



# Investor Presentation

Biomedical Waste Disposal  
at the Point of Care

August 2009

Biomedical Technology Solutions Holdings, Inc.

OTCBB BMTL



## Safe Harbor Statement

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words “believes,” “project,” “expects,” “anticipates,” “estimates,” “intends,” “strategy,” “plan,” “may,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.



# Company Overview

Biomedical Waste Disposal at the Point of Care

# Company Overview

## Mission Statement

### Our Mission Statement

BMTS is *dedicated* to providing optimal economic and environmentally sound solutions to biomedical waste management. We are *deeply committed* to continual improvement and refinement of our patented technologies in support of customer needs and compliance issues. Moreover, BMTS is actively engaged in educational efforts and devoted to developing a novel waste reclamation program in support of a safer, healthier environment.



### Biomedical Waste Disposal at the Point of Care

- Biomedical Technology Solutions Holdings, Inc. (“BMTS” or the “Company”) develops, manufactures and markets proprietary, branded biomedical waste disposal systems for use in virtually all low to mid volume point of care settings including physician, dental and veterinary clinics, with other public settings including airports, hotels and large entertainment arenas
- Current methods of biomedical waste disposal involve safety risks, costly transportation and treatment, and carry the probability of untreated waste spillage, improper treatment or unlawful dumping which are harmful to the environment
- BMTS’ point of care disposal systems eliminate the need for popular transportation based services, including the inherent risks and costs
- BMTS’ dry heat systems offer a superior alternative to conventional transportation programs by eliminating the costs, risks and environmental dangers associated with storage, transportation and offsite treatment, while eradicating the possibility of inadvertent public health hazards associated with the improper handling and treatment of waste
- BMTS’ patented Demolizer<sup>®</sup> technology systems employ a repeat business model with the Demolizer<sup>®</sup> II dry heat waste disposal unit (the ‘razor’) and the collector (the ‘razor blade’) providing the user a long-life, cost effective and simple to use method to safely dispose of typical sharps and red bag waste at the point of care
- Today the Company is committed to advancing the adoption rate of this superior technology that allows a generator to treat and destroy their biomedical waste at the point of care



Demolizer<sup>®</sup> II Unit



Demolizer<sup>®</sup> II Collector

# Company Overview

## BMTS and the Demolizer<sup>®</sup> Technology

### Who we are and where we came from

#### Demolizer<sup>®</sup> Technology

- The original patented Demolizer<sup>®</sup> biomedical waste processing system was developed in 1993 to provide a safe, environmentally friendly alternative to conventional transportation based sharps and red bag waste disposal methods
- Having revamped the technology architecture after its acquisition in 2005, BMTS introduced the Demolizer<sup>®</sup> II in 2007, as a reconfigured, improved version, which uses the patented Demolizer<sup>®</sup> technology to both sterilize typical sharps and red bag waste and destroy sharps preventing possible re-use
- The Demolizer<sup>®</sup> II has demonstrated high level disinfection ( $>6 \log_{10}$  reduction; 99.9999% efficiency) of important indicator organisms including the USP indicator resistant spore organism *B. atrophaeus*, MSRA, *E. coli*, *M. phlei* and *C. albicans* in studies conducted at Kansas State University

#### Corporate Background

- Biomedical Technology Solutions, Inc., owner of the Demolizer<sup>®</sup> technology executed a reverse merger with CET Services, Inc., a public company, on August 4, 2008 as a means to access liquidity in the public market
- Subsequently CET Services, Inc. was renamed Biomedical Technology Solutions Holdings, Inc., which is now the public parent

