and $997,496, respectively, with losses from operations of $376,075 and $1,238,322, respectively, and net losses of $713,073 and $1,686,903 respectively. There can be no assurance that we will ever become profitable. If we do not become profitable, we may have difficulty meeting our business goals.

We have risks associated with our dependence on third party developers to commercialize our technology. If we are unable to attract such developers to exploit our technologies, our business will fail. Alternatively, if such developers fail to commercialize our technology, it would have a material adverse effect on our business, financial condition and results of operations.

We depend upon third parties to develop products that utilize our technologies. We must attract such third parties to develop and commercialize our technologies into end-user applications. If we are unable to do so our business model will fail.

The inability of a developer to make products in a timely manner, including as a result of local financial market disruption which could impair the ability of such developers to finance their operations, or to meet quality standards, could cause us to miss the delivery date requirements of to their customers for those items, which could result in cancellation of orders, refusal to accept deliveries or a reduction in purchase prices, any of which could have a material adverse effect on our financial condition and results of operations.

For instance, BASF Corporation develops and commercializes our MultiStat technology pursuant to a manufacturing and distribution agreement, whereby it formulates our proprietary compound to specifications as ordered by cosmetic companies. BASF makes these formulations (“actives”) in kilograms containing our proprietary compound and ships them to cosmetic customers. They, in turn, will mix the actives in their formulations and sell the products to the end users. Any event that materially and adversely affects BASF’s ability or willingness to develop such technology will affect our revenues.

Our intellectual properties may become obsolete if we are unable to stay abreast of technological developments.

The biomedical industry is characterized by rapid and continuous scientific and technological development. If we are unable to stay abreast of such developments, our technologies may become obsolete. We lack the substantial research and development resources of some of our competitors. This may limit our ability to remain technologically competitive.

Other companies could create a technology that competes effectively with our NIMBUS, *Stay Fresh*, NimbuDerm and MultiStat technologies, and we may be unable to maintain our existing, or capture additional, market share in our markets. Based upon our review of the industry, we are unaware of any company today that markets a technology that is similar to our technologies. Nonetheless, our intended markets generally are dominated by very large corporations (or their subsidiaries), which have greater access to capital, manpower, technical expertise, distribution channels and other elements which would give them a competitive advantage over us were they to begin to compete directly against us. It is possible that these and other competitors may implement new, advanced technologies before we are able to, thus affecting our ability to license our intellectual properties at profitable rates.

We cannot assure investors that we will be able to achieve the technological advances to remain competitive and become profitable, that new intellectual properties will be researched, tested and developed, that anticipated markets will exist or develop for our technologies, or that any product or services incorporating our intellectual properties will not become technologically obsolete.

We are dependent on our patents and other intellectual property right protections. The failure to obtain patent protection could have a material adverse effect on our business, financial condition and results of operations.

We have employed proprietary technologies to license our intellectual properties. We seek to protect our intellectual property rights through a combination of patent filings, trademark registrations, confidentiality agreements and inventions agreements. However, no assurance can be given that such measures will be sufficient to protect our intellectual property rights. If we cannot protect our rights, we may lose our competitive advantage. Moreover, if it is determined that our products infringe on the intellectual property rights of third parties, we may be prevented from marketing or licensing our intellectual properties to others.

The failure to protect our patents, trademarks and trade names, may have a material adverse effect on our business, financial condition and operating results. Litigation may be required to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. Any action we take to protect our intellectual property rights could be costly and could absorb significant amounts of our management's time and attention. In addition, as a result of any such litigation, we could lose any proprietary rights we have. If any of the foregoing occurs, we may be unable to execute our business plan and you could lose your investment.

Government regulation plays a significant role in our ability to market our technologies in the medical and consumer markets.

Certain of applications of our technologies are required to meet the government regulations by the FDA and or EPA. Failure to meet or to obtain the approvals from these government agencies will limit our ability to market our technologies to prospective clients.

Some of our patents expire in three-four years which would allow competitors to use our technologies after the expiration of the patents.

We depend on key personnel in a competitive market for skilled employees, and failure to retain and attract qualified personnel could substantially harm our business.

We believe that our future success will depend in large part on our ability to attract and retain highly skilled scientific, technical and management personnel. If we are unable to hire the necessary personnel, the development of our business will likely be delayed or prevented. Competition for these highly skilled employees is intense. As a result, we cannot assure you that we will be successful in retaining our key personnel or in attracting and retaining the personnel we require for expansion.

We may be liable for products liability claims for which we have no insurance.

Although we do not manufacture products and our licensees have their own products liability insurance coverage (under which we are covered or indemnified against such liabilities), we may be sued for products liability if products incorporating our patented technologies injure the end user. In the event that we are sued on this basis, liability claims could require us to spend significant time and money in litigation and pay significant damages that are not covered by insurance. As a result, any of these claims, whether or not valid or successfully prosecuted, could have a material adverse effect on our business and financial results.

Failure to repay our loan obligations may severely impair our business operations, assets and your investment in the Company.

We have several loans outstanding, including loans from our largest shareholder and a major shareholder. If we are unable to successfully repay or restructure loans from our largest shareholder and a major shareholder, or our other outstanding liabilities as they become due, we may have to liquidate our business and undertake any or all the steps outlined below:

- Significantly reduce, eliminate or curtail our business, operating and research and development activities so as to reduce operating costs;
- Sell, assign or otherwise dispose of our assets, if any, to raise cash or to settle claims by creditors, including our largest shareholder and our other major shareholder;
- Pay our liabilities in order of priority, if we have available cash to pay such liabilities;
- If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our stockholders in an amount equal to the net market value of our net assets;
- File a Certificate of Dissolution with the State of Nevada to dissolve our corporation and close our business;
- Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time; and
- Make the appropriate filings with the Financial Industry Regulatory Authority to affect a delisting of our stock.

We have not paid cash dividends and it is unlikely that we will pay cash dividends in the foreseeable future. Investing in our securities will not provide you with income.

We plan to use all of our earnings; to the extent we have earnings, to fund our operations. We do not plan to pay any cash dividends in the foreseeable future. We cannot guarantee that we will, at any time, generate sufficient surplus cash that would be available for distribution as a dividend to the holders of our common stock. You should not expect to receive cash dividends on our common stock.

We have the ability to issue additional shares of our common stock, without asking for stockholder approval, which could cause your investment to be diluted.

Our Articles of Incorporation currently authorize the Board of Directors to issue up to 100,000,000 shares of common stock. The authority of the Board of Directors to issue shares of common stock, or warrants or options to purchase shares of common stock, is generally not subject to stockholder approval. Accordingly, any additional issuance of our common stock may have the effect of further diluting your investment.

We may raise additional capital through a securities offering that could dilute your ownership interest.

We require substantial working capital to fund our business. If we raise additional funds through the issuance of equity, equity-related or convertible debt securities, these securities may have rights, preferences or privileges senior to those of the holders of our common stock. The issuance of additional common stock by our management will also have the effect of further diluting the proportionate equity interest and voting power of holders of our common stock.

The market for our common stock is volatile. This affects both the ability of our investors to sell their shares, as well as the price at which they are able to sell their shares.

The market price for our common stock is extremely volatile and is significantly affected by factors such as reports written by third parties, over whom we have no control, about our business and sales of large amounts of our common stock relative to our average volume. Furthermore, in recent years the stock market has experienced extreme price and volume fluctuations that are unrelated to the operating performance of the affected companies. These volatile conditions may make it difficult for you to sell our common stock at a price that is acceptable to you.

There is a limited public market for our common stock and our stockholders may be unable to liquidate their shares.

Our common stock is quoted on the Over-the-Counter Quote Board (OTCQB), and there is a limited volume of sales, thus providing limited liquidity for our shares. As a result, stockholders may be unable to sell their shares in a timely manner.

A small group of shareholders control a large percentage of our common stock, which allows them to control matters submitted to stockholders for approval.

Seven shareholders and their affiliates in the aggregate own approximately 52% of our outstanding common stock. Therefore, this group has the ability to significantly influence the outcome of matters submitted to our stockholders for approval (including the election and removal of directors and any merger, consolidation or sale of all or substantially all of our assets) and to control our management and affairs. This concentration of ownership may have the effect of entrenching management and delaying, deferring or preventing a change in control, impede a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control, which in turn could have an adverse effect on the market price of our common stock.

ITEM 2. PROPERTIES

Our corporate headquarters are located at 902 NW 4 Street, Gainesville, Florida. This 3,200 square foot premises is composed of offices and an equipped laboratory. We pay monthly lease payment of $2,150 and our lease expires on January, 2015.

Our office and laboratory facilities are in good condition and are sufficient to conduct our operations.

We do not own real estate at this time and we have no agreements to acquire any properties.

ITEM 3. LEGAL PROCEEDINGS

The Company is not currently involved in any legal proceeding, and we are not aware of any material legal proceedings pending or threatened against us. We are also not aware of any material legal proceedings involving any of our directors, officers, or affiliates or any owner of record or beneficially of more than 5% of any class of our voting securities.

ITEM 4. RESERVED

PART II

ITEM 5. MARKET FOR REGISTRANT'S EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is currently trading on the Inter-dealer Quotation/Trading Systems of the OTC Markets Group for the U.S. reporting company marketplace under the symbol QMDT.QB. Our common stock began to be quoted on September 4, 2002 on the OTC Bulletin Board under the symbol QMDT. The following table sets forth the range of high and low bid price per share of our common stock for the fiscal quarters indicated. The OTC Market quotations represent quotations between dealers without adjustment for retail mark-up, markdowns or commissions and may not represent actual transactions.

	Year Ended June 30, 2013	
	High	Low
Fourth Quarter	$ .17	$ .04
Third Quarter	$ .07	$ .01
Second Quarter	$ .10	$ .03
First Quarter	$ .60	$ .02

	Year Ended June 30, 2012	
	High	Low
Fourth Quarter	$ 0.16	$ 0.05
Third Quarter	$ 0.18	$ 0.02
Second Quarter	$ 0.30	$ 0.01
First Quarter	$ 0.90	$ 0.25

Holders

As of June 30, 2013, there were 85 holders of record of our common stock. We have one class of common stock, $0.0001 par value, outstanding.

Dividends

We have not declared or paid any cash dividends on our common stock since inception. We intend to retain our future earnings, if any, in order to finance the expansion of our business and we do not anticipate that any cash dividends will be paid in the foreseeable future. Our future dividend policy will depend on our earnings, capital requirements, expansion plans, financial condition and other relevant factors.

Penny Stock Considerations

Our shares are "penny stocks" which term is generally defined in the Securities Exchange Act of 1934 as equity securities with a price of less than $5.00. Our shares may be subject to rules that impose sales practice and disclosure requirements on broker-dealers who engage in certain transactions involving a penny stock.

Under the penny stock regulations, a broker-dealer selling a penny stock to anyone other than an established customer or "accredited investor" must make a special suitability determination regarding the purchaser and must receive the purchaser's written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. Generally, an individual with a net worth in excess of $1,000,000 or annual income exceeding $200,000 individually or $300,000 together with his or her spouse is considered an accredited investor. In addition, under the penny stock regulations the broker-dealer is required to:

- Deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt;
- Disclose commissions payable to the broker-dealer and its registered representatives and current bid and offer quotations for the securities;
- Send monthly statements disclosing recent price information pertaining to the penny stock held in a customer's account, the account's value, and information regarding the limited market in penny stocks; and
- Make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction, prior to conducting any penny stock transaction in the customer's account.

Because of these regulations, broker-dealers may encounter difficulties in their attempt to sell shares of our common stock, which may affect the ability of selling stockholders or other holders to sell their shares in the secondary market and have the effect of reducing the level of trading activity in the secondary market. These additional sales practices and disclosure requirements could impede the sale of our securities. In addition, the liquidity for our securities may be adversely affected, with a corresponding decrease in the price of our securities. Our shares are currently subject to such penny stock rules and our stockholders will, in all likelihood, find it difficult to sell their securities.

Recent Sales of Unregistered Securities

None.