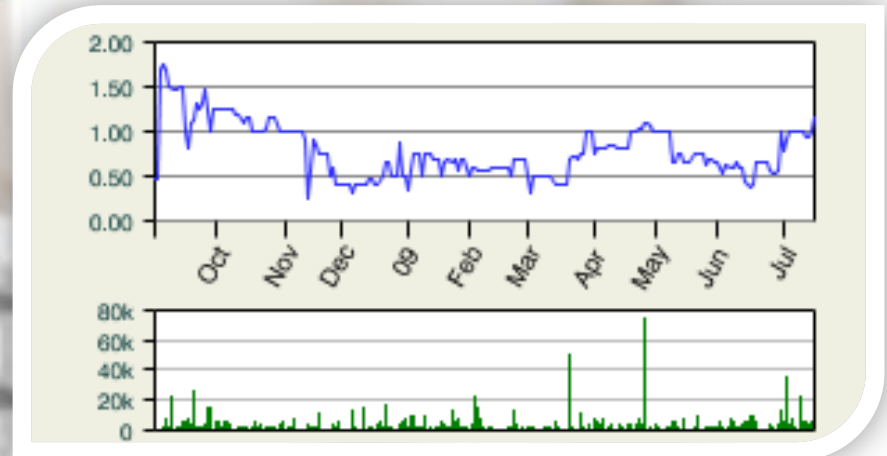
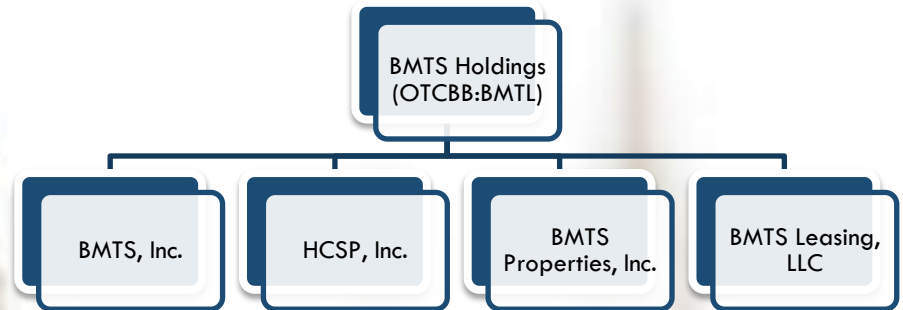


# Company Overview

## Company Snapshot

### Stock Information (8/18/09)

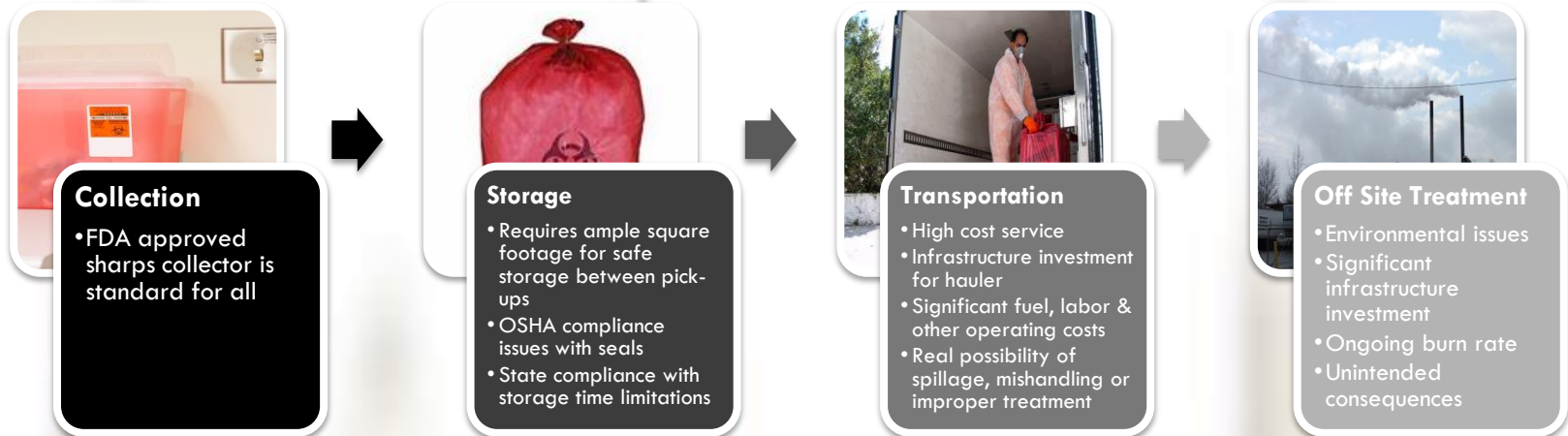
<b>Stock Quote</b>	<b>0.55</b>
Open	0.52
Previous Close	0.55
Change	0.00
Change %	0.0%
Day High/Day Low	0.55/ 0.52
52 wk High/52 wk Low	2.00/ 0.25
Volume (mm)	0.01
Avg. Vol - 3 mo (mm)	0.01
Market Cap (mm)	16.0
Shares Out. (mm)	29.1
Float %	23.9%
Shares Sold Short (mm)	-
Dividend Yield %	-
Diluted EPS Excl. Extra Items	(0.04)