Securities Authorized for Issuance Under Equity Incentive Plans

The following table sets forth information regarding awards made through compensation plans or arrangements through June 30, 2013, our most recently completed fiscal year.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities shown herein)
Equity compensation plans approved by security holders	2,669,737	$0.60	0
Equity compensation plans not approved by security holders	934,584	$0.36	N/A
Total	3,604,321	$0.58	

Our 2001 Equity Incentive Plan (the "2001 Plan") authorizes the issuance of options, right to purchase Common Stock and stock bonuses to officers, employees, directors and consultants. The 2001 Plan was amended and restated to increase the total number of shares available to 6,000,000 shares. We reserved 6,000,000 shares of our common stock for awards to be made under the 2001 Plan. The 2001 Plan is administered by a committee comprised of two or more members of the Board of Directors or, if no committee is appointed, then by the Board of Directors. The 2001 Plan allows for the issuance of incentive stock options (which can only be granted to employees), non-qualified stock options, stock awards, or stock bonuses. The committee, or the Board of Directors if there is no committee, determines the type of award granted, the exercise price, the option term, which may be no more than ten years, terms and conditions of 2001 and methods of exercise. Options must vest within ten years. The Board of Directors also authorizes the issuance of warrants, rights to purchase Common Stock, to award or pay for services provided by consultants or non-employees. These warrants have the same terms as those of the stock options in all material respects. The Plan 2001 description, the warrants program and its activities up to the fiscal year ended are disclosed in our financial statements for the fiscal year ended contained herein. The plan expired on March 4, 2011. The Company intends to approve a new plan in the 2014 fiscal year.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our audited financial statements and related notes included therein. The terms "the Company," "we," "our" or "us" refer to Quick-Med Technologies, Inc. This discussion contains forward-looking statements based on our current expectations, assumptions, and estimates. The words or phrases "believe," "expect," "may," "anticipates," or similar expressions are intended to identify "forward-looking statements." Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties pertaining to our business, including: (a) because we have a limited operating history and our technologies are still evolving, we may not be able to successfully manage our business or achieve profitability; (b) our technology and product development processes, which include substantial regulatory approvals, are lengthy and expensive and there is no assurance that we will have sufficient resources to complete development related to these processes; (c) our history of losses make it difficult for you to evaluate our current and future business and prospects and future financial results; (d) we have negative cash flow from operations and an accumulated deficit that raises substantial doubt about our ability to continue as a going concern; (e) our future business is dependent upon third parties to market, manufacture, and distribute our technologies and/or products or jointly developed products; (f) there is no assurance that our technologies or products that employ our technologies will be accepted in the marketplace; (g) we do not currently carry product liability insurance and should we be subject to product liability claims, our financial condition may be adversely affected; (h) our operations are currently funded by the revenues and our debt and equity financings, however, there are no assurances that such financings will be sufficient to ensure our future financial performance and viability; (i) we have substantial debt obligations due to a largest shareholder and a major shareholder, who had funded our operations, debt obligations that are secured by our assets and revenues and are senior obligations; and (j) there is no assurance that we will be able to attract and retain highly skilled scientific, technical and management personnel, who are critical to our success. Statements made herein are as of the date of the filing of this Form 10K with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake, and we specifically disclaim any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

Overview

Quick-Med is a life sciences company focused on developing proprietary, broad-based technologies in the consumer and healthcare markets. Our three core technologies are: (1) Novel Intrinsically Micro-Bonded Utility Substrate (NIMBUS®), a family of advanced polymers bio-engineered to have antimicrobial, hemostatic, and other properties that can be used in a wide range of applications; (2) *Stay Fresh* is a unique chemical formulation for textiles with a durable antimicrobial agent effective against an array of bacteria even after numerous laundering cycles and (3) MultiStat®, a family of advanced patented methods and compounds shown to be effective in skin therapy applications. Currently, NIMBUS technology has been commercialized in an advanced wound care products by two licensees. The Company targets NIMBUS technology for additional advanced wound care products, catheters, incontinence products, and other medical devices. MultiStat has been developed in a cosmetic product line with the anti-aging products. *Stay Fresh* is currently under development with a broad range of potential applications including consumer textile market.

Our strategy is to further develop our core technologies as well as develop future technologies. We will attempt to commercialize these technologies through strategic licensing partnership agreements, joint ventures, or co-development agreements. We do not intend to manufacture or distribute final products; instead, we will seek partnership arrangements and/or license agreements with third parties to develop products that use our technologies and who will perform the manufacturing, marketing, and distribution functions associated with our technologies.

Our business model has been to attempt to develop the following revenue segments:

- Royalty and license fees;
- Profit sharing revenues;
- Research and development fees paid to us in connection with joint development agreements; and
- Government research and development grants.

Our potential revenues will be derived from government agencies and the following types of companies in connection with our NIMBUS, *Stay Fresh*, NimbuDerm and MultiStat technologies:

- Healthcare and medical;
- Apparel and textile; and
- Personal care companies.

Uncertainties and Trends

Our revenues are dependent now and in the future upon the following factors:

- Acceptance of our technologies or future technologies in the marketplace;
- Our partners' ability to develop, market and distribute our technologies under a strategic partnership agreement;
- Demand for products or future products that utilize our technologies;
- Our ability to secure license or profit sharing related agreements and secure government research and development grants;
- Our ability to market our technologies to health care, apparel, cosmetic, and personal care companies;
- Our ability to successfully conduct laboratory and clinical testing of our potential products; and
- Our ability to obtain regulatory approval of our future products.

Uncertainties or trends that may affect our business also include the possibility (i) that known or unknown competitors may develop products with similar applications to our proposed products, which may prove to be superior in performance and/or price to our products and (ii) that proposed applications involving our products have collateral effects which render the application undesirable or unmarketable.

Recent Developments

On August 27, 2013 we announced that Polartec, LLC, a premium producer of textile solutions, has been granted a license to utilize our proprietary STAYFRESH® technology for a range of products and fields of use.

In August 2013 the US Patent Office approved patent number 12/830,062 “Polyelectrolyte Complex for Imparting Antimicrobial Properties to a Substrate”. This new patent will provide protection for an improved method of preparing the company’s NIMBUS antimicrobial products. The method utilizes a Poly-Electrolyte Complex, or PEC in which a negatively-charged (anionic) polymer is used to stabilize the active antimicrobial agent - a positively-charged (cationic) polymer. This complex allows the NIMBUS polymer to be bonded to a wider variety of substrates, opening the door for new applications and products.

On May 14, 2013 we granted Viridis an expanded license to sell Microfoam™ dressings. Microfoam is the first advanced wound care dressing to utilize Quick-Med's proprietary non-leaching NIMBUS® technology. Viridis will have the right to sell the Microfoam dressings it produces under license from Quick-Med to territories now including the Commonwealth of Independent States (CIS). Countries within the expanded territory include Russia, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Uzbekistan, as well as Georgia, Turkmenistan and the Ukraine. Distribution into these territories will be handled by Unique Pharmaceutical Labs, a company based in India that has an extensive sales and commercial networks in the territories granted. The regulatory clearance process is already underway for Russia, with others following. This expanded contract has a term of 5 years. The core contract between Viridis and QMT that permits manufacture and sale in India of foam and gauze NIMBUS products is extended for the same period.

Capital Expenditures and Requirements

From 2000 to June 2013, we spent approximately $1.1 million on the acquisition of patents and exclusive license agreements.

We do not expect any significant additions to property, plant and equipment.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts. The estimates and assumptions are evaluated on an on-going basis and are based on historical experience and on various other factors that are believed to be reasonable. Estimates and assumptions include, but are not limited to economic useful lives of fixed and intangible assets, income taxes, valuation of options and warrants granted and contingencies. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably likely to occur could materially impact the financial statements. We believe that the estimates, assumptions and judgments involved in revenue recognition, receivables and allowances for doubtful accounts, accruals including share-based compensation, deferred costs, research and development, and impairment of intangible assets have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies.

Results of Operations

Comparison of Years Ended June 30, 2013 and 2012

Revenues. During the year ended June 30, 2013 we had $928,493 of revenues, compared to $997,496 for the year ended June 30, 2012, representing a decrease of 7%. Revenues during the year ended June 30, 2013 consisted of: (a) $560,495 royalty and license fees consisting of $208,563 in royalty fees from the sales of BIOGUARD® advanced wound care product by Derma Sciences, Inc., $150,000 for non recurring license fees, $75,000 royalties from Biosara and $126,932 in license and other related fees; (b) $330,998 in sales from our share of MultiStat product sales by BASF Corporation ("BASF"); and (c) $37,000 from the joint development projects.

Royalties from sales of Bioguard were down $162,557 or 44% due to a reduction in the royalty rate partially offset by a 34% increase in sales. In July 2012 Derma paid us $1.3 million to decrease the royalty rate to 8.5% from 20%.

Our share of sales from MultiStat products declined $94,844 or 22%, reflecting lower total sales of MultiStat products. We cannot anticipate MultiStat product sales by BASF for subsequent quarters given current economic market uncertainties in general and the retail cosmetic industry in particular. We grant BASF the exclusive and non-exclusive licenses to develop and market our Ilomastat product for the field of over-the-counter anti-aging (chronological aging or photoaging) cosmetics. Under the terms of this agreement, we and BASF share the net revenues in each contract calendar year beginning January 1, 2008 until December 31, 2010 in accordance with certain sharing percentages as defined in the agreement. Both parties extended the BASF agreement until December 31, 2014.

Revenues during the year ended June 30, 2012 consisted of: (a) $450,654 royalty and license fees consisting of $371,120 in royalty fees from the sales of BIOGUARD® advanced wound care product by Derma Sciences, Inc. and $79,534 in license and other related fees; (b) $425,842 from our share of MultiStat product sales by BASF and (c) $121,000 from joint development projects.

Operating Loss. Operating loss for the year ended June 30, 2013 was $376,075 as compared to $1,238,322 for the year ended June 30, 2012, representing a decreased loss of 70% or $862,247. The decrease was primarily attributable to a decrease in operating expenses of $931,250 coupled with a slight decrease in revenues of $69,003. The decrease in expenses was due to: (a) a decrease in general and administrative expenses of $531,190; (b) a decrease of $327,514 in research and development expenses; (c) a decrease of $43,641 in licensing and patent expenses; (d) a decrease of $1,731 in cost of sales; and (e) a decrease in depreciation and amortization expense of 27,174.

Research and Development Expense. The decrease of $327,514 or 39% is primarily attributable to a reduction in the compensation expense resulting from a lower number of employees, lower stock-based compensation expense and a reduction in consultants and supplies.

General and Administrative Expense. The decrease of $531,190 or 53% is mainly attributed to the reversal of stock-based compensation expense from forfeited options ($281,730), lower compensation costs from reduced headcount and lower consultant expenses. These decreases were partially offset by increases in royalty expense from the $1.3 million license payment from Derma and costs to comply with SEC XBRL filing requirements.

Licensing and Patent Expense. The decrease of $43,641 or 15% was primarily due to lower FDA consulting fees offset by higher patent maintenance fees from our increasing patent portfolio.

Other Income. The $160,000 resulted from the extinguishment of a licenses payable that was determined during 2013 to be no longer owed.

Interest Income. The increase of $6,273 is mainly from interest on accounts receivable due from a customer.

Interest Expense. Interest expense on notes payable for the year ended June 30, 2013 was $446,186 compared to $449,956 in 2012. The decrease was due to $30,000 in principle payments made in 2013.

Other Expense. The $58,460 is an asset impairment expense from the write-off of patent costs we incurred in a country where we have elected to no longer pursue the patent.

Net Loss. Net loss for the year ended June 30, 2013 was $713,073 or $0.02 per share compared to $1,686,903 or $0.05 per share for the year ended June 30, 2012. This decrease is primarily attributable to a reductions in general and administrative and research and development expenses.

Liquidity and Capital Resources

Our auditors have issued a going concern opinion on our audited financial statements for the fiscal years ended June 30, 2013 and 2012 as we have experienced recurring losses and negative cash flows from operations in these periods. In addition, we have a net capital deficiency. These matters raise substantial doubt about our ability to continue as a going concern.

Total cash on hand at June 30, 2013 was $49,677 as compared with $80,502 at June 30, 2012. Subsequent to June 30, 2013 we collected $138,671 of our $249,583 year end receivables with the balance, $106,982 due from Biosara. They have indicated they will pay after they complete their next round of financing.

On August 15, 2013 the U.S. Department of Defense (DOD) paid us $150,000 for the grant to research the "Development of Technologies to Control Scar Contracture after Burn Injuries."

Equity Financing and our Cash Requirements. Based on our cash position at June 30, 2013, we cannot continue to satisfy our current cash requirements for a period of twelve (12) months through our existing capital. We anticipate total estimated, operating and research and development expenditures, and patent related legal fees of approximately $108,000 per month or an aggregate of approximately $1,296,000 over the next twelve (12) months, in the following areas:

- Research and development expenditures of approximately $40,000 per month or an aggregate $480,000 over the next twelve (12) months, which will consist of the following estimated monthly expenditures: (a) $30,000 in payroll for scientists; (b) $4,000 for outside research and development expenditures; and (c) $6,000 for chemical supplies and laboratory operating expenses, including rent expense;
- Patent related legal fees of approximately $18,000 per month or an aggregate $216,000 annually; and
- Operating expenses of approximately $50,000 per month or an aggregate $600,000 over the next twelve (12) months, including business development, regulatory fees, personnel costs, outbound royalty fees, director and officer insurance, general liability insurance, interest payments, investors relations, consulting fees, utilities, legal and accounting fees, and travel.

Our current cash balance of $49,677 as of June 30, 2013, the receipt of approximately $150,000 from our DOD grant and the collection of accounts receivable of $138,671 after June 30, 2013, less disbursements will satisfy our cash requirements for approximately four months assuming no further receipts of revenues from our licensees and additional debt or equity financing, other licensing alternative, and further reduction in expenses. If we are unable to satisfy the remainder of our obligations by equity and/or debt financings and other licensing alternative, we will be unable to satisfy our cash requirements beyond approximately more than seven months assuming no further receipts of revenues and additional debt or equity financing.

We have engaged an investment bank to raise additional cash by means of equity and or debt financing as well as exploring other strategic and licensing alternatives. However, our ability to raise cash through equity or debt financing with third parties will be difficult in the current credit environment. There are no assurances that any planned equity offering and/or debt financing will be successful or sufficient to meet our cash requirements or that our cash conservation strategy will be successful. Even if we were able to obtain debt or equity financing, the terms of such financing may be very unfavorable to us. Further, any sale of newly issued debt or equity securities could result in additional dilution to our current stockholders.

As of June 30, 2013, we have three senior convertible notes payable outstanding to our largest shareholder totaling $6,249,816 including accrued interest with interest rates ranging from 6% to 8% per annum and maturity dates of December 31, 2013. These notes are convertible at conversion prices ranging from $0.18 to $0.74 per share and are secured by our revenues and assets. We also have a senior convertible note payable to a major stockholder with a balance of $1,327,078 including accrued interest. The senior convertible note has an 8% interest rate per annum with a conversion price of $0.60 per share, a maturity date of December 31, 2013, and is secured by our revenues and assets. Further, we have two senior convertible notes totaling $254,891 with third parties. These notes have an 8% interest rate per annum with a conversion prices ranging from $0.50 per share, a maturity date of June 30, 2014. In addition, we have a promissory note payable with a related party totaling $77,931 including accrued interest with an interest rate of 8% per annum and a maturity date of December 31, 2013.

If we are unable to successfully repay our debt and or meet our current operating expenses, we may have to liquidate our business and undertake any or all the steps outlined below.

- Significantly reduce, eliminate or curtail our business, operating and research and development activities so as to reduce operating costs;
- Sell, assign or otherwise dispose of our assets, if any, to raise cash or to settle claims by creditors, including our largest shareholder;
- Pay our liabilities in order of priority, if we have available cash to pay such liabilities;
- If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;
- File a Certificate of Dissolution with the State of Nevada to dissolve our corporation and close our business;
- Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time; and
- Make the appropriate filings with the FINRA to affect a delisting of our stock.

Based upon our cash requirements for our Plan of Operations and our current dividend policy of investing any available cash to our operations, however, we do not plan to distribute any cash to our stockholders.

At June 30, 2013, we had a net negative working capital of $8,295,111 that consists of: (a) cash of $49,677; (b) accounts receivable of $249,583; (c) accounts payable of $501,924; (d) current unearned revenue of $121,375; (e); accrued expenses of $61,356 and (f) current portion of notes payable of $7,909,716. At June 30, 2013, we had a stockholders' deficit of $9,143,617, a portion of which is due to non-cash share based compensation expense and non-cash charge to interest expense from the beneficial conversion feature of the convertible notes.

For the year ended June 30, 2013 cash provided by operating activities was $62,947, net cash used in investing activities was $63,772 and net cash used in financing activities was $30,000.

Contractual Obligations

The following table summarizes our long-term contractual obligations as of June 30, 2013:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Debt obligations (a)	$ 7,909,716	$ 7,909,716	$ -	$ -	$ -
Operating lease obligations (b)	$ 40,850	$ 25,800	$ 15,050	$ -	$ -

(a) The principal and accrued interest on the notes payable owed to the largest shareholder's Senior Convertible Notes, to third parties' convertible note payable, and to a major shareholder's senior note payable as fully discussed in note 8 of the accompanying footnotes to the financial statements.

(b) We have an operating lease for our laboratory in Gainesville, Florida with an expiration date January 31, 2015.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangement that have, or are reasonably likely to have, a current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial Statements to be inserted in this section.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Regulations under the Exchange Act, require public companies to maintain "disclosure controls and procedures," which are defined to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Our Principal Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on those evaluations, as of June 30, 2012, our PEO and CFO believe that:

(i) our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports we file under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the PEO and CFO, as appropriate, to allow timely decisions regarding required disclosure; and

(ii) our disclosure controls and procedures are effective.

Internal Control over Financial Reporting

Management's annual report on internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive officer and principal financial officer and effected by the Company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, the Company's internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework*. Based on our assessment, management concluded that, as of June 30, 2013, the Company's internal controls over financial reporting were effective.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Internal control over financial reporting was not subject to attestation by the Company's independent registered public accounting firm in accordance with recent amendments to Section 404 of the Sarbanes-Oxley Act of 2002 pursuant to Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act that permit the Company to provide only management's report in this Annual Report.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) or Rule15d-15(d) promulgated under the Exchange Act that occurred during our last fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table sets forth the names, ages and positions held for our directors, executive officers and significant employees.

Name	Age	Position
Gregory S. Schultz	63	Chairman and Director
Bernd Liesenfeld	43	Director and President
Paul Jenssen	57	Director and Chief Financial Officer
Gerald M. Olderman	80	Director
Dale Bergman	57	Director

Dr. Schultz has served as our Vice President, Laboratory and Clinical Research and Director since July 2000. He became our Chairman in 2013. From 1999 through 2001, Mr. Schultz served as the President of the Wound Healing Society, and has worked as a consultant for 12 major biotechnology companies. In 1989, he was appointed Professor of Obstetrics/Gynecology and Director of the Institute for Wound Research in the College of Medicine at the University of Florida at Gainesville, Florida. He has published over 220 research articles and book chapters that have been cited over 5,000 times. He has been continuously funded by major grants from the National Institutes of Health and supported by grants from the U.S. Army grant on treatment of burns with growth factors. Dr. Schultz earned a doctorate in biochemistry from Oklahoma State University and postdoctoral fellowship in cell biology at Yale University in Connecticut.

Dr. Liesenfeld has been with Quick-Med Technologies since 2004, as Senior Scientist and then Principal Scientist before joining the Board and serving as President of Quick-Med starting in July 2012. Dr. Liesenfeld has been responsible for development, regulatory clearance and commercialization efforts of Quick-Med's core NIMBUS and *Stay Fresh* technologies, leading projects that resulted in the transfer of laboratory technologies into commercial production settings with partners both domestic and international. Additionally, Dr. Liesenfeld has served as Principal Investigator for a number of government grants and contracts, broadly focused on improved technologies to promote wound healing following chemical or thermal injury. Dr. Liesenfeld has a Ph.D. in Materials Science and Engineering from the University of Florida, a Graduate Diploma in Materials Science from Monash University (Melbourne, Australia) and a B.S. degree in Engineering Management from the University of Vermont.

Mr. Jenssen has been with the Company since January 2013 as its Chief Financial Officer and became a director in February 2013. He has over 35 years of experience in strategic planning, process improvement, finance and accounting. He started his career at Deloitte Touche (1978-1984) before becoming Treasurer at Associated Press (1984-1998). In addition to working as a consultant since 1998, he was the CFO, COO and a Senior Managing Director at Rothschild North America investment bank (1998-2006). From 2006 until the present, Mr. Jenssen was the President of Jenssen Consulting, a business involved in providing strategic planning, process improvement, finance and accounting related services. Mr. Jenssen does not serve as a director of any other reporting company. Mr. Jenssen is a CPA, has an MBA from Columbia University in New York and has held several securities licenses.

Dr. Olderman has served as our Director since July 2000. He served as our Vice President, Research & Development and Commercialization from July 1997 to August 2012. Dr. Olderman brings 45 years of healthcare experience, 41 years of technical management experience, and 35 years serving as the head of research and development activities for Fortune 500 companies. Since November 1996, Dr. Olderman was Vice President and Associate of R.F. Caffrey & Associates Inc., a management consultant to medical device companies and suppliers. Prior to joining R.F. Caffrey & Associates, Dr. Olderman served as Director and head of research and development for C.R. Bard, Inc.'s Cardiopulmonary Division, where he organized a new product development process in which 19 new medical devices were developed. Dr. Olderman also served as Vice President and director for domestic and international research and development for the Pharmaceutical Division of Baxter Healthcare Corp. and director and Vice President for research and development for the Converters, a division of American Hospital Supply Corporation prior to its acquisition by Baxter Healthcare Corporation, where he led product development and made material changes that helped increase market share from 30% to 45% within a $750 million market. Dr. Olderman has also served as Vice President for research and development and as a director for Surgikos, Inc. a subsidiary of Johnson & Johnson. Dr. Olderman received a B.S in Chemistry from Rensselaer Polytechnic Institute in New York. He also holds an M.S. in Physical Chemistry and a Ph.D. in Physical Chemistry from Seton Hall University in New Jersey.

Mr. Bergman has served as a director since February 2013. He 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. From May 2009 to March 2011, he was a partner in the Ft. Lauderdale office of Arnstein & Lehr and from January 2004 to April 2009, he was a member of Kluger, Peretz, Kaplan & Berlin, P.L., a Miami-Florida based law firm. Mr. Bergman does not currently serve as a director of any other reporting companies. Mr. Bergman, who is a member of the Florida and New York bars, holds a bachelor's degree from Columbia College of Columbia University and a J.D. from Harvard Law School.

The above listed officers and directors will serve until the next annual meeting of the shareholders or until their death, resignation, retirement, removal, or disqualification, or until their successors have been duly elected and qualified. Vacancies in the existing board are filled by majority vote of the remaining directors. Our officers serve at the will of the board.

Family Relationships

There are no family relationships between any of the executive officers and directors. No officer, director, or persons nominated for such positions, promoter or significant employee has been involved in legal proceedings that would be material to an evaluation of our management.

Involvement in Certain Legal Proceedings

None of our directors or executive officers has, during the past ten years:

- Had any petition under the federal bankruptcy laws or any state insolvency law filed by or against, or had a receiver, fiscal agent, or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

- Been convicted in a criminal proceeding or a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

- Been the subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

  (i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

  (ii) Engaging in any type of business practice; or

  (iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

- Been the subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any federal or state authority barring, suspending, or otherwise limiting for more than 60 days the right of such person to engage in any activity described in (i) above, or to be associated with persons engaged in any such activity;

- Been found by a court of competent jurisdiction in a civil action or by the SEC to have violated any federal or state securities law, where the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated; or

- Been found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, where the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended, or vacated.

- Been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

  (i) Any federal or state securities or commodities law or regulation; or

  (ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

  (iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

- Been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Securities Exchange Act of 1934), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Committees of the Board of Directors

The standing committees of the Board of Directors during the fiscal year ended June 30, 2013 were the audit committee and the compensation committee. The Board of Directors has no separate nominating committee or committee performing a similar function.

Audit Committee. The Audit Committee, is presently composed of Dale Bergman and Gregory S. Schultz with Mr. Bergman serving as the Chair. During fiscal 2013, the audit committee met on three occasions. This committee has general responsibility for the oversight and surveillance of our accounting, reporting and financial control practices. This committee acts on and reports to the Board of Directors with respect to audit and accounting matters, including the engagement of Quick-Med's independent public accountants, the scope of the annual audits, the reasonableness of fees to be paid to the auditors, the performance of the Company's independent auditors and Quick-Med's accounting practices. Currently, there is no "financial expert" serving on the Audit Committee.