# Company Overview

## Revolutionizing the Biomedical Waste Disposal Industry

### Conventional Disposal Methods



### BMTS Demolizer<sup>®</sup> Method—Environmental Responsibility



# Company Overview

## Product Overview: Demolizer<sup>®</sup> II

### The technology...

- BMTS' core product is the Demolizer<sup>®</sup> II system, a patented tabletop device that converts typical sharps and red bag waste into non-hazardous solid waste (common trash) at the point of generation using environmentally responsible dry heat technology
- The Demolizer<sup>®</sup> technology was invented in 1993, patented in 1999, and has over 350,000 processes to-date
- The Demolizer<sup>®</sup> technology meets EPA and CDC standards, and is either formally approved or meets the requirements for biomedical waste treatment and disposal in 47 US states having successfully passed 78 independent governmental agencies' evaluations
- The Company and its products have an exemplary track record free of legal or compliance issues
- Eliminates a generator's cradle-to-grave liability under EPA's Resource and Conservation Recovery Act of 1976 and Common Law
- BMTS was awarded the Frost and Sullivan's prestigious *2009 North American Medical Waste Treatment Product Innovation of the Year Award*
- The Demolizer<sup>®</sup> technology has been exhaustively tested at Kansas State University, Stanford University and private laboratories in support of state regulatory approvals
- The Demolizer<sup>®</sup> II is a smart system, constantly self-monitoring and controlling all regulatory system requirements as waste is processed
- The system automatically generates labels for immediate documentation, then stores process data, making state required documentation effortless and the generator's cradle-to-grave liability virtually eliminated



### Features, Functions and Benefits

- The unique Demolizer<sup>®</sup> collector technology was developed to perform effectively as a robust, tamper-resistant waste collector for both sharps and red bag waste
- Available in one gallon capacity, the collector complies with OSHA's Bloodborne Pathogen Rule
  - Puncture and leak resistant
  - Safe, one-handed disposal
  - Closable prior to transfer to system for processing
- The Demolizer<sup>®</sup> II unit is a small, on-site treatment device the size of a desktop printer
- Standard power (110 V or 220 V) requirements
- Dual filtration system to prevent odors and make certain the expanding air is bacteria-free
- CSA and CE certified
- Automatic creation of treatment certification documents. Certification labels can be printed in any language to support international markets
- Fail safe hardware and software features ensure minimum treatment standards (350°F for over 90 minutes) are met for every waste load
- Monthly downloading of data to a central server in Colorado for database back-up
- Comprehensive system diagnostic data downloaded each month to support integrated quality initiative

# Company Overview

## Investment Highlights

### Points of Differentiation

- **Only Approved Point of Care Solution**—The Demolizer<sup>®</sup> is the only patented, self contained table-top system capable of converting both typical sharps and red bag waste to ordinary trash
- **Environmentally Responsible**—Our Demolizer<sup>®</sup> point of care disposal systems eliminate the negative environmental impact rampant in transportation based disposal programs including significant fuel consumption and resulting emissions, landfill dangers and toxic incineration consequences
- **Unique Niche**—BMTS has a distinctive point of care disposal system having surmounted significant barriers to entry that position the Company to generate excellent and sustainable net profits
- **Early Mover Advantage**—Approved or meets requirements in 47 US states with final approval pending in three remaining states, and having passed 78 independent governmental agencies' evaluations
- **Complementary Channels of Distribution**—Diversified distributor base provides leverage in medical, dental, veterinary and other professional markets which equates to approximately 1 million commercial Demolizer<sup>®</sup> II users
- **Significant Cost and Safety Benefits for the User**—Our dry heat systems offer a superior alternative to conventional transportation programs by eliminating the costs, risks and environmental damage associated with storage, transportation and offsite treatment alternatives
- **Diverse Customer Base**—Sizable and growing target market, both domestic and international
- **Recurring Revenue**—Razor and razor blade model provides revenue and earnings visibility while providing strong customer retention and brand building
- **Experienced Management Team**—The Company's founders and management team are seasoned entrepreneurs with decades of experience in developing advanced sales organizations built on a foundation of technical expertise and innovation

# Company Overview

## Leadership

### Executive Management

- Don Cox  
CEO/President
- David Kempf  
CFO, COO
- Gex Richardson, Esq.  
In House Counsel

### Board of Directors

- Don Cox  
CEO/President
- David Kempf  
CFO, COO
- Gex Richardson, Esq.  
In House Counsel
- James L. Marsden  
Chief Scientific Officer
- Clifford L. Neuman  
Securities Counsel
- William Sparks  
Director

### Advisory Panel

- James L. Marsden, Ph.D.  
Chief Science Advisor
- Peter J. Gorder, Ph.D.  
Design Engineer
- Mark T. Santoleri, MS, CHSP  
Long Term Care Advisor
- Marc J. Musyl, Esq.  
General Counsel
- Dr. John McDonald  
General Counsel
- Geoffrey Gavin  
General Counsel
- Ian Shanno  
Investor Relations Advisor
- Bemis Manufacturing Company