Compensation Committee. The Compensation Committee is currently comprised of Gerald M. Olderman, Dale Bergman and Gregory Schultz with Dr. Olderman serving as the Chair. This committee approves, administers and interprets our compensation and health benefits, including our equity incentive programs. Additionally, this committee reviews and makes recommendations to our Board of Directors to ensure that our compensation and benefit policies are consistent with our compensation philosophy and corporate governance principles. This committee is also responsible for review and approval of executive compensation, including establishing our Chief Executive Officer or principal executive officer's compensation.

Audit Committee Financial Expert

Currently, we do not have an Audit Committee "financial expert". No individual on our Board of Directors possesses all of the attributes of an audit committee financial expert and no one on our Board of Directors is deemed to be an audit committee financial expert. In forming our Board of Directors, we sought out individuals who would be able to guide our operations based on their business experience, both past and present, or their education. Our business model is not complex and our accounting issues are straightforward. Responsibility for our operations is centralized within management, which is comprised of four people. We rely on the assistance of others, such as our chief financial officer, who is a certified public accountant, to help us with the preparation of our financial information. We recognize that having a person who possesses all of the attributes of an audit committee financial expert would be a valuable addition to our Board of Directors, however, we are not, at this time, able to compensate such a person therefore, and we may find it difficult to attract such a candidate.

Code of Ethics

We have adopted a Code of Ethics for our board members, our principal executive and senior financial officers, our other officers and our employees. A copy of this Code of Ethics is located on our website at www.quickmedtech.com. We intend to post any waivers of or amendments to our Code of Ethics on our website.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Under United States securities laws, our directors, executive officers and any persons holding more than 10% of our issued and outstanding common stock are required to report their ownership of common stock (or securities convertible into common stock) to the Securities and Exchange Commission. Due dates for these reports have been set by the Commission and we are required to report any failure to file by those deadlines. To our knowledge, based solely on a review of the copies of such reports furnished to us by those persons and on representations from those persons that no other reports were required, all reports were timely filed as required under Section 16(a) of the Securities Exchange Act of 1934 by all such persons during the fiscal year ended June 30, 2013, with the exception of Phronesis Partners LP filed late sixteen times for twenty three transactions.

Diversity

While the Company does not have a policy regarding diversity of its board members, diversity is one of a number of factors that is typically taken into account in identifying board nominees. We believe that we have a very diverse board of directors in terms of previous business experience and educational and personal background of the members of our board.

ITEM 11. EXECUTIVE COMPENSATION

The following summary compensation table indicates the cash and non-cash compensation earned during our last two fiscal years by (i) President (principal executive officer), (ii) our Chief Executive Officer, (iii) our Chief Financial Officers (principal financial officer), and (iv) our VP or Research and development.

Dr. Liesenfeld was appointed as our President (principal executive officer) on July 27, 2012 with an annual compensation of $130,000 effective August 1, 2012. There is no other compensation arrangement (whether or not written) or any grant or award to Dr. Liesenfeld.

Mr. Jenssen was appointed CFO in January, 2013 following the resignation of Mr. Nguyen.

Mr. Greeno served as our Chief Executive Officer from August 2007 until August 15, 2013.

Mr. Olderman served as our Vice President of Research and Development and Commercialization from July 1997 until August 15, 2012.

Summary Compensation Table

Name and Principal Position	Year	Salary (2)	Bonus	Stock Awards (1)	Options Awards (1)	Non Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Bernd Liesenfeld, President	2013	$ 126,125							$ 126,125
J.Ladd Greeno, CEO	2012	$ 203,125			$ 11,999				$ 215,124
Gerard M. Olderman, VP R&D	2012	$ 121,875			$ 5,400				$ 127,275
Paul H. Jenssen CFO	2013	$ 80,338							$ 80,338
Nam H. Nguyen, CFO	2013	$ 76,505							$ 76,505
Nam H. Hguyen, CFO	2012	$ 150,000			$ 6,126				$ 156,126

(1) Reflects dollar amount expensed by us during applicable fiscal years for financial statement reporting purposes pursuant to Accounting Standard Codification ("ASC") 718, Compensation - Stock Compensation. ASC 718 requires us to determine the overall value of the options as of the date of grant based upon the Black-Scholes method of valuation, and to then expense that value over the service period over which the options become exercisable (vest). As a general rule, for time in service based options, we will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option. See the assumptions made in the valuation of the stock options in the footnotes of our financial statements included herein and incorporated by reference. During the year ended June 30, 2012 and 2011, we recognized $11,999 and $203,751 in share-based compensation for the stock options vested during the fiscal year 2012 and 2011, respectively for Mr. Greeno. During the year ended June 30, 2012 and 2011, we recognized $5,400 and $17,462 in share-based compensation for the stock options vested during the fiscal year and 2011, respectively for Mr. Olderman. During the year ended June 30, 2012 and 2011, we recognized $6,126 and $19,120 in share-based compensation for the stock options vested during the fiscal year 2012 and 2011, respectively for Mr. Nguyen.

(2) The officers voluntarily waived portions of their salaries or deferred fee for portions of the fiscal year ended June 30, 2012 and 2011. As described further below, Mr. Nguyen had a consulting agreement with us since August 2004, as Chief Financial Officer. He also served as the Secretary since February 2008.

Grants of Plan-Based Awards

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the amount of our executive officers' equity-based compensation outstanding at the fiscal year ended June 30, 2013:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	OPTION AWARDS					STOCK AWARDS			
Name	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercis-able	Equity Incentive Plan Awards: Number of Securities underlying unexercised unearned options (#)	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ($)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested (#)
Bernd Liesenfeld President	30,000(6)	0	0	.77	11/17/2014	0	0	0	0
	47,000(3)	0	0	.20	10/27/2013	0	0	0	0
J. Ladd Greeno Chief Executive Officer	484,056(1)	0	0	0.75	08/06/2013	0	0	0	0
	1,452,167(2)	0	0	0.74	09/25/2013				
Gerard M. Olderman	145,000(3)	0	0	0.20	10/27/2013	0	0	0	0
Vice President R&D and	105,000(4)	0	0	0.42	04/18/2013				
Commercialization	90,000(6)	0	0	0.77	11/17/2014				
Nam H. Nguyen, Chief Financial Officer	125,000(5)	0	0	0.20	10/27/2013	0	0	0	0
	121,765(7)	0	0	0.77	11/17/2014				

(1) These stock options were granted under our amended and restated 2001 Equity Incentive Plan and were vested on the date of grant.
(2) These stock options were granted under our amended and restated 2001 Equity Incentive Plan and are vested as follows one-sixteenth (1/16) every three month beginning on June 17, 2007.
(3) These stock options were granted under our amended and restated 2001 Equity Incentive Plan with the vested dates as follows: One-third vested at the grant date of October 27, 2008; one-third vested at October 27, 2009; and the remaining vested at October 27, 2010.

(4) These stock options were granted under our amended and restated 2001 Equity Incentive Plan with the vested dates as follows: One-third vested at the grant date of April 18, 2008; one-third vested at April 18, 2009; and the remaining vested at April 18, 2010.
(5) These stock warrants were granted with the vested dates as follows: One-third vested at the grant date of October 27, 2008; one-third vested at October 27, 2009; and the remaining vested at October 27, 2010.
(6) These stock options were granted under our amended and restated 2001 Equity Incentive Plan with the vested dates as follows: One-third vested at the grant date of November 17, 2009; one-third vested at November 17, 2010; and the remaining vested at November 17, 2011.
(7) These stock warrants were granted with 18,178 warrants vested at the grant date of November 17, 2009, and the remainder 103,587, one-third was vested at the grant date; one-third vested at November 17, 2010; and the remaining vested at November 17, 2011.

The company intends to approve a new Equity Incentive plan in 2014 and issue options to employees.

Compensation of Directors

The following director compensation disclosure reflects all compensation awarded to, earned by or paid to the directors below for the fiscal year ended June 30, 2013.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compen-sation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(5)	Total ($)
Gregory Schultz (2)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,000	$ 10,000
Bernd Liesenfeld (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Paul Jenssen	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Dale Bergman	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Gerald Olderman(4)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(1) Reflects dollar amount expensed by the company during applicable fiscal year for financial statement reporting purposes pursuant to FAS 123R. FAS 123R requires the company to determine the overall value of the options as of the date of grant based upon the Black-Scholes method of valuation, and to then expense that value over the service period over which the options become exercisable (vest). As a general rule, for time in service based options, the company will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option.

(2) At June 30, 2013, Mr. Schultz had a total of 456,601 stock options and warrants outstanding.
(3) At June 30, 2013, Dr. Liesenfeld had 77,000 stock options outstanding.
(4) At June 30, 2013, Dr. Olderman had 235,000 stock options outstanding.
(5) Effective January 2007 through October 30, 2013 we had a consulting agreement with Mr. Schultz for his scientific advisory services with a monthly fee of $2,500. For the fiscal year ended June 30, 2013, we owe Mr. Schultz $82,500 in consulting fees.

The Company intends to approve a new Equity Incentive plan in 2014 and issue options to directors.

Employment Contracts and Termination of Employment and Change in Control Arrangements

Bernd Liesenfeld
Dr. Liesenfeld was appointed as our President (principal executive officer) on July 27, 2012 with an annual compensation of $130,000 effective August 1, 2012. There is no other compensation arrangement (whether or not written) or any grant or award to Dr. Liesenfeld. He is entitled to a performance bonus and share-based awards as determined by the Compensation Committee and the Board of Directors.

Paul Jenssen
Mr. Jenssen was appointed as Chief Financial Officer in January, 2013. He is paid a retainer of $1,120/week for the first eight hours and $125/hour for time greater than eight hours. There is no other compensation arrangement (whether or not written) or any grant or award to Mr. Jenssen. He is entitled to a performance bonus and share-based awards as determined by the Compensation Committee and the Board of Directors.

J. Ladd Greeno
Effective August 15, 2012, Mr. Greeno voluntarily resigned as our Chief Executive Officer and his employment contract was terminated on the date of the resignation.

On August 6, 2007 (the "Effective Date"), we entered into an employment agreement with J. Ladd Greeno to serve as our Chief Executive Officer (the "Agreement"). Mr. Greeno began employment with us on June 11, 2007 (the "Start Date").

We paid Mr. Greeno a base salary of $250,000 per year (the "Base Salary"), subject to review by the Board on an annual basis and subject to increase in the Registrant's discretion. Mr. Greeno was eligible to receive an annual bonus (the "Annual Bonus") of up to fifty percent (50%) of the Base Salary upon the achievement of performance objectives that were reasonably determined by the Board or the Board's Compensation Committee in consultation with Mr. Greeno.

Mr. Greeno agreed to the confidentiality, non-competition and non-solicitation provisions of the Agreement.

Gerald M. Olderman

Effective August 15, 2012, Mr. Olderman voluntarily resigned as our Vice President of R&D and Commercialization. His employment contract was terminated on the date of the resignation.

On January 1, 2011, we renewed an employment agreement with Gerald Olderman, Vice President of R & D and Commercialization. Mr. Olderman had an annual salary of $150,000 per year, subject to adjustment by the Compensation Committee of the Board of Directors ("Board") based on new revenue streams and increases in our shareholder value

Nam Nguyen
In January 2013 Mr. Nguyen voluntary resigned as Chief Financial Officer and Secretary. Mr. Nguyen's monthly consulting fee was $12,500 as approved by the Compensation Committee and the Board of Directors.

Compensation Committee Interlocks and Insider Participation
The Compensation Committee is currently comprised of Gerald M. Olderman, Dale Bergman and Gregory Schultz with Dr. Olderman serving as the Chair.

During the fiscal year ended June 30, 2013:

(i) none of our executive officers served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our compensation committee;

(ii) none of our executive officers served as a director of another entity, one of whose executive officers served on our compensation committee; and

(iii) none of our executive officers served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a member of our board of directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

The following table sets forth, as of September 20, 2013, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of our common stock and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Information relating to beneficial ownership of common stock by our principal stockholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the Securities and Exchange Commission. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the Securities and Exchange Commission rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. We are unaware of any contract or arrangement, which could result in a change in our control.

The following table assumes, based on our stock records, that there are 37,346,154 shares issued and outstanding as of September 20, 2013.

The following table sets forth the ownership of our common stock by:

- Each stockholder known by us to own beneficially more than 5% of our common stock;
- Each executive officer;
- Each director or nominee to become a director; and
- All directors and executive officers as a group.

Name and Address of Beneficial Owner(A)	Shares Beneficially Owned	
	Number	Percent
Michael R. Granito	23,553,605(1)	46.5%
Phronesis Partners, L.P.	8,015,339(2)	20.3%
Gerald M. Olderman, Director	799,714(3)	2.1%
Gregory S. Schultz, Director	1,310,101(4)	3.5%
Bernd Liesenfeld, President and Director	77,000(5)	0.2%
Paul H Jenssen, CFO and Director	0	0%
Dale Bergman, Director		0%
All Quick-Med Directors and Officers as a Group (5 persons)	2,211,815	5.8%

NOTES: (A) The address for each of the above unless otherwise indicated is c/o Quick-Med Technologies, Inc., 902 NW 4 Street, Gainesville, Florida 32601.

(1) Includes 13,293,410 shares issuable upon conversion of the convertible debts within 60 days. Mr. Granito's address is 1001 Shady Avenue, Pittsburgh, PA 15232.
(2) Includes 2,071,390 shares issuable upon conversion of a convertible debt within 60 days. Phronesis Partners, L. P., Delaware Limited Partnership, is a hedge fund and has sole voting and sole dispositive power over 5,943,949 shares. Mr. James Wiggins is the natural person with sole voting and dispositive power with respect to the shares. The address for Phronesis Partners, L.P. is 130 East Chestnut Street, Suite 403, Columbus, OH 43215.
(3) Includes 235,000 shares issuable upon the exercise of options exercisable within 60 days.
(4) Includes 456,601 shares issuable upon the exercise of options and warrants exercisable within 60 days.
(5) Includes 77,000 shares issuable upon the exercise of options exercisable within 60 days.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

On March 31, 2010, the Company issued a senior convertible promissory note to a major shareholder for the principal amount of $1,053,000, which consisted of $600,164 in cash, $375,000 principal balance of a prior senior convertible note together with unpaid accrued interest thereon of $77,836. This senior convertible note is secured by the Company's revenues and assets with the same priority as the 2009 Note 3 (as defined below) issued to Michael R. Granito, our former Chairman and current largest shareholder ("Shareholder") and the senior convertible notes totaling $250,000 as described below. This note has an annual interest rate of 8%, a maturity date of December 31, 2013. This note has the conversion price of $0.60 per share of common stock. The Company has recorded approximately $859,950 as an interest expense as a result of the beneficial conversion feature.

On March 31, 2010, the Company issued two senior convertible promissory notes totaling $250,000 to third parties. These senior convertible notes are secured by the Company's revenues and assets with the same priority as the 2009 Note 3 to the Shareholder and the senior convertible note to a major shareholder. These notes have an annual interest rate of 8% with a maturity date of June 30, 2014. These notes have the convertible price of $1.00 per share of common stock. The Company has recorded approximately $22,500 as an interest expense as a result of the beneficial conversion feature. During the year ended June 30, 2011, the conversion price of the $150,000 senior convertible promissory note was reduced to $0.50 per share of common stock as part of the arrangement of the additional investment in the Company's restricted common stock by the note holder. In addition, the conversion price on the $100,000 senior convertible promissory note was also reduced to $0.50 per share of common stock as a result of the additional investment in the Company's restricted common stock.

On December 16, 2010, the Company issued a promissory note to Mr. Gerald Olderman, a director and former officer of the Company for the principal amount of $113,155, which consisted of a total 100,000 principal balance of four prior convertible notes together with unpaid accrued interest thereon of $13,155. This note has an annual interest rate of 8%, a maturity date of December 31, 2013. The outstanding principal amount will be paid at a rate of $1,000, $2,000 and $3,000 each month for the first 12 months, the second 12 months and the third 12 months, respectively. As of June 30, 2013 and 2012, the Company paid an aggregate principal amount of $30,000 and $18,000, respectively. The remaining outstanding principal balance and accrued interest will be paid on the maturity date.

On March 13, 2013 the Company issued a senior convertible promissory note in the amount of $3,547,580 to the largest shareholder ("Shareholder") to combine the borrowings previously issued. The original notes were issued on September 30, 2003, June 14, 2007, October 30, 2007, February 11, 2008, May 17, 2008, September 12, 2008, February 26, 2009, May 12, 2009 and March 15, 2010 in the principle amounts of $1,268,625, $208,955, $300,000, $370,000, $485,000, $150,000, $175,000, $375,000 and $215,000. This senior convertible note is secured by the Company's revenues and assets and is subordinate to the March 31, 2010 senior convertible notes to a related party and third parties and 2009 Notes 2 and 3 to the Shareholder. Interest rates are from 6% to 8% and conversion rates range from $.18 to $.74.

In November 2009, the Company finalized and issued a $600,000 2009 senior convertible note payable ("2009 Note 3") to the Shareholder. The Company received the borrowings in a series of $45,000 on September 8, 2009, $25,000 on September 11, 2009, $125,000 on September 23, 2009, $100,000 on October 14, 2009, $50,000 on October 28, 2009, $175,000 on November 12, 2009, $50,000 on December 14, 2009, and $30,000 on February 26, 2010 totaling $600,000. This senior convertible note is secured by the Company's revenues and assets with the same priority as the 2009 and 2008 senior convertible notes described below with a 8% annual interest rate and has a maturity date of December 31, 2013. This note has the conversion price of $0.60 per share of common stock. The Company has recorded approximately $215,500 as an interest expense to date for the Advances received as a result of the beneficial conversion feature. As part of the terms of this note, the maturity dates of all other outstanding senior convertible notes owed to the Shareholder are extended to December 31, 2013. During the year ended June 30, 2011, the conversion price on a $135,000 portion of the 2009 Note 3 was also reduced to $0.50 per share of common stock as a result of the additional investment in the Company's restricted common stock.

Effective May 12, 2009, the Company issued a 2009 senior convertible note payable ("2009 Note 2") to the Shareholder to combine the borrowings (the "Advances") in a series of $35,000 each from May 12, 2009 through August 12, 2009, $50,000 and $45,000 on August 14 and 27, 2009, respectively totaling $375,000. This senior convertible note is secured by the Company's revenues and assets with the same priority as the 2009 and 2008 senior convertible notes described below and has a maturity date of December 31, 2013. This note has the conversion prices determined by the closing trading prices of the Company's common stock on the dates the Advances were received.

The Company had a consulting agreement with a director to provide services on scientific matters at a monthly fee of $2,500. The agreement was terminated November 1. 2012. At June 30, 2013 and 2012, the Company has an outstanding balance of $82,500 and $75,000, respectively, owed to the director. As in the past, the Company plans to pay the outstanding balance with an equity arrangement.

During the fiscal year ended June 30, 2012, a firm owned by an officer made several short-term loans ranging from $5,000 to $10,000 to the Company, all of them were fully repaid at June 30, 2012.

In September 2011, the Company recorded approximately $50,000 in additional paid-in capital reflecting waivers by our officers of their unpaid salaries and fee during the period from July 1, 2011 through September 30, 2011.

At June 30, 2013, the Company accrued interest of $1,327,078, $4,891, $18,776, and $1,727,236 on the convertible notes with the shareholder, the convertible notes with third parties, the note with a director and the convertible notes with the major shareholder, and, respectively.

Other than the relationships with The University of Florida at Gainesville, no officer or director has any relationship with any company or entity that will be working on developing our family of technologies or patents.

Director Independence

Our board of directors has determined that it currently has one member who qualify as "independent" as the term is used in Item 407 of Regulation S-K as promulgated by the SEC and in the listing standards of The NASDAQ Stock Market, Inc. - Marketplace Rule 4200. The independent director is Dale Bergman.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table sets forth fees billed to us by our auditors during the fiscal years ended June 30, 2013 and June 30, 2012 for: (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services by our auditor that are reasonably related to the performance of the audit or review of our financial statements and that are not reported as Audit Fees, (iii) services rendered in connection with tax compliance, tax advice and tax planning, and (iv) all other fees for services rendered including a review of SEC registration statement filing. "Audit Related Fees" consisted of general assistance on SEC matters.

	June 30, 2013	June 30, 2012
(i) Audit Fees	$ 59,024	$ 47,000
(ii) Audit Related Fees	$ 0	$ 0
(iii) Tax Fees	$ 5,200	$ 5,500
(iv) All Other Fees	$ 0	$ 0

While we have established an audit committee of the Board of Directors, we have not established a pre-approval policy. All services provided by the auditors for fiscal year 2013 were accepted by the audit committee and approved by the full Board of Directors.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements Schedules

Our financial statements for the years ended June 30, 2013 and 2012 are included herein (Item 8) in this annual report. We are not required to file any financial statement schedules.

Exhibits Table

Exhibit Number	Description
3.1	Articles of Incorporation, as currently in effect (5)
3.2	Bylaws, as currently in effect (1)
10.1	Quick-Med Technologies MMP License Agreement (2)
10.2	Quick-Med Technologies Stock Option Plan (2)
10.3	Cooperative Research and Development Agreement with the U.S. Army Medical Research Institute of Chemical Defense (3)

10.4	Financing Agreement with Euro Atlantic Capital Corporation (3)
10.5	Consulting Agreement - Gregory Schultz (3)
10.5.1	Consulting Agreement - Christopher Batich (3)
10.5.2	Consulting Agreement - Bruce Mast (3)
10.5.3	Consulting Agreement - William Toreki (3)
10.6	Note issued to Michael Granito by Quick-Med Technologies (4)
10.6.1	Senior Convertible Note issued to Michael Granito (10)
10.6.2	2007 Senior Convertible Note issued to Michael Granito (10)
10.6.3	2007 Senior Convertible Note 2 issued to Michael Granito (11)
10.6.4	2008 Senior Convertible Note 1 issued to Michael Granito (15)
10.6.5	2008 Senior Convertible Note 2 issued to Michael Granito (13)
10.6.6	2008 Senior Convertible Note 3 issued to Michael Granito (16)
10.6.7	2009 Senior Convertible Note 1 issued to Michael Granito (18)
10.6.8	2009 Senior Convertible Note 2 issued to Michael Granito (19)
10.7	2007 Senior Convertible Note issued to Phronesis Partners, L.P. (10)
10.8	License Agreement with University of Michigan (10)
10.9	Employment Agreement with J. Ladd Greeno (9)
10.10	Research and Development Agreement with The Collaborative Group, Ltd. (6)
10.11	Agreement Between Noville and Quick-Med Technologies, Inc. (7)
10.12	Joint Development Agreement by and between Quick Med Technologies, Inc. and Mölnlycke Health Care AB dated April 4, 2008. (12)
10.13	Manufacturing and Distribution Agreement by and between Quick-Med and BASF (14)
10.14	Joint Development and Exclusive Option Agreement by and between Avery Dennison and the Registrant dated as of April 17, 2009 (17)
10.15	2009 Senior Convertible Note 3 issued to Michael Granito (20)
10.16	Amendment No. 2 to Patent and Technology License Agreement by and between Quick Med Technologies, Inc. and Derma Sciences, Inc. dated March 23, 2007. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (21)
10.17	License Agreement by and between Quick Med Technologies, Inc. and Johnson & Johnson Consumer and Personal Products Worldwide, a division of Johnson & Johnson Consumer Companies, Inc. effective as of March 5, 2010. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (22)
10.18	Senior Convertible Promissory Note by and between Quick-Med Technologies, Inc. and Phronesis Partners, L.P. dated March 31, 2010 (23)
10.19	Senior Convertible Promissory Note by and between Quick-Med Technologies, Inc. and 2849232 CANADA INC dated March 31, 2010 (23)
10.20	Senior Convertible Promissory Note by and between Quick-Med Technologies, Inc. and Peter L. Berry Holdings, Inc. dated March 31, 2010 (23)
10.21	Development Agreement by and between Quick Med Technologies, Inc. and KCI USA, Inc. dated April 2, 2010. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (24)
10.22	Patent and Technology License Agreement by and between Quick Med Technologies, Inc. and Viridis BioPharma Pvt. Ltd., an India corporation, effective as of July 26, 2010. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (25)
10.23	Development and Option Agreement by and between Quick-Med Technologies, Inc. and Biosara Corporation, effective as of August 6, 2010. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (26)
10.24	Employment Agreement with Gerald M. Olderman (8)
10.25	Employment Agreement with J. Ladd Greeno (9)
10.26	License Agreement by and between Quick-Med Technologies, Inc. and Avery Dennison, acting through its Medical Solutions Division dated April 1, 2011. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (27)

10.27	License Agreement by and between Quick-Med Technologies, Inc. and Biosara Corporation dated November 15, 2011. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (28)
10.28	Patent and Technology License Agreement by and between Quick Med Technologies, Inc. and Derma Sciences, Inc. dated July 12, 2012. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (29)
10.29	Patent and License Agreement by and between the Company and VIRIDIS BioPharma Pvt. Ltd. dated as of April 1, 2013(30)
10.30	Amendment No. 4 to Patent and License Agreement by and between the Company and VIRIDIS BioPharma Pvt. Ltd. dated as of May 9, 2013(30)
10.31	Award Contract between the Company and the U.S. Army Medical Research and Material Command effective as of May 13, 2013(31)
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) and 15d-14(a)*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and 15d-14(a) *
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
99.1	Assignment of Patent for Wound Care (8)
99.2	Assignment of Patent for Mustard Gas (8)
99.3	Assignment of Patent for Anti-wrinkle cream (8)

* Filed herewith.