## Industry Perspective

Booming Demand for Safe Biomedical Waste Disposal

### OSHA Definition of Biomedical Waste

- **Bloodborne Pathogens** means pathogenic microorganisms that are present in human blood and can cause disease in humans
- **Regulated Waste** means liquid or semi-liquid blood or other potentially infectious materials; contaminated items that would release blood or other potentially infectious materials in a liquid or semi-liquid state if compressed; items that are caked with dried blood or other potentially infectious materials and are capable of releasing these materials during handling; contaminated sharps; and pathological and microbiological wastes containing blood or other potentially infectious materials
- Management estimates the worldwide medical waste management market exceeds \$10 billion

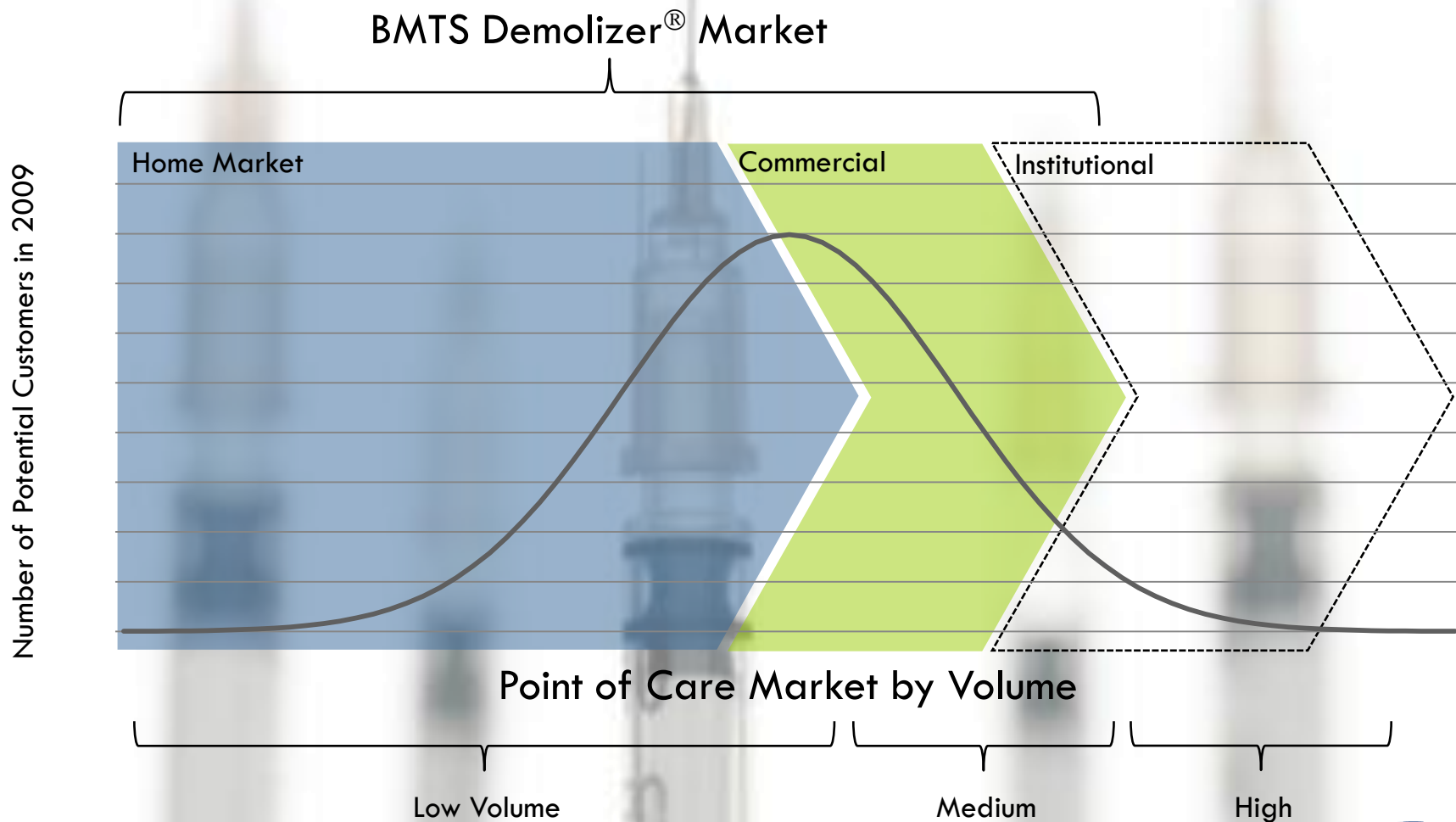
### Categories of Biomedical Waste

- Sharps waste
- Blood saturated waste
- Human blood or other liquid infectious waste
- Microbiological waste (cultures, stocks of infectious agents, etc.)
- Isolation waste (from patients isolated with very rare CDC Class 4 diseases)
- Pathological waste
- Contaminated animal waste (carcasses, bedding, etc. from animals known to be or intentionally infected with zoonotic diseases)

# Industry Perspective

## Alternative Disposal Strategies for Distinctive Markets

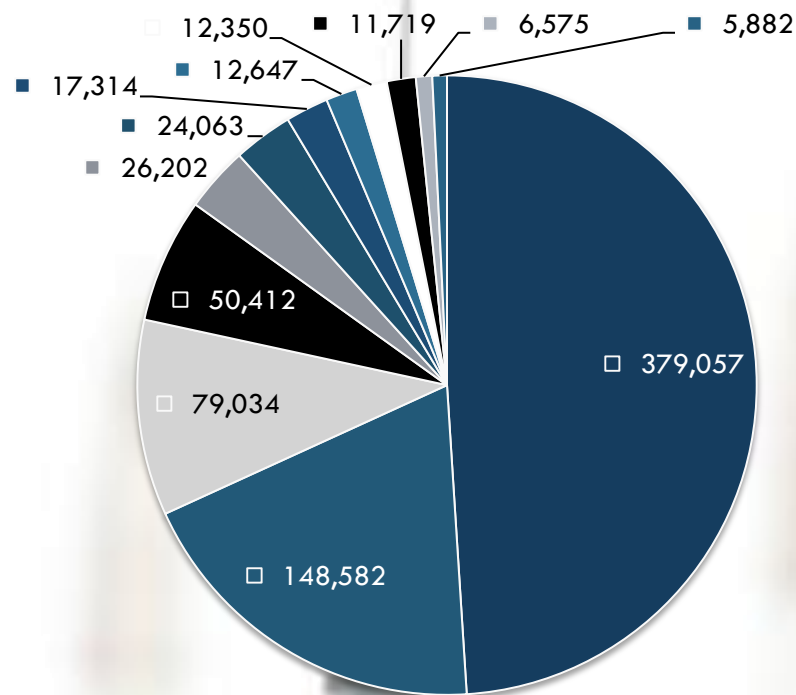
### Typical Sharps and Red Bag Waste Point of Care Market



# Industry Perspective

## Domestic Commercial Market Snapshot

### Commercial Market Participant Segmentation<sup>1</sup>



- Over 1.5 billion pounds of biomedical waste are generated in the U.S. per year, equaling more than 5 lbs per person
- Cost for management of this waste in the U.S. is estimated at \$3.5 billion
- The global commercial medical waste market is estimated at 5 times the U.S. market (> 7 billion pounds) with an approximate market value of \$6.5 billion

### Points of Care

- Medical Doctors
- Health and Allied Services
- Skilled Nursing Facilities
- Osteopathic Physicians
- Dentists
- Home Health Care Services
- Nursing and Personal Care
- Intermediate Care Facilities
- Health Practitioners
- Specialty Outpatient Clinics
- General Medical and Surgical Hospitals
- Specialty Hospitals

(1) Source: Dun and Bradstreet

# Industry Perspective

## Domestic Home Health Care Market

### Expanding Market Opportunity

- In 2006, an estimated 8 million people in the U.S. administered 3 billion injections at home annually
- Expected to grow 165% over ten years
- By 2016, 21 million people in the U.S. will administer 8 billion injections
- Majority of self-injections are diabetes related with a new person in the U.S. diagnosed with Type II diabetes every 21 seconds
- California and Massachusetts have enacted new laws prohibiting landfill disposal of home-generated sharps. Many other states are starting to focus on this emerging public health problem
- There are approximately 20,000 trucks in service each day hauling nothing but biomedical waste from the point of care to its ultimate treatment or landfill destination, consuming valuable fuel and expelling harmful emissions, requiring significant infrastructure investment for this specific purpose and wasting countless other valuable resources

### Demolizer<sup>®</sup> Home Unit

- Designed to solve the home-generated sharps waste problem
- Consumer appliance designed to the same rigorous standards for domestic and international use
- The Home unit will be the size of a common toaster and boast recyclable collectors with a 'razor' / 'razor blade' business model
- Anticipated launch in early 2010