(1) Incorporated by reference to the Company's Registration Statement on Form 10 filed on October 4, 1999.
(2) Incorporated by reference to the Company's Post Effective Amendment #2 to Registration Statement on Form SB-2 filed on July 13, 2001.
(3) Incorporated by reference to the Company's Post Effective Amendment #3 to Registration Statement on Form SB-2 filed on January 8, 2002.
(4) Incorporated by reference to the Company's Post Effective Amendment #5 to Registration Statement on Form SB-2 filed on February 13, 2002.
(5) Incorporated by reference to the Company's Current Report on Form 8-K filed on February 26, 2002.
(6) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on October 15, 2002.
(7) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on November 19, 2003.
(8) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on November 14, 2006.
(9) Incorporated by reference to the Company's Current Report on Form 8-K filed on August 10, 2007.
(10) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed on September 28, 2007.
(11) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on February 14, 2008.
(12) Incorporated by reference to the Company's Current Report on Form 8-K filed on April 9, 2008.
(13) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on May 15, 2008.
(14) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 21, 2008.
(15) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed on September 29, 2008.
(16) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on November 14, 2008.
(17) Incorporated by reference to the Company's Current Report on Form 8-K filed on April 23, 2009.

(18) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on May 15, 2009.
(19) Incorporated by reference to the Company's Annual Report on Form 10-K filed on September 28, 2009.
(20) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on November 16, 2009
(21) Incorporated by reference to the Company's Quarterly Report on Form 8-K filed on February 19, 2010.
(22) Incorporated by reference to the Company's Quarterly Report on Form 8-K filed on March 11, 2010.
(23) Incorporated by reference to the Company's Quarterly Report on Form 8-K filed on April 6, 2010.
(24) Incorporated by reference to the Company's Quarterly Report on Form 8-K filed on April 8, 2010.
(25) Incorporated by reference to the Company's Current Report on Form 8-K filed on July 30, 2010.
(26) Incorporated by reference to the Company's Current Report on Form 8-K filed on August 12, 2010.
(27) Incorporated by reference to the Company's Current Report on Form 8-K filed on April 7, 2011.
(28) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 23, 2011.
(29) Incorporated by reference to the Company's Current Report on Form 8-K filed on July 18, 2012.
(30) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 17, 2013.
(31) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 29, 2013.

SIGNATURES

Pursuant to requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

QUICK-MED TECHNOLOGIES, INC.

Date: September 24, 2013

By: /s/ Bernd Liesenfeld
Bernd Liesenfeld
President and Principal Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Gregory S. Schultz Gregory S. Schultz	Chairman of the Board	September 24, 2013
/s/ Bernd Liesenfeld Bernd Liesenfeld	President and Director	September 24, 2013
/s/ Paul H. Jenssen Paul H.Jenssen	Chief Financial Officer and Director	September 24, 2013
/s/ Dale Bergman Dale Bergman	Director	September 24, 2013
/s/ Gerald M. Olderman Gerald M. Olderman	Director	September 24, 2013

QUICK-MED TECHNOLOGIES, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEARS ENDED

JUNE 30, 2013 AND 2012

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Quick-Med Technologies, Inc.

We have audited the accompanying balance sheets of Quick-Med Technologies, Inc. (the "Company") as of December 31, 2013 and 2012, and the related statements of operations, changes in stockholders' deficit, and cash flows for each of the years then ended. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quick-Med Technologies, Inc., as of June 30, 2013 and 2012, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has experienced recurring losses and negative cash flows from operations for the years ended June 30, 2013 and 2012, and has a net capital deficiency. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters are described in the footnotes accompanying the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Daszkal Bolton LLP
Boca Raton, Florida
September 27, 2013

QUICK-MED TECHNOLOGIES, INC.
BALANCE SHEETS
AS OF JUNE 30, 2013 AND 2012

ASSETS

	June 30, 2013	June 30, 2012
Current assets:		
Cash and cash equivalents	$ 49,677	$ 80,502
Accounts receivable	249,583	105,123
Total current assets	299,260	185,625
Property and equipment, net	3,182	1,084
Other assets:		
Prepaid expenses	37,943	8,472
Intangible asset, net	382,858	416,669
Total other assets	420,801	425,141
Total assets	723,243	611,850

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	501,924	714,110
Unearned revenue - current	121,375	100,957
Accrued expenses	61,356	188,275
Current maturity of note payable -related party	77,931	102,025
Current maturity of convertible note payable -related party	1,327,078	1,242,834
Current maturity of convertible note payable -related party	6,249,816	5,913,737
Current maturity of note payable	254,891	254,986
Total current liabilities	8,594,371	8,516,924
License payable	-	160,000
Unearned Revenue - long-term	1,188,749	-
Total liabilities	9,783,120	8,676,924
Commitments and contingencies		
Stockholders' deficit:		
Common stock, $0.0001 par value; 100,000,000authorized shares; 37,346,154 shares issued and outstanding at June 30, 2013 and June 30, 2012, respectively		
Additional paid-in capital	3,735	3,735
Outstanding stock options	15,609,340	15,448,353
Accumulated deficit	3,688,992	4,131,709
Total stockholders' deficit	(28,361,944)	(27,648,871)
Total liabilities and stockholders' deficit	(9,059,877)	(8,065,074)
	$ 723,243	$ 611,850

See accompanying notes to financial statements.

QUICK-MED TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	June 30, 2013	June 30, 2012
Revenues:		
Royalty and license fees	560,495	450,654
Product sales	330,998	425,842
Research and development service	37,000	121,000
Total revenues	928,493	997,496
Expenses:		
Cost of sales	24,983	26,714
Research and development	519,836	847,350
General and administrative expenses	467,203	998,393
Licensing and patent expenses	255,522	299,163
Depreciation and amortization	37,024	64,198
Total operating expenses	1,304,568	2,235,818
Operating loss	(376,075)	(1,238,322)
Other income (expense):		
Interest income	7,648	1,375
Interest expense	(446,186)	(449,956)
Extinguishment of license payable	160,000	-
Impairment loss	(58,460)	-
Total other expense	(336,998)	(448,581)
Loss before provision for income taxes	(713,073)	(1,686,903)
Provision for income taxes	-	-
Net loss	(713,073)	(1,686,903)
Net loss per share - basic and diluted	$ (0.02)	$ (0.05)
Weighted average common shares outstanding - basic and diluted	37,346,154	37,346,154

See accompanying notes to financial statements.

QUICK-MED TECHNOLOGIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	Common Stock		Additional Paid-in	Accumulated	Outstanding	
	Shares	Amount	Capital	Deficit	Stock Options	Total
Balance at June 30, 2011	37,246,154	$ 3,725	$ 15,420,363	$ (25,961,968)	$ 4,085,808	$ (6,452,072)
Stock-based compensation					45,901	45,901
Stock issuance for cash	100,000	10	27,990			28,000
Net loss	-	-	-	(1,686,903)		(1,686,903)
Balance at June 30, 2012	37,346,154	3,735	15,448,353	(27,648,871)	4,131,709	(8,065,074)
Forfeited stock-based compensation	-	-	-		(281,730)	(281,730)
Expired stock-based compensation	-	-	160,987		(160,987)	-
Net loss	-	-	-	(713,073)	-	(713,073)
Balance at June 30, 2013	37,346,154	3,735	15,609,340	(28,361,944)	3,688,992	(9,059,877)

See accompanying notes to financial statements.

QUICK-MED TECHNOLOGIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	June 30, 2013	June 30, 2012
Cash flows from operating activities:		
Net loss	$ (713,073)	$ (1,686,903)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	37,024	64,198
Impairment loss on patent	58,460	-
Stock-based compensation	-	45,901
Forfeited stock-based compensation	(281,730)	
Allowance for doubtful accounts	-	200,000
Gain on extinguishment of license payable	(160,000)	-
(Increase) decrease in:		
Accounts receivable	(144,460)	197
Prepaid expenses	(29,471)	(442)
Increase (decrease) in:		
Accounts payable	(212,186)	98,718
Accrued interest	426,133	429,900
Unearned revenue	1,209,166	-
Accrued expenses	(126,915)	73,694
Net cash provided by (used in) operating activities	62,948	(774,737)
Cash flows from investing activities:		
Property and equipment	(3,212)	(2,315)
Intangible assets	(60,560)	(101,813)
Net cash used in investing activities	(63,772)	(104,128)
Cash flows from financing activities:		
Proceeds from stock issuance	-	28,000
Payment on notes payable - officer	(30,000)	(18,000)
Net cash (used in) provided by financing activities	(30,000)	10,000
Net decrease in cash and cash equivalents	(30,824)	(868,865)
Cash and cash equivalents at beginning of year	80,502	949,367
Cash and cash equivalents at end of year	49,677	80,502
Cash paid for:		
Interest	20,053	20,054
Income taxes	-	-
Total	20,053	20,054
Non-cash disclosures of investing and financing activities:		
Stock-based compensation	-	45,901
Expired stock-based compensation	(160,987)	-

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION OF BUSINESS

Founded in April 1997, Quick-Med Technologies Inc. (the "Company") is a life sciences company focused on developing proprietary, broad-based technologies in medical and consumer healthcare markets. The Company's three core technologies are: (1) Novel Intrinsically Micro-Bonded Utility Substrate (NIMBUS®), a family of advanced polymers bio-engineered to have antimicrobial, hemostatic, and other properties that can be used in a wide range of applications; (2) *Stay Fresh*® is a unique chemical formulation for textiles with a durable antimicrobial agent effective against an array of bacteria even after numerous laundering cycles; and (3) MultiStat, a family of advanced patented methods and compounds shown to be effective in skin therapy applications. Currently, NIMBUS technology has been commercialized in an advanced wound care product by our licensee in the institutional market in June 2009. The Company targets NIMBUS technology for additional advanced wound care products, catheters, incontinence products, and other medical devices. Stay Fresh is currently being commercialized with a broad range of potential applications including consumer textile market. MultiStat has been commercialized in a cosmetic product line with the anti-aging products. In each instance, the Company intends to form joint ventures or joint development partnerships with leading firms in the respective industry to co-develop and commercialize its products.

The Company specializes in the research and development of biomedical products and devices for antibacterial applications. The Company conducts research efforts or collaborates with third parties as necessary to develop products and administer the patent process. The Company does not expect to produce nor directly market its products. Instead, the Company intends to partner with clients for those activities

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has continuing losses from operations, negative working capital and an accumulated deficit that raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

All highly liquid investments purchased with maturity of three months or less from the time of purchase are considered to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intangible Assets

The costs of obtaining license agreements along with the costs to defend the patents underlying the license agreements are capitalized and amortized using the straight-line method over the estimated useful lives of the underlying license agreements. The costs of obtaining and maintaining new patents are capitalized and amortized using the straight-line method over the estimated useful lives of the patents. The cost of patents in process is not amortized until the patent is issued.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is computed using the straight-line method over the expected useful lives of the assets.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable as of June 30, 2013 represents amounts due from its customers and is reported on the balance sheet reduced by writing off receivables not considered to be collectible. The allowance for doubtful accounts at June 30, 2013 and June 30, 2012 was $0 and $200,000 respectively.