# Industry Perspective

## Domestic Industry Growth Drivers

### Biomedical Waste Disposal

- Aging of Population
  - Aging population to drive need for additional medical attention and a wider variety of tests, procedures and medications leading to an increase in the quantity of regulated waste generated
- Pressure to Reduce Healthcare Costs
  - Point of care biomedical waste disposal has significant cost savings benefits in addition to compliance simplification, which combine to also reduce potential for accidental sticks and other employee exposure to blood-borne pathogens and other infectious agents
  - Costs for biomedical waste disposal are increasing at a rapid rate due to tightening regulations, increasing fuel costs and incineration factors
- Environmental and Safety Regulation
  - Increased regulation, including OSHA compliance requirements, will drive the need for medical waste disposal solutions among businesses where employees may come into contact with blood-borne pathogens
  - States are beginning to address the environmental safety issues related to the management of sharps waste generated in the home—in 2006 8 million Americans administered 3 billion injections; this number is expected to grow by more than 165% over ten years
- Shift to Off-Site Treatment
  - Continued shift from institutional higher-cost acute care settings to less expensive, smaller off-site treatment alternatives
  - Increase in the number of regulated waste generators that must manage their regulated medical waste

# Industry Perspective

## Emerging Global Market

### Global Market Opportunity

- In 2000, the WHO reported that total diabetes global prevalence was 171 million people defining the market for our Home unit
- The global commercial medical waste market is estimated at 5 times the U.S. market (> 7 billion pounds) with an approximate market value of \$6.5 billion
- Expected at home market to grow to 366 million people by 2030
- Currently over 25 billion annual home injections are required to effectively manage disease on a global basis
- In 2030, over 54 billion home injections will be required

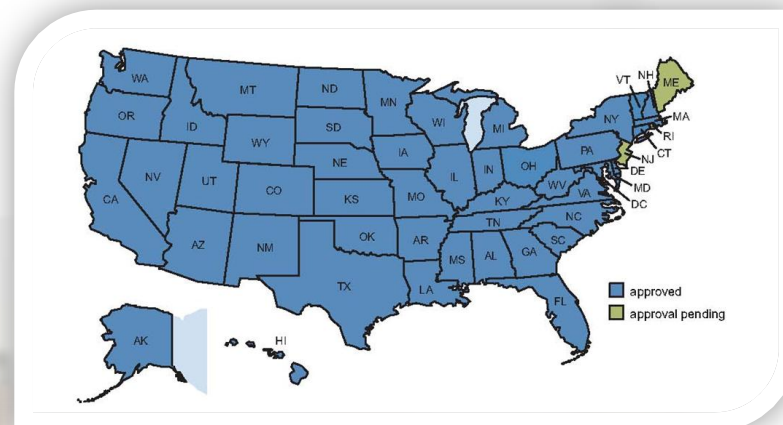
### The Gazel

- Adaptation of the Demolizer<sup>®</sup> technology to meet needs of the developing world and emerging markets
- Lower cost rugged device designed for use in low resource clinical environments to try to prevent the spread of disease from the improper disposal and reuse of contaminated syringes in the developing world
- For commercial and philanthropic use
- Anticipated launch in 2010

## Regulatory Highlights

- The treatment and disposal of biomedical waste in the U.S. is primarily regulated at the state and local level
- In about half the states, formal approval must be granted by the Department of the Environment and/or Department of Health
- The remaining states require the user to determine whether a technology meets the standards
- To support these approvals, the technology has been exhaustively evaluated in a series of microbiological efficacy trials
- The technology meets federal law and guidelines include the OSHA Bloodborne Pathogen Rule, the EPA and the CDC published guidelines for the management of infectious waste

## Demolizer<sup>®</sup> II Regulatory Approvals



- Rules related to treatment and disposal of medical waste are found at the state and local level
- The Demolizer<sup>®</sup> technology is either formally approved or meets the requirements for medical waste treatment and disposal in 47 U.S. states
- These approvals involved review by over 78 governmental agencies at the state and local level
- Average state approval has taken three to five years, representing one of many significant barriers to entry already surmounted by the Demolizer<sup>®</sup> II