Research and Development Costs

Research and development costs are expensed as incurred.

Earnings Per Share

Basic net loss per common share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents, consisting of shares that might be issued upon exercise of common stock options and warrants. For the periods ended June 30, 2013 and 2012, 16,697,440 and 15,874,774 diluted common stock equivalents, respectively, have been excluded from the calculation of diluted earnings per share, as their inclusion would have been anti-dilutive.

Fair Value Measurements

The Company adopted FASB ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. This new accounting standard does not require any new fair value measurements, but rather eliminates inconsistencies in guidance found in various other accounting pronouncements.

This accounting standard establishes a hierarchy for information and valuations used in measuring fair value, which is broken down into three levels. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities. Level 2 valuations are based on inputs, other than quoted prices included within Level 1 that are observable, either directly or indirectly. Level 3 valuations are based on information that is unobservable and significant to the overall fair value measurement.

The Company also adopted FASB ASC 825, *Financial Instruments,* which allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value. The Company has not elected the fair value option for any eligible financial instruments.

Revenue Recognition

Under the agreement for product development, manufacturing and distribution (the "Agreement") with BASF, the Company shares proportionately on the net sales and related expenses in accordance with the terms of the Agreement. The Company recognizes revenue of its royalties from the sale of products by BASF when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is probable.

The Company recognizes royalty fee income based on the net sales of products by our licensees in accordance with the terms of the license agreements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Company recognizes revenue of its research and development service including the small business innovation research program and the US Army medical research program based on the research work performed in accordance with the program requirements or statements of work for the joint development agreements.

The Company also recognizes revenue from the non-refundable exclusivity license fee derived from its licensees on a pro rata basis over the term of the related exclusive license agreements. Further, the Company recognizes the exclusive option fee as revenue on a pro rata basis over the term of the related exclusive option agreement

Unearned Revenue

The amount of unearned revenue represents the exclusive option fee, the license fee, and advance royalty fee yet to be earned on a pro rata basis over the exclusive option period of the related option and license agreements.

Share-Based Compensation

The Company records share-based payment awards at fair value on the grant date of the awards, based on the estimated number of awards that are expected to vest. The fair value of stock options was determined using the Black-Scholes option-pricing model. The fair value of the restricted stock awards was based on the closing price of the Company's common stock on the date of grant.

Concentration of credit risk of financial instruments

Financial instruments that potentially subject the Company to credit risk consist of cash equivalents and accounts receivable. As of June 30, 2013 and 2012, the Company’s cash levels did not exceed the federally insured limit. Beginning December 31, 2010 through December 31, 2012, the Company's bank accounts were fully insured, regardless of the balance of the account at the FDIC-insured institutions as the noninterest-bearing transaction accounts as provided by the section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The credit risk of the accounts receivable is considered limited given the customers’ credit rating.

Income Taxes

The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Reclassifications

Certain reclassifications have made to the prior year financial statements in order for them to be in conformity with the current year’s presentation.

Recently Issued Accounting Pronouncements

In July 2012, the FASB issued ASU No. 2012-02, Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment. This standard, which amends the guidance on testing

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

indefinite-lived intangible assets, other than goodwill, for impairment, provides companies with the option to first perform a qualitative assessment before performing the two-step quantitative impairment test. If the company determines, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not to exceed its carrying amount, then the company would not need to perform the two-step quantitative impairment test. This standard does not revise the requirement to test indefinite-lived intangible assets annually for impairment. This standard becomes effective for annual and interim impairment tests performance for fiscal years beginning after September 15, 2012, with early adoption allowed. When impairment of assets exists, the carrying amount of the long-lived asset is reduced to its estimated fair value, less any costs associated with the final settlement.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2013 and 2012:

	2013	2012
Computer equipment	$ 30,935	$ 28,990
Equipment	34,209	32,942
Less: accumulated depreciation	(61,962)	(60,848)
Net property and equipment	$ 3,182	$ 1,084

Depreciation expense for the years ended June 30, 2013 and 2012 was $1,114 and $2,308, respectively.

NOTE 4 – INTANGIBLE ASSETS

License Agreement

The Company has a license agreement with two inventors ("Licensors") for the worldwide rights to the MMP inhibitors and uses thereof. The license agreement transfers to the Company the technology that is the subject of issued patents as well as pending patent applications, which were filed by the original Inventors. The licenses are amortized on a straight-line basis over the estimated useful lives of the underlying patents or the license agreement. The U.S. patents expire beginning November 2007 through December 2019 and the international patents expire beginning on November 21, 2011 through December 8, 2019.

In November 2002, the Company and the University of Florida Research Foundation (the "University") entered into an agreement whereby the University gave the Company exclusive sub-license rights to the use of its patents and patent applications from the effective date of the agreement until the earlier of the date that no licensed patents remain enforceable patents or the payment of earned royalties ceases more than three calendar quarters. The royalty rate is 3% of the first $10 million of cumulative realized revenues and 1.8% of all subsequent realized revenues.

In June 2007, the Company and the Regents of the University of Michigan ("Michigan") entered into an agreement whereby Michigan gave the Company worldwide exclusive rights including sub-license rights to the use of its patents and patent applications of the uses of MMP inhibitors from the effective date of the agreement until the earlier of the date that no licensed patents remain enforceable patents or the default event. In addition to the initial license fee of $80,000, the Company will pay a 4% royalty rate of the net sales, 20% of the sublicense income, the annual fee of $50,000 for 2008 and 2009, $75,000 for 2010 and $100,000 in 2011 and in each year thereafter during the term of the agreement.

NOTE 4 – INTANGIBLE ASSETS, continued

During the fiscal year 2006, the Company was issued both US and international patents for its NIMBUS technology on "Intrinsically Bactericidal Absorbent Dressing And Method Of Fabrication". These patents expire on December 8, 2019. The total capitalized costs for this issued patent were $35,470 and are being amortized over the life of the patents.

During the fiscal years 2013 and 2012, the Company was granted certain US and international patents and filed a number of US and international patent applications for its NIMBUS, *Stay Fresh*, and NimbuDerm technologies and applied for certain trademarks.

As of June 30, 2013, there was an impairment of the Company's intangible assets in the amount of $58,460 which was recognized as impairment expense on the Company's statement of operations. The impairment loss resulted from the write-off an in-process patent cost for a country that the Company decided to no longer pursue.

	June 30, 2013		June 30, 2012	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortized Intangible Assets				
License agreements	619,675	(525,282)	648,123	(604,811)
Patents	462,365	(173,900)	373,357	-
Total	1,082,040	(699,182)	1,021,480	(604,811)

Amortization of patents in process commences when the patents are issued.

At June 30, 2013, total unamortized capitalized intangible assets costs are approximately $152,000, which are expected to be amortized and recognized over a weighted-average period of ten years.

Aggregate Amortization Expense	35,910	699,182	61,890	604,811

NOTE 5 - COMMITMENTS

The Company has leased a laboratory facility in Gainesville, Florida which was renewed on March 11, 2013. Rent expense for the years ended June 30, 2013 and 2012 was $27,348 and $27,380, respectively.

The following is a schedule of minimum future payments on the operating lease as of June 30, 2013:

For the years Ending June 30:

2014	25,800
2015	15,050
Thereafter	-
	$ 40,850

NOTE 6 – STOCK OPTIONS AND WARRANTS

The Company adopted a qualified equity incentive plan (the "Plan") on March 4, 2001. Under the Plan the Company is authorized to grant up to 3,000,000 shares of common stock. On December 13, 2004, the shareholders approved the Plan and ratified the amendment to increase the total number of shares to be granted under the Plan from 3,000,000 to 4,000,000 effective November 1, 2004. On November 13, 2007 the shareholders ratified the amendment to increase the total number of shares to be granted under the Plan from 4,000,000 to 6,000,000. This plan expired in March 2011.

NOTE 6 – STOCK OPTIONS AND WARRANTS (continued)

On November 17, 2009, the Board of Directors (the "Board') granted 681,785 stock options to the board members, employees, consultants as payments for their services and in recognition of individual performance for the year ended June 30, 2009. In addition, the Board granted 248,564 warrants payments to consultants for payments of their services and incentive performance awards. Of 681,785 stock options grant, approximately 115,428 were awarded to the board members for their services and were vested on the date of grant. Of 248,564 warrants issued, 99,977 warrants were vested immediately on the grant date. The remainder 566,357 stock options and 148,587 warrants were vested one-third immediately, one-third were vested on November 17, 2010 and the remaining one-third were vested on November 17, 2011, assuming the person receiving the equity awards is employed or being utilized by the Company at the time of vesting. The exercise price of those stock options and warrants is $0.77 per share. The weighted average grant date fair value of options and warrants was $0.48 per share based on the Black-Scholes option-pricing model. The options and warrants expire five years from the date of grant. During the year ended June 30, 2013, 325,215 options were forfeited.

On October 27, 2008, the Board of Directors (the “Board”) granted 1,335,102 stock options to the board members, employees, consultants as payments for their services and in recognition of individual performance for the year ended June 30, 2008. In addition, the Board granted 705,302 warrants payments to consultants for payments of their services and incentive performance awards. Further, 60,000 shares of restricted common stock were issued to a consultant as payment for services. Of 1,335,102 stock options grant, approximately 464,102 were awarded to the board members for their services and were vested on the date of grant. Of 705,302 warrants issued, 240,302 warrants were vested immediately on the grant date. The remainder 871,000 stock options and 465,000 warrants were vested one-third immediately, one-third were vested on October 27, 2009 and the remaining one-third were vested on October 27, 2010, assuming the person receiving the equity awards is employed or being utilized by the Company at the time of vesting. The exercise price of those stock options and warrants is $0.20 per share, which was the closing price of the common stock on the date of grant. The weighted average grant date fair value of options and warrants was $0.19 per share based on the Black-Scholes option-pricing model. The options and warrants expire five years from the date of grant. During the year ended June 30, 2013, 475,938 options were forfeited.

On April 18, 2008, the Board of Directors (the “Board”) granted 148,571 shares of restricted common stock as payment for the services rendered by the board members for the year ended June 30, 2007 for those elected to receive common stocks and all shares were immediately vested. In addition, the Board granted 1,074,666 stock options to the board members, employees, consultants as payments for their services and in recognition of individual performance for the year ended June 30, 2007. The stock options were vested one-third immediately, one-third was vested on April 17, 2009 and the remaining one-third was vested on April 17, 2010, assuming the person receiving the equity awards is employed by the Company at the time of vesting. The exercise price of those stock options is $0.42 per share, which was the closing price of the common stock on the date of grant. The weighted average grant date fair value of options was $0.32 per share based on the Black-Scholes option-pricing model. The options and warrants expire five years from the date of grant. During the year ended June 30, 2013, 110,000 options were forfeited and 503,080 options expired.

On August 6, 2007, the Board of Directors (the “Board”) granted 484,056 non-qualified stock options to the Chief Executive Officer (“CEO”) at an exercise price of $0.75 per share. These options were fully vested and immediately exercisable at the date of grant. In addition, the Board granted 1,452,167 non-qualified stock options at an exercise price of $0.74 per share on September 25, 2007, as part of the CEO’s employment agreement. The second stock options are vested and become exercisable 1/16th of the total 1,452,167 options on each three-month anniversary beginning on June 11, 2007. The average grant date fair value of the options was $0.46 per share based on the Black-Scholes option-pricing model. These options expire in August and September 2013, five years from the date of grant.

NOTE 6 – STOCK OPTIONS AND WARRANTS (continued)

The weighted average grant date fair value of options and warrants granted during the fiscal years ended June 30, 2013 and 2012 were estimated on the date of grant using the Black-Scholes option-pricing model with the assumptions used; risk-free interest rate of 3%; dividend yield of 0%; expected volatility of 91%; and estimated life of 5 years. Expected volatility is based on historical volatility of common stock. The expected term of the options and warrants represents the period of time that options and warrants granted are expected to be outstanding and is derived from historical terms.

A summary of options for the years ended June 30, 2013 and 2012 is shown below:

	June 30 2013		June 30 2012	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	4,083,970	$ 0.58	4,794,270	$ 0.57
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(911,153)	-	-	-
Expired	(503,080)	-	(710,300)	0.82
Outstanding at end of year	2,669,737	$ 0.60	4,083,970	$ 0.58
Exercisable at end of year	-		4,083,970	
Available for issuance at end of year	-		-	

Note: Some options expired and some options were forfeited during the year ended June 30, 2013. The following is a summary of warrants granted, exercised, canceled and outstanding involving the grants in the periods ended June 30, 2013 and 2012.

	June 30 2013		June 30 2012	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	947,994	$ 0.48	974,920	$ 0.47
Granted	-	-	10,714	0.02
Exercised	-	-	-	-
Expired	(13,410)	0.67	(37,640)	0.96
Outstanding at end of year	934,584	$ 0.36	947,994	$ 0.48
Exercisable at end of year	934,584		947,994	

NOTE 7 - INCOME TAXES

For federal income tax purposes, the Company elected to capitalize start-up costs incurred during 1999 and 2000 totaling $357,989. The start-up costs were amortized over sixty (60) months beginning in 2001. An analysis of the components of the (loss) before income taxes and the related income tax (benefit) is presented in the following tables. The tax amounts have been calculated using the 34% federal and 5.5% state income tax rates.

The Company adopted the provisions of ASC 740: Income Taxes. The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. As of June 30, 2013 and 2012, the Company has no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. In general, the Company is no longer subject to examinations by taxing authorities for tax years prior to 2008.

The (provision) benefit for income taxes consists of the following:

	2013	2012
Current	$ -	$ -
Deferred	-	-
	$ -	$ -

Deferred tax assets for June 30, 2013 and 2012 consist of the following:

	2013	2012
Deferred tax asset (liability):		
Depreciation and amortization	$ (50,538)	$ 7,985
Stock based compensation	2,980,409	3,134,667
Net operating loss carry forward	6,037,629	5,709,372
Interest accrual	500,288	339,934
Research tax credit	7,203	7,203
Less: valuation allowance	(9,474,991)	(9,199,161)
Deferred tax asset:	$ -	$ -

A reconciliation of income tax at the statutory rate to the Company's effective tax rates for the periods ended June 30, 2013 and 2012 is as follows:

	2013	2012
Federal Income tax at statutory rate of 34%	$ (242,445)	$ (573,547.00)
State tax, net of federal benefit	(25,775)	(52,636)
Other	(7,609)	33,349
Valuation allowance	275,829	592,834
	$ -	$ -

As of June 30, 2013, the Company had a net operating loss carry forward of approximately $16,000,000 which will begin to expire in 2017.

NOTE 8 – NOTES PAYABLE

	Maturity	Interest Rate	Conversion Price	June 30, 2013	June 30, 2012
Related Party					
Senior Convertible Note	2013	8%	$ 0.60	$ 1,053,000	$ 1,053,000
Accrued Interest				274,078	189,834
Total				1,327,078	1,242,834
Less current portion				1,327,078	-
Total long-term				-	1,242,834
Others					
Senior Convertible Note	2014	8%	$ 0.50	150,000	150,000
Senior Convertible Note	2014	8%	$ 0.50	100,000	100,000
Acrued interest				4,891	4,986
Total				254,891	254,986
Less current portion				254,891	-
Total long-term				-	254,986
Related Party					
Note Payable	2013	8%		59,155	89,155
Accrued interest				18,776	12,870
Total				77,931	102,025
Less current portion				77,931	30,000
Total long-term				-	72,025
Related Party					
Senior Convertible Note	2013	6-8%	$ .18-.74	3,547,580	3,547,580
Senior Convertible Note 2		8%	$ .42-.63	375,000	375,000
Senior Convertible Note 3		8%	$ 0.60	600,000	600,000
Accrued interest				1,727,236	1,391,157
Total				6,249,816	5,913,737
Less current portion				6,249,816	-
Total long-term				-	5,913,737

On March 31, 2013, the Company combined several of its outstanding and previously issued notes payable to the largest shareholder into a single senior convertible promissory note in the amount of $3,547,580. The original notes were issued on September 30, 2003, June 14, 2007, October 30, 2007, February 11, 2008, May 17, 2008, September 12, 2008, February 26, 2009, May 12, 2009 and March 15, 2010 in the principal amounts of $1,268,625, $208,955, $300,000, $370,000, $485,000, $150,000, $175,000, $375,000 and $215,000, respectively. This senior convertible note is secured by the Company's revenues and assets and is subordinate to the additional senior convertible notes issued to the various parties listed below. Interest rates for these convertible notes range from 6% to 8% and conversion rates range from $0.18 to $0.74.

On March 31, 2010, the Company issued a senior convertible promissory note to a major shareholder for the principal amount of $1,053,000, which consisted of $600,164 in cash, $375,000 principal balance of a prior senior convertible note together with unpaid accrued interest thereon of $77,836. This senior convertible note is secured by the Company's revenues and assets with the same priority as the Notes 2 and 3 to the Shareholder and the senior convertible notes totaling $250,000. This note has an annual interest rate of 8%, a maturity date of December 31, 2013. This note has the conversion price of $0.60

NOTE 8 – NOTES PAYABLE, continued

per share of common stock. The Company has recorded approximately $859,950 as an interest expense as a result of the beneficial conversion feature.

On March 31, 2010, the Company issued two senior convertible promissory notes totaling $250,000 to third parties. These senior convertible notes are secured by the Company's revenues and assets with priority below Notes 2 and 3 to the Shareholder and the March 31, 2010 senior convertible note to a major shareholder. These notes have an annual interest rate of 8% with a maturity date of June 30, 2014. These notes have the convertible price of $1.00 per share of common stock. The Company has recorded approximately $22,500 as an interest expense as a result of the beneficial conversion feature. During the year ended June 30, 2011, the conversion price of the $150,000 senior convertible promissory note was reduced to $0.50 per share of common stock as part of the arrangement of the additional investment in the Company's restricted common stock by the note holder. In addition, the conversion price on the $100,000 senior convertible promissory note was also reduced to $0.50 per share of common stock as a result of the additional investment in the Company's restricted common stock.

On December 16, 2010, the Company issued a promissory note to an officer for the principal amount of $113,155, which consisted of a total 100,000 principal balance of four prior convertible notes together with unpaid accrued interest thereon of $13,155. This note has an annual interest rate of 8%, a maturity date of December 31, 2013. The outstanding principal amount will be paid at a rate of $1,000, $2,000 and $3,000 each month for the first 12 months, the second 12 months and the third 12 months, respectively. As of June 30 2013, and June 30, 2012, the Company paid an aggregate principal amount of approximately $30,000 and $18,000 respectively, to the officer. The remaining outstanding principal balance and accrued interest will be paid on the maturity date.

In November 2009, the Company finalized and issued a $600,000 2009 senior convertible note payable ("Note 3") to the Shareholder. The Company received the borrowings (the "Advances") in a series of $45,000 on September 8, 2009, $25,000 on September 11, 2009, $125,000 on September 23, 2009, $100,000 on October 14, 2009, $50,000 on October 28, 2009, $175,000 on November 12, 2009, $50,000 on December 14, 2009, and $30,000 on February 26, 2010 totaling $600,000. This senior convertible note is secured by the Company's revenues and assets with the same priority as the March 31, 2010 senior convertible notes, it has a 8% annual interest rate and has a maturity date of December 31, 2013. This note has the conversion price of $0.60 per share of common stock. The Company has recorded approximately $215,500 as an interest expense to date for the Advances received as a result of the beneficial conversion feature. As part of the terms of this note, the maturity dates of all other outstanding senior convertible notes owed to the Shareholder were extended to December 31, 2013. During the year ended June 30, 2011, the conversion price on a $135,000 portion of the Note 3 was also reduced to $0.50 per share of common stock as a result of the additional investment in the Company's restricted common stock.

Effective May 12, 2009, the Company issued a 2009 senior convertible note payable ("Note 2") to the Shareholder to combine the borrowings (the "Advances") in a series of $35,000 each from May 12, 2009 through August 12, 2009, $50,000 and $45,000 on August 14 and 27, 2009, respectively totaling $375,000. This senior convertible note is secured by the Company's revenues and assets with the same priority as the March 31, 2010 senior convertible notes and has a maturity date of December 31, 2013. This note has the conversion prices determined by the closing trading prices of the Company's common stock on the dates the Advances were received.

At June 30, 2013, the Company accrued interest of $1,727,236, $274,078, $4,891, and $18,776 on the convertible notes and the note payable with the Shareholder, the convertible notes with related parties, the convertible note with a third party, and the note payable to a related party, respectively.

NOTE 9 – FAIR VALUE MEASUREMENTS

The Company adopted ASC 820, *Fair Value Measurements and Disclosures*, for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. FASB ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

FASB ASC 820 also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. FASB ASC 820 establishes and prioritizes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2013

	2013			2012		
	Carrying Value	Level 1	Level 2	Carrying Value	Level 1	Level 2
Financial Liabilities						
Convertible notes payable (2)	$ 7,831,785	-	$ 7,757,621	$ 7,155,493	-	$ 6,985,595
Total financial liabilities	$ 7,831,785	-	$ 7,757,621	$ 7,155,493	-	$ 6,985,595

(1) Cash Equivalents

The Company's cash equivalents include short-term investments, which are money market funds. Since these are short-term highly liquid investments with original maturities of three months or less at the date of purchase, they present negligible risk of changes in value due to changes in interest rates. These short-term investments are recorded at fair value on the Company's balance sheet based on quoted market prices and observable market inputs.

NOTE 9 – FAIR VALUE MEASUREMENTS, continued

(2) Convertible Notes Payable

As fully described in Note 8, the Company's convertible notes payable are long-term debts with fixed interest rates and the conversion rates at market at the time the funds were received. In addition, most of these notes are collateralized by the Company's assets and revenues. Further, the debt holders are major shareholders and an officer. The Company estimates the fair value of the convertible notes for disclosure purposes by discounting the future cash flows using rates of debts that management believes are similar in terms and maturity. The Company's short-term convertible note payable is approximate market value.

NOTE 10 – RELATED PARTY TRANSACTIONS

As fully described in Note 9, the Company has several senior convertible note payables with the largest shareholder, a major stockholder, third parties and a promissory note with a related party during the periods ended June 30, 2013 and 2012.

The Company had a consulting agreement with a director to provide services on scientific matters at a monthly fee of $2,500. The agreement was terminated in October 2012. At June 30, 2013 and 2012, the Company owed $82,500 and $75,000, respectively, to the director.

NOTE 11 – EXTINGUISHMENT OF LICENSE PAYABLE

During the year ended June 30, 2013, the Company reached a mutual agreement with a counter party under which $160,000, previously reported as a license payable, was not longer due. Accordingly, the Company has removed this amount from its balance sheet and recorded the related gain on the extinguishment of the license payable.

NOTE 12 – SUBSEQUENT EVENTS

On August 27, 2013 we announced that Polartec, LLC, a premium producer of textile solutions, has been granted a license to utilize our proprietary STAYFRESH® technology for a range of products and fields of use.

In August 2013 the US Patent Office approved patent number 12/830,062 "Polyelectrolyte Complex for Imparting Antimicrobial Properties to a Substrate". This patent will provide protection for an improved method of preparing the Company's NIMBUS antimicrobial products. The method utilizes a Poly-Electrolyte Complex, or PEC in which a negatively-charged (anionic) polymer is used to stabilize the active antimicrobial agent - a positively-charged (cationic) polymer. This complex allows the NIMBUS polymer to be bonded to a wider variety of substrates.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bernd Liesenfeld, certify that:

1. I have reviewed this Annual Report on Form 10-K of Quick-Med Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: September 28, 2013

/s/ Bernd Liesenfeld
Bernd Liesenfeld, President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Jenssen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Quick-Med Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: September 28, 2013

/s/ Paul Jenssen
Paul Jenssen, Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Quick-Med Technologies, Inc. (the "Company") on Form 10-K for the year ended June 30, 2013 as filed with the Securities and Exchange Commission (the "Report"), I, Bernd Liesenfeld, President (Principal Executive Officer) of the Company, hereby certify on the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: September 28, 2013

/s/ Bernd Liesenfeld
Bernd Liesenfeld
President
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Quick-Med Technologies, Inc. (the "Company") on Form 10-K for the year ended June 30, 2013 as filed with the Securities and Exchange Commission (the "Report"), I, Paul Jenssen, Chief Financial Officer (Principal Financial Officer) of the Company, hereby certify on the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: September 28, 2013

/s/ Paul Jenssen
Paul Jenssen
Chief Financial Officer
(Principal Financial and Accounting Officer)