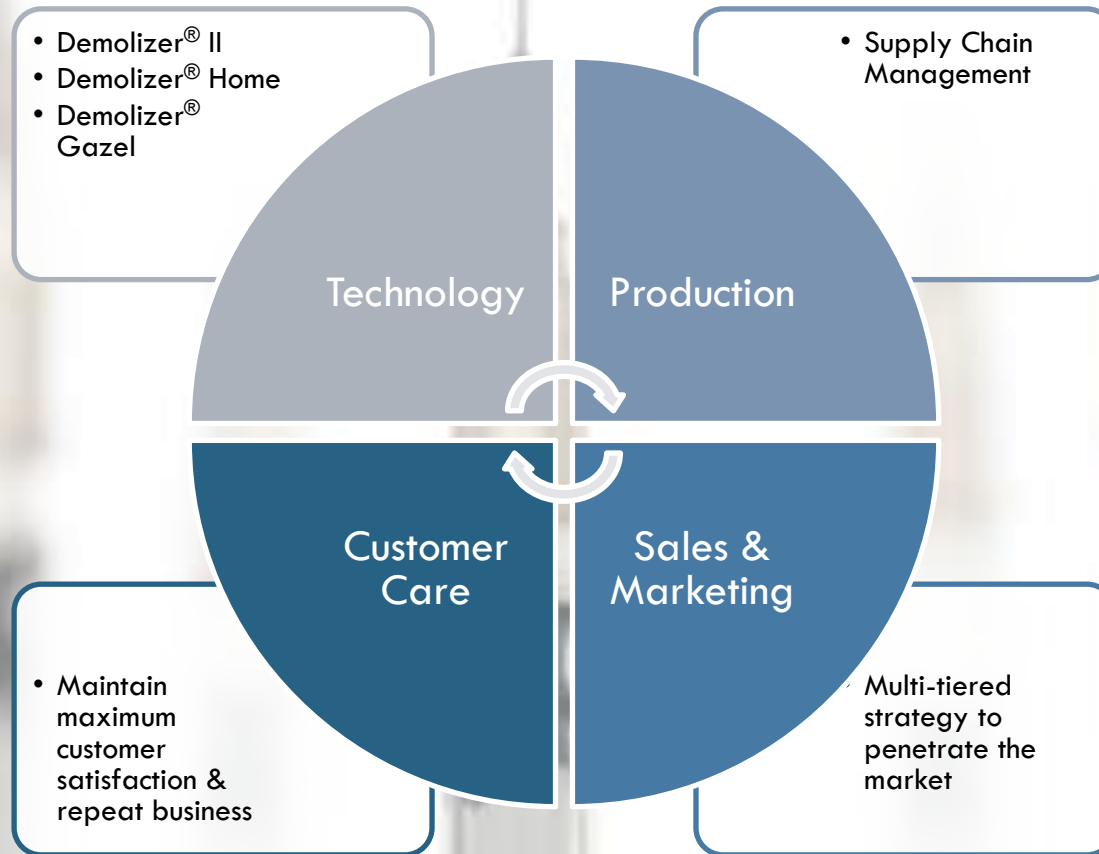
# Strategy and Outlook

Driving Market Adoption to Point of Care Disposal

# Strategy and Outlook

## Organization Structure and Operational Efficiency

### Safe, Affordable and Sustainable Point of Care Biomedical Waste Disposal



# Strategy and Outlook

## Production and Supply Chain Management

### The 'Razor'

- In the past, BMTS relied on qualified contract manufacturers. As of 2009 Q1, BMTS has moved final electronic box assembly in-house to better control manufacturing costs and quality
- BMTS expects to continue to use contract manufacturers for many system subassemblies when warranted
- BMTS has in-house engineering capabilities and works in partnership with industry leaders in design and manufacturing for new product development and product improvements



Demolizer® II Unit

### The 'Razor Blade'

- Our sharps collector is fitted with a patent pending, spinning safety lid allowing safe one-handed disposal of used syringes
- Offshore manufacturing agreement for the manufacturing of collector components in China
- Partnership with Bemis Manufacturing for the co-design, development and manufacturing of a fully recyclable plastic "sharps" collector



Demolizer® II Collector

# Strategy and Outlook

## Channels of Distribution

### HealthCare Sales Professionals, Inc.

- HCSP, a BMTS subsidiary, was created in 2009 to drive the sales of the Demolizer® II and related products
- Through a network of sales professionals, HCSP will qualify leads, support the distribution channel and provide in-field sales support
- 2 Phase Approach
  - Phase I targets distributors with customers in physician, dental, veterinary and other clinical point of care settings
  - Phase II will target additional markets including public health clinics, the sports industry, hospitality, international and the military
- Sales Channels
  - Distributors (national and regional)
  - Direct sales team targeting large national accounts
- Distributor Relationships
  - Existing: Henry Schein, PSS World Medical, Patterson Companies, Gulf South, Burkhart and several regional distributors
- GSA Listing
  - GSA listing in progress for the military market with two systems sold to Buckley Air Force Base and two systems to be sent to U.S. base in Turkey

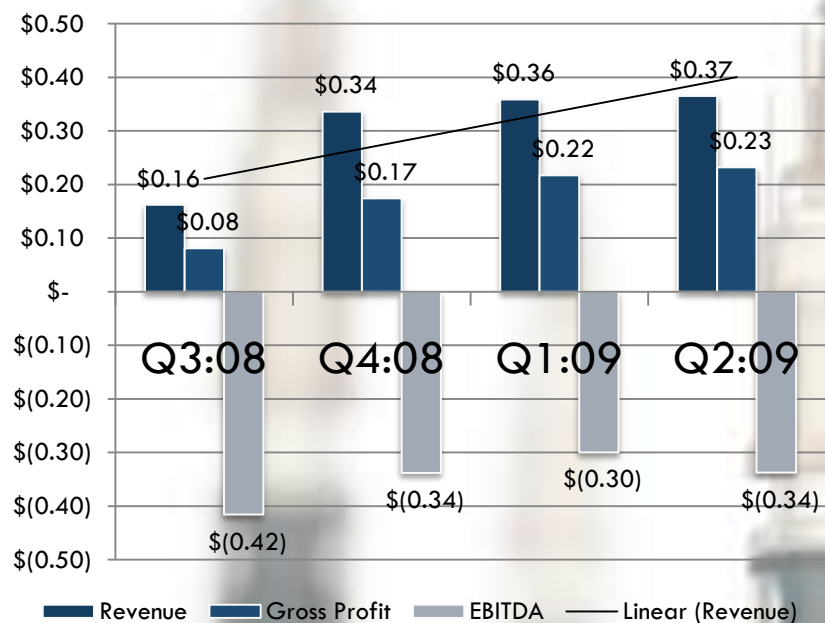
# Strategy and Outlook

## Financial Overview

### Building on a Foundation—Three Quarters as a Public Company

#### Income Statements

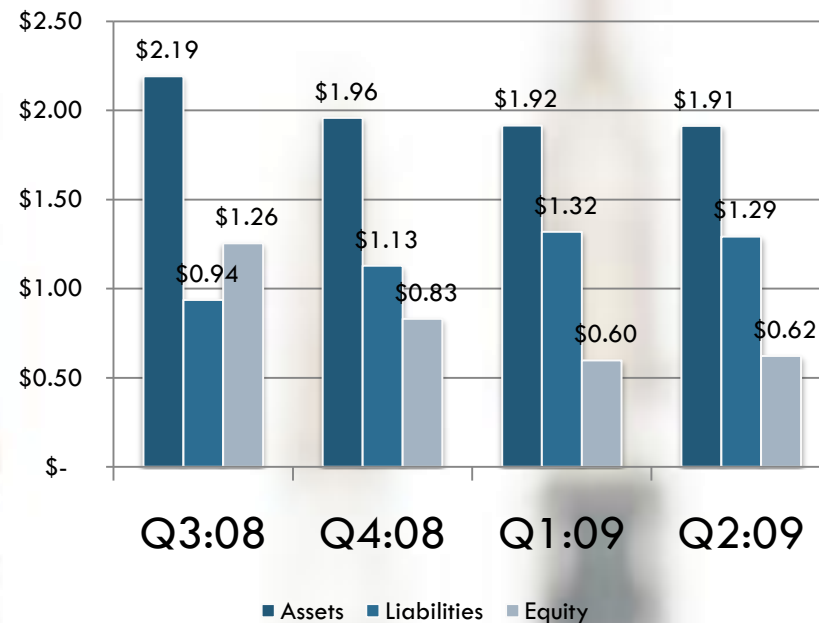
(\$ Millions)



- Revenue increased 131% from Q3:08 to Q2:09
- Gross Margins expanded from 50% in Q3:08 to 63.5% in Q2:09

#### Balance Sheets

(\$ Millions)



- Revenue growth has drawn on working capital from Q3:08 to Q2:09
- Payables increase a driver in Liabilities growth over past three quarters
- We are currently evaluating financing options to ensure adequate growth capital

# Strategy and Outlook

## Product Metrics and Growth Economics

### Demolizer® Disposal Unit—One Time Sale



### Growth Equation

$$a \times b \times c = \text{Revenue}$$

- $a$  - Market Size
- $b$  - Adoption Rate
- $c$  - Price per Unit

### Demolizer® Collectors—Recurring Revenue



$$a \times b \times d \times e = \text{Revenue}$$

- $a$  - Market Size
- $b$  - Adoption Rate
- $d$  - Price per Collector Case
- $e$  - Frequency of Case Repurchase

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